

# FINANCIAL LITERACY IN GERMANY

Supporting financial resilience  
and well-being

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The report presents the rationale for increasing the financial literacy levels of individuals in Germany and for the adoption of a National Strategy for Financial Literacy. It describes financial literacy levels, the actors directly involved in promoting financial literacy and the ongoing financial literacy initiatives at the federal, state and local levels. It provides policy recommendations for the design of the National Strategy.

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# Foreword

The OECD through the Recommendation on Financial Literacy invites governments to establish and implement national strategies on financial literacy. These evidence-based and coordinated approaches recognise the importance of financial literacy coherently with other policies that foster economic and social prosperity and provide a framework for cooperation among all stakeholders.

In Germany, the design of a National Financial Literacy Strategy takes place in the context of the Financial Literacy Initiative launched by the Federal Ministry of Finance and the Federal Ministry of Education and Research. This initiative recognises the need to improve the general understanding of financial issues across all generations in Germany and sees financial literacy as a powerful tool to foster equal opportunities. Indeed, higher levels of financial literacy would support the participation of individuals and households in capital markets, help them in planning for retirement and avoid old-age poverty. They would also be a pre-requisite for self-determination and participation in the economy.

This report presents the rationale for increasing the financial literacy levels of individuals in Germany and for the adoption of a National Strategy. It describes the actors directly involved in financial literacy, and the financial literacy initiatives currently being implemented in the country at the federal, state, and local levels. The content of this report and its preliminary policy considerations will be useful to relevant stakeholders across government, independent authorities, not-for-profit and private sectors, and to the public. It will be used by the OECD to draft the proposal for a National Financial Literacy Strategy for Germany

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# Table of contents

Foreword	3
Executive summary	6
1 Introduction	9
The Financial Literacy Initiative	9
2 Objectives and methodology	11
Objectives and scope	11
Sources of evidence	11
3 Financial literacy in Germany: Evidence and relevance	14
Financial literacy in Germany: sources of evidence and international comparison	14
Financial literacy of adults	17
Financial literacy of young people	23
The relevance of financial literacy	24
4 Existing provision of financial education in Germany	35
Financial education stakeholders in Germany	35
Financial education initiatives	41
Financial literacy initiatives in German schools	51
5 Identification of gaps and policy considerations	55
Identification of gaps	55
Groups of the population	55
Content of financial literacy initiatives	57
Coordination of financial literacy policies, design and delivery of financial literacy initiatives	59
Policy considerations to feed into the design of the Strategy	61
References	64
Annex A. The education system in Germany	71
Annex B. Stocktaking questionnaire	72

## FIGURES

Figure 3.1. Financial literacy levels in Germany	17
Figure 3.2. Levels of financial well-being	22
Figure 3.3. Methods of retirement funding	25
Figure 3.4. Active saving and setting long-term financial goals	26
Figure 3.5. Retirement confidence among the working-age population	27
Figure 3.6. Attitudes towards the digitalisation of financial services	31
Figure 3.7. Digital financial literacy levels in Germany	32
Figure 3.8. Awareness and holding of sustainable finance products	34
Figure 4.1. Nature of financial literacy stakeholders in Germany	36
Figure 4.2. Profile of not-for-profit financial literacy stakeholders	39
Figure 4.3. Financial literacy initiatives by kind of stakeholder in Germany	41
Figure 4.4. Geographical coverage of financial literacy initiatives	41
Figure 4.5. Distribution of state-level initiatives among German states	42
Figure 4.6. Financial literacy initiatives by kind of activity	43
Figure 4.7. Groups of the population targeted by financial literacy initiatives	43
Figure 4.8. Delivery channels	44
Figure 4.9. Implementation setting	45
Figure 4.10. Topics addressed by financial literacy initiatives in Germany	46
Figure 4.11. Financing the initiative	48
Figure 4.12. Use of data and research to design financial literacy initiatives	49
Figure 4.13. Use of data by implementing stakeholder and kind of financial literacy activity	49
Figure 4.14. Monitoring the implementation of financial literacy initiatives	50
Figure 4.15. School grades for which financial literacy stakeholders have designed resources	53
Figure 4.16. Topics addressed by financial literacy initiatives delivered in schools	54
Figure 5.1. Stakeholders' views on the future topics to be addressed by the National Strategy	60
Figure 5.2. Stakeholders' views on the future target audiences of the National Strategy	60
Figure 5.3. Stakeholders' views on the grades in which financial literacy should be provided in schools as part of the National Strategy	61

## TABLES

Table 3.1. Responses to financial knowledge questions for all adults and by gender	19
Table 3.2. Self-assessed financial knowledge	19
Table 4.1. Not-for-profit financial literacy stakeholders	39

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# Executive summary

Financial literacy levels of adults in Germany are relatively high in international comparison, but only 55% of adults feel confident about their retirement plans, 25% cannot cover their living expenses for at least three months if they lost their main source of income, and 65% know that crypto-currencies are not legal tender as banknotes and coins. Furthermore, average levels of financial literacy hide significant differences across groups: for example, individuals with lower levels of income and education have a lower level of overall financial literacy than individuals with higher incomes and education. Importantly, women have lower financial knowledge and confidence than men.

The report presents levels of financial literacy in Germany and the current provision of financial education by public, private and not-for-profit stakeholders. It contributes to the evidence required to design a National Financial Literacy Strategy for Germany.

The analysis shows that financial literacy does make a difference for individual financial outcomes, and it can positively contribute to the financial well-being of people living in Germany. Adults in Germany with high financial literacy are 80% more likely to feel confident about their retirement plans, 70% more likely to hold pensions products and 120% more likely to hold investment products than those with low financial literacy, after accounting for socio-demographic characteristics. If these individual attitudes and behaviours were more widespread among the population, this would also benefit the resilience of the German economy as a whole and support the development of its capital markets.

## Key findings

Over 120 public, private and not-for-profit stakeholders and 35 individuals working in the field of financial literacy responded to the nationwide stocktaking survey undertaken to prepare this report. They provided information on almost 180 financial literacy initiatives implemented in Germany as of September 2023:

- Implementing organisations: most stakeholders active in financial literacy are not-for-profit organisations including finance industry associations (55%), followed by universities, academia and research institutions (13%), private sector institutions (12%) and the public sector (10%).
- Coverage and accessibility: around 70% of initiatives have a federal coverage or are available online, 14% are implemented in one or more states and 6% are run at the local level, mostly in state capitals. Almost 90% of initiatives can be accessed for free.
- Type of financial literacy activity: around 70% of initiatives focus on training and an equal percentage on the provision of information. Around 45% are part of global or national regular communication campaigns such as the OECD's Global Money Week. Around a fifth include the provision of generic or personalised financial advice.
- Content: most financial literacy topics underpinning financial well-being are given adequate consideration in existing programmes. The most popular topics are budgeting and day-to-day money management; long-term savings, investment and pensions; credit and over-indebtedness. Topics are broadly similar across initiatives covering various categories of the population.

- Target audience: over half of initiatives target children and young people and one third the whole population. A relatively low number focus on seniors, low-income people and the unemployed, people struggling with debt or over-indebted, retail investors, and the self-employed or owners of micro and small enterprises.
- Use of evidence and research: not all initiatives are designed taking into account financial literacy evidence or insights from research, and just a handful have undertaken a rigorous impact evaluation.

## Key recommendations

Notwithstanding the wealth of initiatives and the commitment to advance financial literacy demonstrated by all stakeholders, the analysis identifies potential gaps in the provision of financial literacy that can be addressed through the implementation of a National Financial Literacy Strategy for Germany. The implementation of a National Strategy would facilitate the design and delivery of financial education adapted to the target audiences, and bring together all relevant stakeholders building on federal and state-level responsibilities.

The analysis of financial education provision and of financial literacy gaps in the population shows that some groups of the population could be prioritised as part of the National Strategy implementation. These include:

- **Individuals with low levels of income and education**, such as the 8% of adults who struggle with over-indebtedness, as well as the unemployed, immigrants and refugees: they have low levels of financial literacy and have limited access to tailored financial education.
- **Women**: they have lower financial knowledge and confidence than men and they save less. As they often have more fragmented work careers than men, they tend to have lower retirement income. Despite this, few accessible financial education initiatives have a gender angle.
- **Working adults and the self-employed**: overall, only 62% of the self-employed and 53% of employees are confident in their retirement plans, including just 40% of all working-age adults in East Germany.
- **Young people**: more evidence is needed on their financial literacy needs, and current provision of financial education in schools could be better coordinated. Future efforts can build on their eagerness to learn about financial literacy: 81% of young people aged 14-24 would like to learn about retirement provision options in school, 87% about money management, and 73% about investment options.

The analysis also shows the need to support relevant financial competences, in particular in the following policy areas:

- **Saving for the long-term and retirement**: only 52% of adults in the working-age population feel confident about their retirement plans and only around half hold occupational or private pensions.
- **Participating in capital markets**: almost 90% of adults in Germany save actively, but only 18% hold investment products.
- **Using credit responsibly**: while there are many financial education programmes on credit, almost 600 000 people sought help from debt advice centres in Germany in 2022.
- **Using digital financial services safely**: only under half of adults in Germany feel comfortable using digital financial services, and 7% of adults in Germany have been victims of financial fraud or scams.
- **Meeting sustainability preferences**: 65% of adults are aware of sustainable financial products, but only 15% hold them.

The design of financial literacy initiatives in Germany could benefit from a more widespread use of evidence from research. The use of existing evidence on the financial literacy of adults could be encouraged. Gaps in the understanding of financial literacy levels of young people could be addressed through more systematic data collection.

Finally, stakeholders in Germany could be encouraged to adopt a common monitoring and evaluation approach. The effectiveness of financial literacy initiatives in the country would benefit from a better understanding of what works and what makes a contribution to the financial well-being of people living in Germany.

# 1 Introduction

This report is developed as part of the project to design a National Financial Literacy Strategy for Germany. It contributes to the evidence necessary to design the Strategy proposal, by analysing financial literacy data for adults and young people in Germany as well as qualitative information describing existing financial literacy stakeholders and initiatives. The OECD has been chosen by the German government as implementing partner in this project.

The OECD started its financial literacy project in 2002 and established the OECD International Network on Financial Education (OECD/INFE) in 2008. It is acknowledged as the international leader in the development of policy instruments, data and research on financial education.

## The Financial Literacy Initiative

The development of a National Financial Literacy Strategy for Germany takes place in the context of the Financial Literacy Initiative<sup>1</sup>. The Initiative was launched at a national conference in Berlin on 23 March 2023 by Federal Finance Minister Christian Lindner and Federal Minister of Education and Research Bettina Stark-Watzinger.

The main objective of the Initiative is to improve the general understanding of financial issues across all generations in Germany. Financial education is seen as an essential aspect of general education, which fosters equal opportunities, and is a prerequisite to economic independence for individuals.

The Financial Literacy Initiative includes three main pillars:

- The National Financial Literacy Strategy, developed with the support of the OECD.
- A Financial Literacy Platform<sup>2</sup>, which brings together the financial education offer of various stakeholders in Germany, and which will allow stakeholders to network and exchange information more effectively.
- A fund to support research on financial literacy in Germany, to understand what works best for different target groups and develop targeted financial literacy initiatives.

The Initiative builds on the essential contribution of financial literacy stakeholders. Stakeholders from the public, private and not-for-profit sectors have contributed to the Initiative by responding to a stock taking survey and by actively participating in two important national events organised in the second half of 2023.

### **Stakeholder workshop**

A stakeholder workshop took place in Berlin on 20 October 2023 at the headquarters of the Federal Ministry of Finance. It was co-organised by the Federal Ministry of Finance, the Federal Ministry of Education and Research and the OECD. The workshop gathered over 100 financial literacy stakeholders from the public, private and not-for-profit sectors in Germany, as well as experts from the OECD Secretariat and the OECD International Network on Financial Education.

The workshop benefitted from the contributions of Federal Minister Lindner and Federal Minister Stark-Watzinger. It gathered stakeholders to discuss:

- The need for a national strategy for financial literacy in Germany.
- The preliminary results of the stocktaking survey undertaken by the OECD among German financial literacy stakeholders.
- Case studies from the Federal Ministry of Finance of Austria, and the Financial Consumer Agency of Canada.
- The priorities of the future National Financial Literacy Strategy in break-out session: its priority target groups and priority areas, as well as the expectations and possible contributions by public, private and not-for-profit stakeholders to the Strategy's implementation.

### **National Conference “*Finanzielle Bildung für das Leben*”**

The National Conference “Financial Education for Life” (*Finanzielle Bildung für das Leben*) was organised on 5-6 December 2023 in Berlin by the Federal Ministry of Education and Research together with the Federal Ministry of Finance. It gathered over 400 participants mostly from the education community, to discuss the importance of financial education and the future National Strategy.

The two-day event benefitted from the contribution of international experts and of the OECD Secretariat. It focused on the relevance of financial education for Germany and in particular on:

- Financial education on the internet, between education, advice and information.
- Consumer protection and financial education.
- Financial education and lifelong learning.
- Gender gaps in financial literacy.
- Financial education, education for sustainable development and sustainable finance.
- International experiences in the development of national financial literacy strategies.

# 2 Objectives and methodology

## Objectives and scope

The objectives of this report are to contribute to the analysis required for the design of a National Financial Literacy Strategy for Germany and to inform dialogue among stakeholders in Germany.

In terms of scope, the report covers the following:

- Chapter 3 describes the relevance of financial literacy in the German context, as well as financial literacy needs, based on the results of quantitative and qualitative surveys undertaken in Germany, as well as on existing financial literacy research.
- Chapter 4 presents current financial literacy provision in Germany, by looking at both the institutional actors active in this field as well as at their financial literacy initiatives.
- Chapter 5 identifies the main gaps in financial literacy provision in Germany, building on the analysis undertaken in previous chapters and includes policy considerations to feed in the design of the National Financial Literacy Strategy.

## Sources of evidence

The project to design a National Financial Literacy Strategy for Germany builds on two main sources of evidence: quantitative evidence on financial literacy levels of the German population, and qualitative evidence provided by financial literacy stakeholders on their current initiatives and on their views for the future National Strategy.

### **Quantitative evidence on financial literacy**

The quantitative evidence was collected by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) using the OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion 2022 (OECD, 2022<sup>[1]</sup>) (see also Box 3.1). Data was collected from 19 September to 18 October 2022 through Computer-Assisted Telephone Interviewing (CATI), on a sample of 1 000 adults representative of the German population (18-79).

The data collected was shared by BaFin with the OECD Secretariat. It was analysed by the OECD Secretariat to feed into the OECD/INFE 2023 International Survey of Adult Financial Literacy coordinated by the OECD International Network on Financial Education (OECD, 2023<sup>[2]</sup>) and for the purpose of this report.

Whenever relevant, data for Germany will be presented alongside data for the additional 19 EU Member States that participated in the 2023 OECD/INFE measurement exercise. These are: Croatia, Cyprus, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Spain, and Sweden.

The report also presents the limited available data on young people.

### ***Qualitative evidence***

The qualitative evidence was collected through a national stocktaking survey of stakeholders involved in financial literacy research and provision (see Annex B). The survey was developed by the OECD in cooperation with the Federal Ministry of Finance and the Federal Ministry of Education and Research. It was distributed in July 2023 to financial literacy stakeholders from the public, private and not-for-profit sectors identified by the two Federal Ministries and with input from the OECD. The survey was also made available on the webpage of the Federal Ministry of Finance.

122 stakeholders from the public, private and not-for-profit sectors and 35 individuals responded to the survey, providing information on 177 financial literacy initiatives. Hereinafter in the report, these will be referred to as “financial literacy stakeholders” or “stakeholders”. Stakeholders active in the field of financial literacy who have not contributed to the survey are not included in the analysis.

The survey questionnaire was structured around the following sections:

- The relevance of financial literacy policies and initiatives in Germany and the stakeholder’s expertise.
- Financial literacy initiatives.
- Data and research.
- Existing forms of cooperation.
- Stakeholder’s expectations concerning the National Financial Literacy Strategy.

### Box 1. Definitions used in this report

**Financial education:** The process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.

**Financial Literacy:** a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being.

**Digital Financial Literacy:** a combination of knowledge, skills, attitudes and behaviours necessary for individuals to be aware of and safely use digital financial services and digital technologies with a view to contributing to their financial well-being.

**Financial resilience:** the ability of individuals or households to resist, cope and recover from negative financial shocks.

**National strategy for financial literacy:** a nationally co-ordinated approach to financial education that consists of an adapted framework or programme, which:

- Recognises the importance of financial literacy - through legislation where appropriate - and agrees its scope at the national level, taking into account identified national needs and gaps.
- Is coherent with other strategies fostering economic and social prosperity such as those focusing on financial inclusion and financial consumer protection.
- Involves cooperation with relevant stakeholders as well as the identification of a national leader or co-ordinating body/council.
- Includes the establishment of a roadmap to support the achievement of specific and predetermined objectives within a set period of time.
- Provides guidance to be applied by individual programmes implemented under the national strategy in order to efficiently and appropriately contribute to the overall strategy.
- Incorporates monitoring and evaluation to assess the progress of the strategy and propose improvements accordingly.

**Financial well-being:** financial well-being is the ultimate objective of financial literacy. Financial well-being takes into account both objective and subjective elements and makes reference to various aspects, such as:

- Having control over one's finances in terms of being able to pay bills on time, not having unmanageable debt and being able to make ends meet.
- Having financial resilience against unexpected expenses and emergencies. Having savings, health insurance and good credit, and being able to rely on friends and family for financial assistance can increase consumers' capacity to absorb a financial shock.
- Being able to meet financial goals, such as paying off one's student loans within a certain number of years or saving a particular amount towards one's retirement, and being able to make choices that allow one to enjoy life, such as taking a vacation, enjoying a meal out now and then, going back to school to pursue an advanced degree, or working less to spend more time with family.

Sources: (OECD, 2020<sup>[3]</sup>; 2022<sup>[4]</sup>; 2020<sup>[5]</sup>; 2021<sup>[6]</sup>).

# 3 Financial literacy in Germany: Evidence and relevance

This chapter describes the financial literacy levels of adults and young people in Germany, focusing on gaps and areas for improvement, while also addressing the relevance of financial literacy. It then presents available evidence across policy areas which are relevant for the design of a National Financial Literacy Strategy.

The first section presents financial literacy data, highlighting the groups of the population who display significant gaps in their financial literacy levels while also addressing the relevance of financial literacy. The main source of evidence is the analysis undertaken by the OECD Secretariat on the financial literacy data collected by BaFin in 2022 on a representative sample of the adult population living in Germany, using the OECD/INFE Toolkit for Measuring Financial Literacy and Inclusion (OECD, 2022<sup>[11]</sup>) (hereafter referred to as “2022 financial literacy survey”). Additional sources of evidence collected at the national level are included when relevant.

The second section highlights the relevance of higher levels of financial literacy in the following policy areas:

- saving for the long-term and for retirement
- participating in capital markets
- using credit responsibly
- using digital financial services safely
- meeting sustainability preferences.

## Financial literacy in Germany: sources of evidence and international comparison

The OECD definition of financial literacy included in the OECD Recommendation on Financial Literacy states that this is “a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being” (OECD, 2020<sup>[3]</sup>). This definition is recognised globally and is used by the G20 (OECD, 2017<sup>[7]</sup>) and the European Commission (European Union/OECD, 2022<sup>[8]</sup>; 2023<sup>[9]</sup>). The data collected by BaFin in 2022 according to the OECD/INFE methodology follow this definition (see Box 3.1). Other studies which measure financial literacy levels of adults use a selected set of questions inspired by the OECD/INFE methodology, covering knowledge, behaviours and attitudes (European Commission, 2023<sup>[10]</sup>). Most studies however, focus only on one of its components, namely financial knowledge<sup>3</sup> (Klapper, Lusardi and Van Oudheusden, 2015<sup>[11]</sup>; Bucher-Koenen and Knebel, 2021<sup>[12]</sup>; Demertzis et al., 2024<sup>[13]</sup>; Deutsche Bundesbank, 2024<sup>[14]</sup>).

Regardless of the methodology employed for measurement, Germany achieves high rankings in international comparisons. For example, in the OECD/INFE 2023 International Survey of Adult Financial Literacy (OECD, 2023<sup>[2]</sup>), while the average score - including financial knowledge, financial behaviour and financial attitude - among participating OECD countries is 63 out of 100, Germany attains a score of 76

out of 100. However, it is important to recognise that these questions address basic aspects of financial knowledge, behaviours, and attitudes and that as such, even respondents scoring 100 points possess only a basic understanding of financial concepts, demonstrating the ability to apply prudent principles in personal finances and dealings with the financial sector. In comparison to other European countries (European Commission, 2023<sup>[10]</sup>), Germany ranks ninth in terms of the proportion of adults who can accurately answer at least three out of five financial knowledge questions (Demertzis et al., 2024<sup>[13]</sup>). Another measure of financial knowledge can be found in the German Panel on Household Finances (PHF), a survey on household finance and wealth in Germany conducted by the Research Centre of the Deutsche Bundesbank, which includes questions on financial knowledge. Using this measure, around 60% of respondents can correctly answer three key financial knowledge questions (Bachmann, Rulff and Schmidt, 2021<sup>[15]</sup>).

These sources of evidence indicate that, even for a relatively high performer in international comparison such as Germany, there is considerable room for improvement. In particular, the average hides that there are groups of the population who display substantial gaps in financial literacy, with negative implications for their financial well-being and potential adverse repercussions on the economy.

This report mainly presents the data collected by BaFin in 2022 using the OECD/INFE Toolkit, as it is the most recent source of evidence collected in Germany, and because it covers financial knowledge, behaviours, and attitudes. This is in line with the internationally recognised definition of financial literacy, which is also the one adopted by Germany through its adherence to the OECD Recommendation (OECD, 2020<sup>[3]</sup>).

The report also presents the limited available evidence on the financial literacy of young people. German states have not participated in the financial literacy assessment of the OECD Programme for International Student Assessment (PISA)<sup>4</sup> (2019<sup>[16]</sup>; OECD, 2020<sup>[17]</sup>), nor has there been a systematic measurement of financial literacy among young people on a nationally representative scale. However, researchers and financial literacy stakeholders have gathered evidence on specific policy areas, such as credit, investing or banking products (SCHUFA, 2023<sup>[18]</sup>; Roggemann et al., 2023<sup>[19]</sup>; Bankenverband, 2021<sup>[20]</sup>; Jonas, Hoffmann and Binder-Tietz, 2022<sup>[21]</sup>), or on the financial literacy of students in individual states (Brühl, 2019<sup>[22]</sup>; Erner, Goedde-Menke and Oberste, 2016<sup>[23]</sup>).

### Box 3.1. The OECD/INFE methodology to measure financial literacy and digital financial literacy in Germany

This report measures the financial literacy of adults in Germany using the OECD/INFE Toolkit for Measuring Financial Literacy and Inclusion (OECD, 2022<sup>[1]</sup>). The Toolkit has been used to collect financial literacy evidence on adults in Germany several times. It was first used in 2016 by the Deutsche Bundesbank for the G20/OECD INFE report on adult financial literacy in G20 countries (OECD, 2017<sup>[7]</sup>) developed in the context of Germany's G20 Presidency in 2017. It was then used by BaFin in 2019 (BaFin, 2020<sup>[24]</sup>) and again in 2022. On both occasions, this evidence contributed to international coordinated measurements of financial literacy organised by the OECD/INFE and fed in international comparative reports on financial literacy (OECD, 2020<sup>[5]</sup>; 2023<sup>[2]</sup>). The evidence collected in 2022 fed into the OECD/INFE 2023 international survey of adult financial literacy (OECD, 2023<sup>[2]</sup>). Some 39 countries and economies, including 20 EU Member States and eight G20 members, participated in this global coordinated measurement exercise. In accordance with the OECD definition of financial literacy (OECD, 2020<sup>[3]</sup>), it captures information about financial behaviour, attitudes and knowledge, as well as information on financial literacy outcomes such as financial inclusion, well-being and resilience.

The Toolkit can be used to calculate a financial literacy score, through selected questions on financial knowledge, behaviours and attitudes:

- Financial knowledge on topics such as inflation, interest, and diversification (7 questions)
- Financial behaviours, such as budgeting, planning or managing finances (9 questions)
- Financial attitudes, such as having an orientation towards the long term (2 questions)

Answers to these financial literacy questions are used to calculate a score which is scaled to range between 0 and 100. An individual achieving the highest possible score (100) possesses just a basic understanding of financial concepts and displays prudent behaviours and attitudes in the management of their financial lives.

The Toolkit can also be used to measure digital financial literacy, through questions to assess the digital financial knowledge of respondents, and collect information on their digital financial behaviour and attitudes:

- Digital financial behaviours: behaviours associated with security procedures online and safekeeping of passwords, and whether respondents check if a provider is regulated before buying a financial product online.
- Digital financial knowledge: understanding the validity of digital contracts and the use of personal data in determining offers by financial services providers, as well as the legal tender of crypto-assets.
- Digital financial attitudes: views over the safety of shopping using public Wi-Fi, the attention paid to the security of a website used to make a transaction online, and the importance attached to reading terms and conditions when buying something online.

Responses to these questions are used to calculate a digital financial literacy score, which is scaled to range between 0 and 100.

## Financial literacy of adults

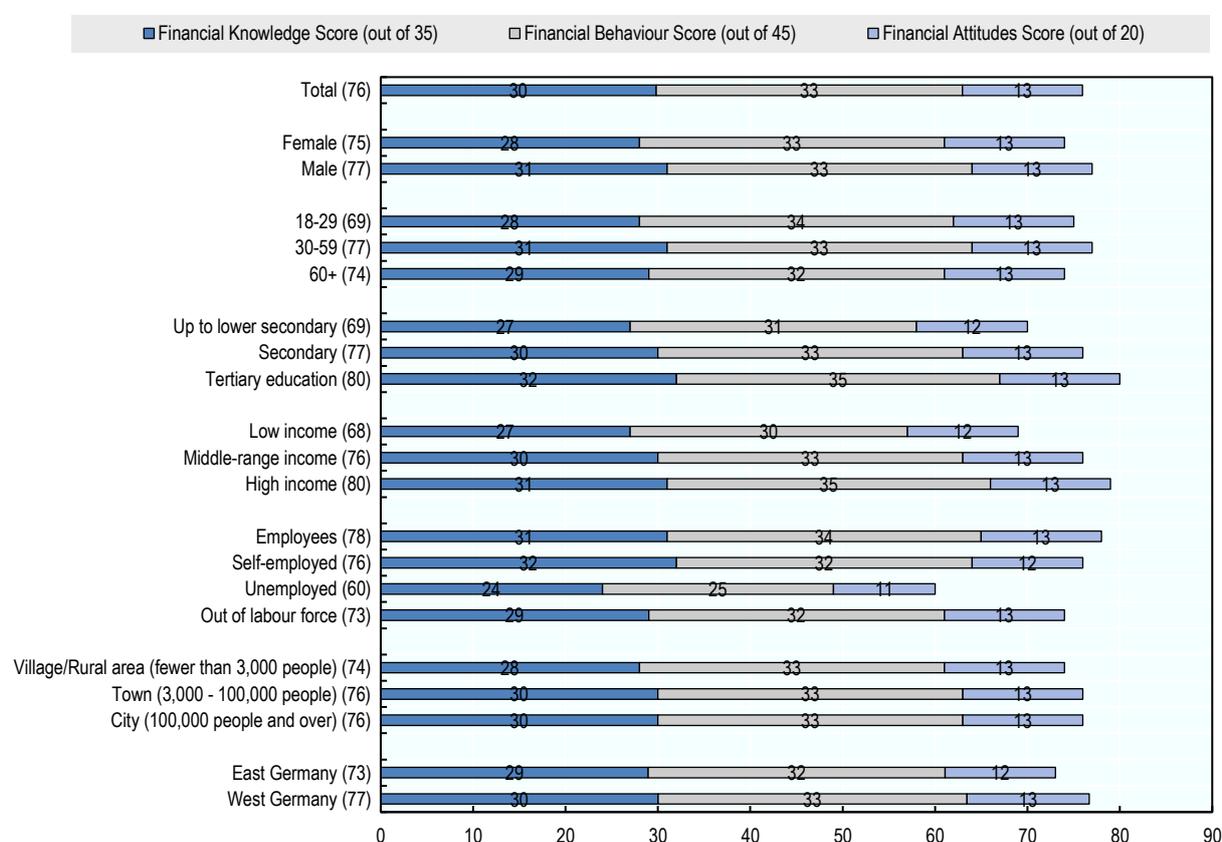
### Overall financial literacy

Adults in Germany have on average a financial literacy score of 76 out of a possible 100 using the OECD/INFE methodology (see Figure 3.1). This score is calculated as the sum of its three components<sup>5</sup>:

- 30 out of 35 on financial knowledge
- 33 out of 45 on financial behaviour
- 13 out of 20 on financial attitudes.

These scores show that there is considerable room for improvement, particularly on financial behaviours and attitudes.

Figure 3.1. Financial literacy levels in Germany



Note: Score calculated using the OECD/INFE methodology (OECD, 2022<sub>[1]</sub>)

Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sub>[1]</sub>)

Besides the average overall financial literacy score, the financial literacy data collected in 2022 allows to understand differences in financial literacy and its components across various individual-level characteristics such as age, gender, level of education, labour force status, and income.

The results of a multivariate analysis, which concurrently considers multiple socio-demographic variables to isolate and quantify their unique contribution to the observed differences in financial literacy, show that there are statistically significant variations<sup>6</sup> associated with:

- *Education*: adults with more than secondary education score 7 points higher than those with secondary education or less.
- *Income*: those with high and medium incomes have levels of financial literacy that are respectively 8 and 5 points higher than those with low incomes.
- *Occupational status*: the unemployed and those out of the labour force score 3 points lower than employees.
- *East-West*: adults in East Germany<sup>7</sup> score three points lower than those in the West.

### **Financial knowledge**

Adults in Germany score 30 out of 35 (that is, 86% of the maximum score on financial knowledge) on financial knowledge. This score is calculated using responses to seven financial knowledge questions, which test knowledge of financial concepts such as inflation (the definition of inflation and the understanding of time value of money), the benefits of long-term saving/investing, interest and risk. Financial knowledge is necessary to manage financial matters, understand differences among financial products and services to make appropriate and well-informed financial decisions, and to react to events which can have consequences on individual financial well-being. Even small differences in financial knowledge among different groups of the population should be considered in the design of financial literacy policies and initiatives, as these can affect long-term wealth accumulation and retirement income.

With regards to differences within the population, the results of a multivariate analysis show that there are significant variations<sup>8</sup> in financial knowledge associated with:

- *Gender*: men have levels of financial knowledge that are 2 points out of 35 higher than women.
- *Age*: young adults (18-29) have levels of financial knowledge that are 2 points out of 35 lower than older age cohorts.
- *Education*: adults with more than secondary education have levels of financial knowledge that are 3 points out of 35 higher than those with secondary education or less.
- *Income*: those with high and medium incomes have levels of financial knowledge that are respectively 3 and 2 points out of 35 higher than those with low incomes.

While 85% of adults in Germany score the minimum financial knowledge score, i.e. correctly answer at least five out of seven financial knowledge questions, an analysis of responses to each question reveals that the concepts which prove more challenging are linked to the understanding of compound interest and to risk (see Table 3.1). Some 26% cannot answer correctly or don't know how to answer the question on compound interest, and 32% cannot answer correctly or don't know how to answer the question on simple and compound interest. With regards to risk, 15% of adults struggle both with the question on risk and return and with one on risk diversification.

There are notable gender differences across knowledge questions: the percentage of women who can answer correctly is lower for most questions, and is particularly large about correctly understanding simple and compound interest as much as by 19% percentage points. The number of women who respond that they do not know how to answer is also higher in certain questions (especially simple interest calculation, compound interest calculation, correctly understanding simple and compound interest, and risk diversification), however evidence from research undertaken in the Netherlands show that part of these responses are due to lower confidence and not to lower knowledge (Bucher-Koenen et al., 2021<sup>[25]</sup>).

**Table 3.1. Responses to financial knowledge questions for all adults and by gender**

Percentage of adults

Question	Sample	Correct	Incorrect	Don't know
Time value of money	Total	90	5	4
	Male	93	4	3
	Female	87	7	5
Interest on a loan	Total	94	2	4
	Male	95	2	3
	Female	92	1	6
Simple interest calculation	Total	81	7	11
	Male	88	6	6
	Female	75	8	16
Compound interest calculation	Total	73	18	8
	Male	81	14	4
	Female	65	22	12
Correctly understanding simple and compound interest	Total	66	19	13
	Male	76	15	8
	Female	57	23	19
Risk and return	Total	84	8	7
	Male	89	6	4
	Female	79	10	10
Definition of inflation	Total	97	2	1
	Male	96	3	1
	Female	98	1	1
Risk diversification	Total	84	7	8
	Male	88	6	5
	Female	80	8	11

Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[11]</sup>).

There are statistically significant differences for financial knowledge regarding gender. Similarly, in line with evidence collected in other countries, there are also differences in confidence, which can be measured by the higher number of “don’t know” answers to financial knowledge questions (Bucher-Koenen et al., 2021<sup>[25]</sup>). These differences should be taken into account in the design and implementation of financial literacy policies and initiatives. Differences in financial knowledge, for example, can affect long-term wealth accumulation and retirement income. This is of particular relevance in the light of the particular financial literacy needs of women arising from their career paths and longer life spans.

**Table 3.2. Self-assessed financial knowledge**

Percentage of adults

Sample	Very high	Quite high	About average	Quite low	Very low
Total	5	23	57	13	3
Male	7	30	51	10	2
Female	3	16	63	15	3
EU-Average	4	18	47	19	19

Note: EU average calculated on the results from Croatia, Cyprus, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Spain, and Sweden.

Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[11]</sup>).

Similar gender differences can be found in how adults rank their own financial knowledge (see Table 3.2). Answers to this question can give important indications of how confident individuals are in their own financial knowledge, with implications for their active use of financial products and services. Results show that adults in Germany rank their financial knowledge higher than the EU average, consistently with their higher scores, and that women tend to rank their knowledge lower than men do: only 19% of women rank their knowledge as very high or high, vs 37% of men, and 18% rank it low or very low vs 12% of men.

### **Financial behaviour**

Adults in Germany score 33 out of 45 on financial behaviours (that is, 73% of the maximum score on financial behaviour). This score is calculated using questions to investigate if individuals are behaving in financially literate ways and specifically how individuals keep track of money flows, save and plan for the long-term, and whether they make considerate purchases.

Results indicate that while most adults in Germany display many prudent financial behaviours, there are significant gaps to be addressed:

- *Keeping track of money flows*: most adults keep track of their money (79%), watch their personal financial affairs (86%) and pay bills on time (96%).
- *Saving and long-term planning*: most adults actively save (88%), but much less are those who set long-term financial goals (60%).
- *Making considerate purchases*: only 35% of adults compare different offers from more than one financial services provider before buying a financial product, and a similar percentage (37%) sought independent advice when buying a financial product.

The low percentage of adults who set long-term financial goals can have negative implications on long-term wealth accumulation and retirement planning. The very low percentage of adults who shop around and compare offers from different providers and who choose based on independent advice might imply that consumers do not get the best deal, or the more appropriate financial product tailored to their needs.

The results of a multivariate analysis show that there are significant variations<sup>9</sup> in financial behaviours associated with:

- *Education*: adults with more than secondary education score 2 points out of 45 higher than those with secondary education or less.
- *Income*: those with high and medium incomes score respectively 5 and 3 points out of 45 higher than those with low incomes.
- *Occupational status*: the unemployed and those out of the labour force score 2 points out of 45 lower than employees.

### **Financial attitudes**

Adults in Germany score 13 out of 20 on financial attitudes (that is, 65% of the maximum score on financial attitudes). The OECD definition of financial literacy recognises that even if an individual has the knowledge and ability to act in a particular way, their attitudes towards money can also influence their decisions and behaviours. The questionnaire captures this through two questions to measure respondents' attitudes towards money and planning for the future.

- *Spending vs. saving*: 45% of adults disagree with the statement "I find it more satisfying to spend money than to save it for the long-term".
- *Living for today or for tomorrow*: 57% disagree with the statement "I tend to live for today and let tomorrow take care of itself".

Responses to these statements indicate that a substantial proportion of adults in Germany do not display what can be described as positive financial attitudes but rather take a more short-term approach to personal financial matters. This can have potential negative implications on long-term financial planning, and could facilitate the use of credit products to fuel consumption.

The results of a multivariate analysis show that there are significant variations<sup>10</sup> in financial attitudes associated with:

- *Gender*: women score 1 point out of 20 higher than men.
- *Education*: those with more than secondary education score 1 point out of 20 higher than those with secondary education or less.
- *East-West*: adults in East Germany score 1 point out of 20 lower than those in the West.

### ***Financial resilience and well-being***

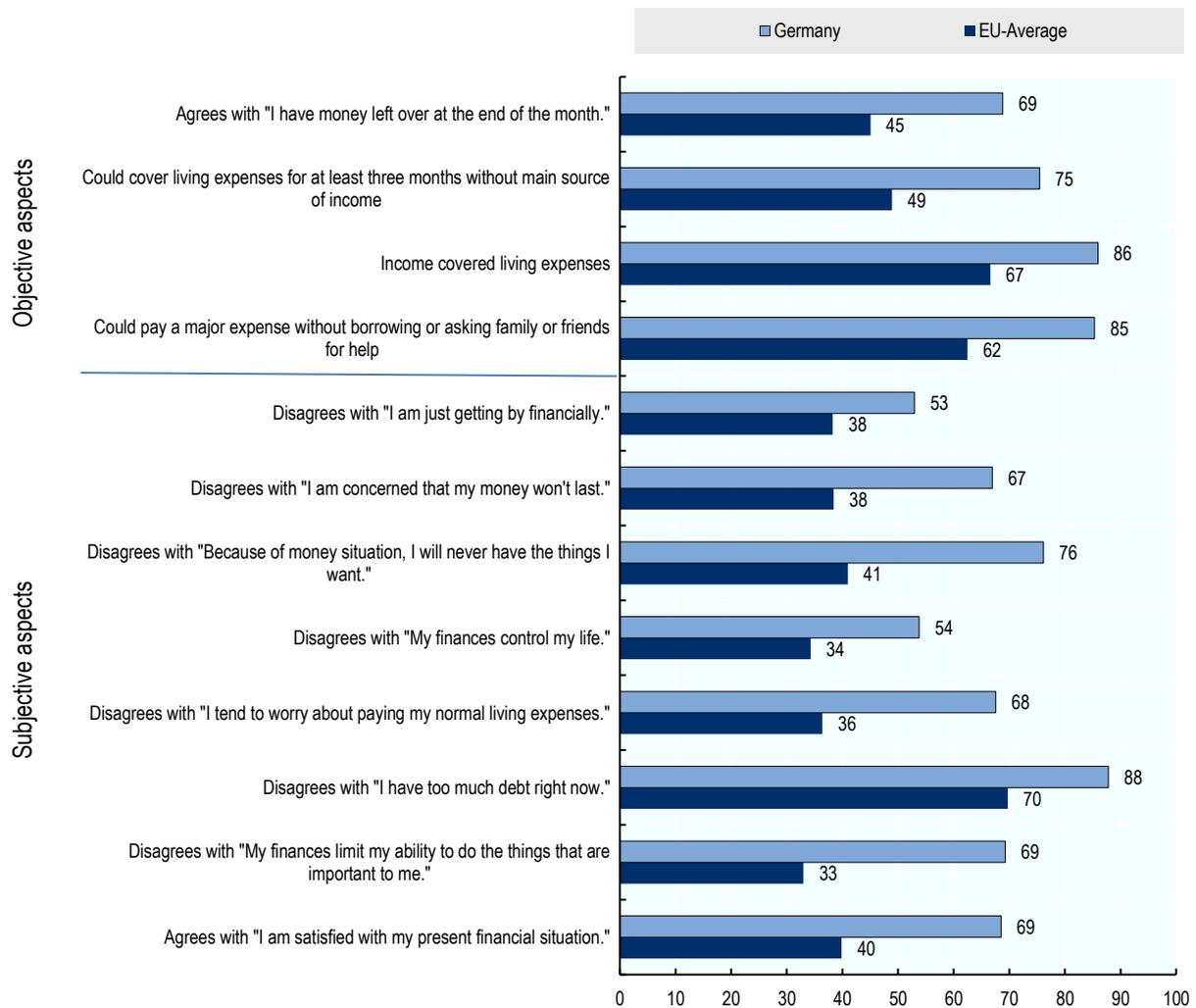
Financial resilience is the ability of individuals or households to resist, cope and recover from negative financial shocks, resulting from macro and micro unexpected events such as those related to employment, health, changes in family composition, damage to household possessions, or other large unexpected expenses (OECD, 2021<sup>[6]</sup>; OECD, 2023<sup>[2]</sup>). Being financially resilient depends on objective elements such as the availability of financial resources and the capacity to mobilise them when facing a negative shock. This implies having adequate income or savings, as well as access to affordable credit or insurance. The ability to protect oneself from fraud and scams also contributes to financial resilience. There are also external factors which contribute to individual financial resilience, such as social protection systems and the effectiveness of the financial consumer protection framework (OECD, 2021<sup>[6]</sup>). Together with subjective elements, financial resilience contributes to financial well-being, which is identified by the OECD as the ultimate objective of financial literacy.

The 2022 financial literacy survey shows that despite levels of financial resilience which are above the EU average, around 30% of adults report not having money left at the end of the month, and 25% could not cover living expenses for at least three months if they lost their main source of income (see Figure 3.2). In addition, 7% of adults have been victim of fraud or scam.

With regards to subjective levels of financial well-being, these as well are above the EU average, but a considerable proportion of the population report negative subjective aspects: only around half disagree with the statements “My finances control my life” or “I am just getting by financially”, indicating that a non negligible percentage of adults living in Germany experience some form of financial stress.

### Figure 3.2. Levels of financial well-being

Including financial resilience, measured by objective aspects. Percentage of adults.



Note: EU average calculated on the results from Croatia, Cyprus, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Spain, and Sweden.

Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[1]</sup>)

Financial resilience varies depending on individual and aggregate contextual factors. The data collected using the 2022 financial literacy survey allows to explore levels of financial resilience across various individual-level characteristics such as age, gender, level of education, labour force status, and income. The response to the questions about the "objective aspects" displayed in Figure 3.2 have been used to compute a financial resilience/wellbeing score ranging from 0 to 100 (OECD, 2022<sup>[1]</sup>). The results of a multivariate analysis<sup>11</sup> show that:

- **Education:** adults with more than secondary education have levels of financial resilience that are 7 points out of 100 higher than respondents with secondary education or less.
- **Income:** adults with high and medium incomes<sup>12</sup> have levels of financial resilience that are 24 and 16 points out of 100 higher respectively than respondents with low incomes.

There are no statistically significant differences in the financial resilience score linked to gender, age and occupational status.

Moreover, data from the 2022 financial literacy survey also show that adults who reach the minimum target financial literacy score<sup>13</sup> have levels of financial resilience that are 5 points higher than those who do not score the minimum target financial literacy score<sup>14</sup>.

This implies that individuals with elevated levels of financial literacy also possess higher levels of financial resilience. This underscores the importance of fostering financial literacy to enhance overall financial resilience and well-being.

Against this background, financial literacy can make a substantial contribution to the financial resilience and the well-being of people living in Germany. It can help them build and manage financial resources effectively, and mobilise them when facing negative shocks, through budgeting, saving and an appropriate use of credit. It can help them to understand the effects of changes in the economic and financial landscape, such as higher inflation, on their individual financial decisions and outcomes.

## Financial literacy of young people

Evidence on the financial literacy levels of young people in Germany is limited. German states have not participated in the Financial Literacy Assessment offered as part of the OECD Programme for International Student Assessment (PISA)<sup>15</sup> (OECD, 2019<sup>[16]</sup>; 2020<sup>[17]</sup>) and there has been so far no systematic measurement of the financial literacy of students or young people on a nationally representative sample.

However, some evidence has been collected by researchers and financial literacy stakeholders on selected policy areas, such as credit, investing or banking products (SCHUFA, 2023<sup>[18]</sup>; Roggemann et al., 2023<sup>[19]</sup>; Bankenverband, 2021<sup>[20]</sup>; Jonas, Hoffmann and Binder-Tietz, 2022<sup>[21]</sup>), or on the financial literacy of students in individual states (Brühl, 2019<sup>[22]</sup>; Erner, Goedde-Menke and Oberste, 2016<sup>[23]</sup>). While this evidence cannot provide a comprehensive understanding of the financial literacy gaps and needs of students and young people in Germany, it confirms the impact of financial education in schools, it offers valuable insights for the design of financial literacy initiatives addressing these audiences, and it encourages further data collection on a wider scale.

### ***Financial literacy of 14- to 16-year-old students in the State of Hesse (2018)***

This project aimed to investigate the general knowledge, understanding and skills in the field of financial literacy of 14- to 16-year-old students (Brühl, 2019<sup>[22]</sup>). While socio-economic factors were not investigated for privacy reasons, the study sheds some light on how financial literacy levels vary based on gender or the school type (*Hauptschule, Realschule, Gymnasium* and *Integrierte Gesamtschule*).

The survey consisted of a 45-minute written test administered to 886 students. Questions investigated concepts that underpin saving and investment decisions, such as numeracy, understanding of inflation and of risk diversification, but also knowledge of financial products and awareness of the need for private pension provision.

Around one fifth of students failed the test, and only 16% achieved a good or very good performance. The average student scored about half of the achievable points, indicating relatively low levels of financial literacy. The questions which proved more difficult for students were: “defining inflation”, “interest calculation, compound interest and discounting”, “the understanding of risk diversification” and “understanding the risks of bonds”; whereas high percentage of correct answers were given to tasks “understanding purchasing power”, “need for private pension provision” and “defining and understanding risk/return of stocks”.

### **Financial literacy on selected policy areas**

The Institute for Responsible Finance (*Das Institut für Finanzdienstleistungen e.V.*, iff) has undertaken research on the credit literacy of young people across Germany (Roggemann et al., 2023<sup>[19]</sup>). The starting point of this research is the Institute's assessment that 19% of cases of over-indebtedness are caused by "avoidable" reasons, which can be influenced by financial literacy levels. The results of the survey of 1016 individuals of 16- to 20-year-old people reveal significant gaps in their credit literacy and show that on average participants score less than 50% of the achievable points in the test. The research also identifies an association between lower socio-economic or immigrant background and credit literacy.

The results confirm the positive effect of exposure to financial education in schools for individual credit literacy. The Institute for Responsible Finance matched the results on credit literacy with the results of "Index of Economic Education" (OeBiX) created by the Institute for Economic Education (*Institut für Ökonomische Bildung*, IÖB) (Flossbach von Storch Stiftung, 2021<sup>[26]</sup>) to measure the effective provision of economic education in different States. This shows that young people from States where economic education is provided in schools score better in the credit literacy test.

The youth study undertaken by the Association of German Banks (Bankenverband, 2021<sup>[20]</sup>) on 700 young people aged 14 to 24 sheds some light on the understanding of younger generations of key financial concepts and on their financial habits. Just 44% know what inflation rate means, and only 14% knew its correct rate at the time of the test. Around 60% do not know what an investment fund is, and among those who think they know, only 28% understand this correctly. Awareness of shares is high but 30% do not know what this is. The percentage of those who do not know what Bitcoins are is lower, only 15%.

Over 70% of respondents believe that information about money is very important or important, 80% save to afford something nice in the future, and 67% strongly disagree with the statement "I like to fulfil my wishes immediately, even if it means going into debt." Around one third regularly take time to deal with financial matters, such as planning income and expenses or setting savings goals.

### **The relevance of financial literacy**

In addition to the overview of general levels of financial literacy, there are specific aspects of financial literacy in Germany that merit particular attention. The following section will address these separately, presenting supplementary evidence.

#### **Saving for the long-term and for retirement**

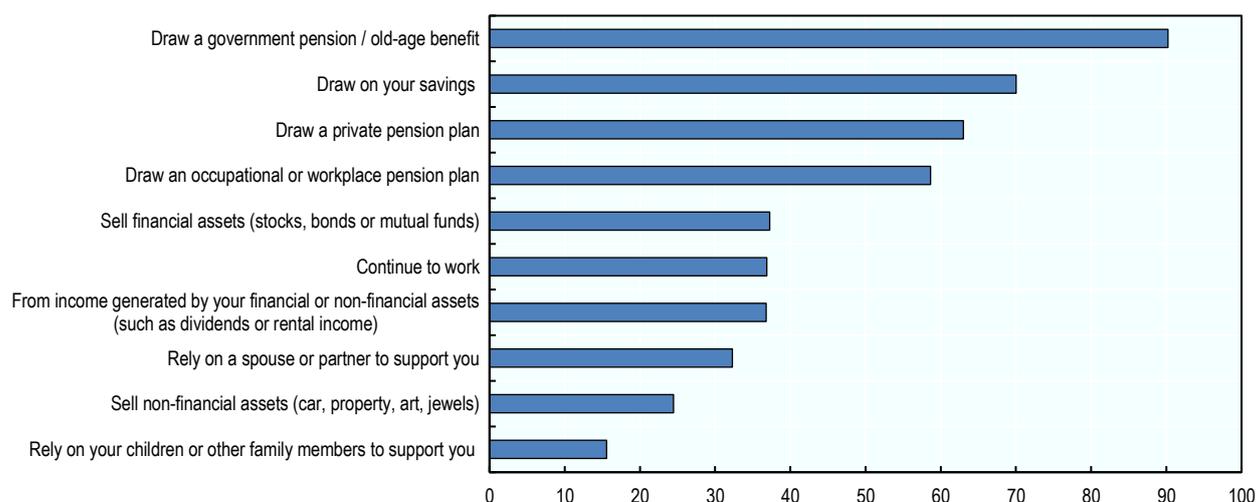
Individuals face a number of challenges when it comes to saving for the long-term and planning their retirement. These include understanding the public pension system as well as occupational and private pensions, estimating their retirement income needs, and assessing risks related to private pensions and long-term investments (OECD, 2016<sup>[27]</sup>). Financial literacy on saving for the long-term and retirement is particularly relevant in Germany in the light of the ongoing discussion to reform the pension system (OECD, 2023<sup>[28]</sup>) and of the responsibility of individuals to provide privately for their retirement to supplement public pensions (Bucher-Koenen and Lusardi, 2011<sup>[29]</sup>).

The statutory public pension system in Germany is an earnings-related Pay-As-You-Go system, with calculation of benefits based on pension points (OECD, 2023<sup>[30]</sup>). There are no mandatory pension contributions for the self-employed, except in some specific occupations, even if this is currently being put up for reform. Earnings-related pensions are not protected in payment against price inflation, instead they are indexed to wage growth and to changes in the contribution rate and the ratio of pensioners to contributors (OECD, 2023<sup>[28]</sup>).

Evidence from the 2022 financial literacy survey indicates that 90% of adults in Germany plan to draw on a government pension. Around 60% of adults in Germany plan to draw on a private pension plan (such as endowment insurance plans and Riester pensions<sup>16</sup>) or an occupational pension (56% and 51% respectively) (see Figure 3.3). Adults on low incomes are less likely than those on medium and high incomes to indicate that they will fund their retirement through occupational or private pensions: just 37% versus 60% for those on high incomes with regards to occupational pensions, and just 37% versus 65% with regards to private pensions.

### Figure 3.3. Methods of retirement funding

Responses to the question “how will you - or do you - fund your retirement?”, percentage of adults



Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[1]</sup>)

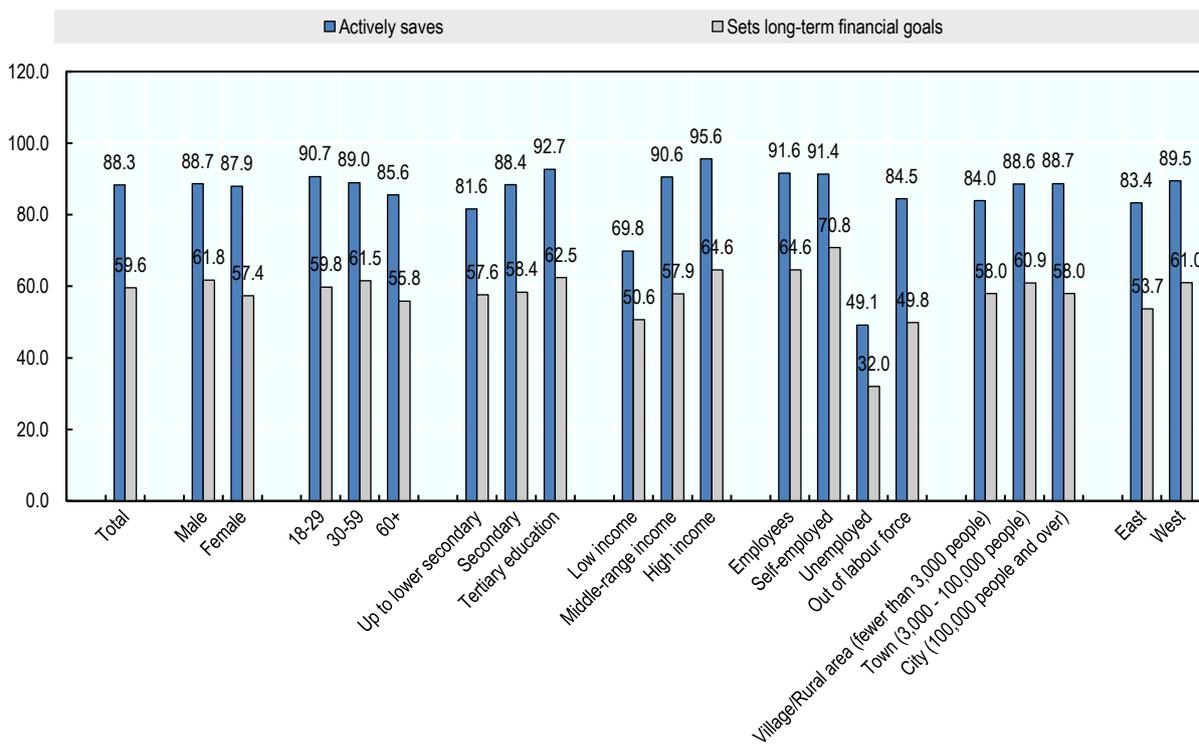
The lower propensity of adults on low incomes to supplement the first pillar with holding of pensions products is confirmed by their participation in Riester pensions. These are private pensions with fixed nominal subsidies paid by the government, which were introduced in 2002 to compensate for decreasing public pensions (BaFin, 2024<sup>[31]</sup>; Geyer, Grabka and Haan, 2021<sup>[32]</sup>). Evidence from 2010 on holding of these products indicated that less than 30% of the households in the lowest income quintile (vs. over 80% among the higher-income quintile) owned any kind of supplementary private pensions, despite the presence of incentives (Bucher-Koenen and Lusardi, 2011<sup>[29]</sup>). Holding of Riester pensions has not increased since 2011, with around one fifth of these contracts not being paid into (Deutscher Bundestag, 2020<sup>[33]</sup>), and today individuals with long periods of unemployment, those in the lowest income quintile or with low levels of education, are still less likely to hold Riester pensions than those in higher income quintiles (Geyer, Grabka and Haan, 2021<sup>[32]</sup>).

Besides public, occupational and private pensions, also long-term savings can support income in retirement. The 2022 financial literacy survey shows that almost 90% of the adult population actively saves (i.e. they have been saving money in the past 12 months, excluding contributions to pensions) (see Figure 3.4). The percentage of adults who sets long-term financial goals is 60%. A similar percentage, 63%, intend to rely on their accumulated savings to fund their retirement. However, similarly to the situation on occupational and private pensions, these averages hide differences among groups of the population in particular based on socio-economic characteristics.

This indicates that the lower propensity to fund retirement through the second and third pillar of those on low incomes is not supplemented by other forms of long-term savings, with important potential negative implications for financial well-being in retirement.

**Figure 3.4. Active saving and setting long-term financial goals**

Percentage of adults

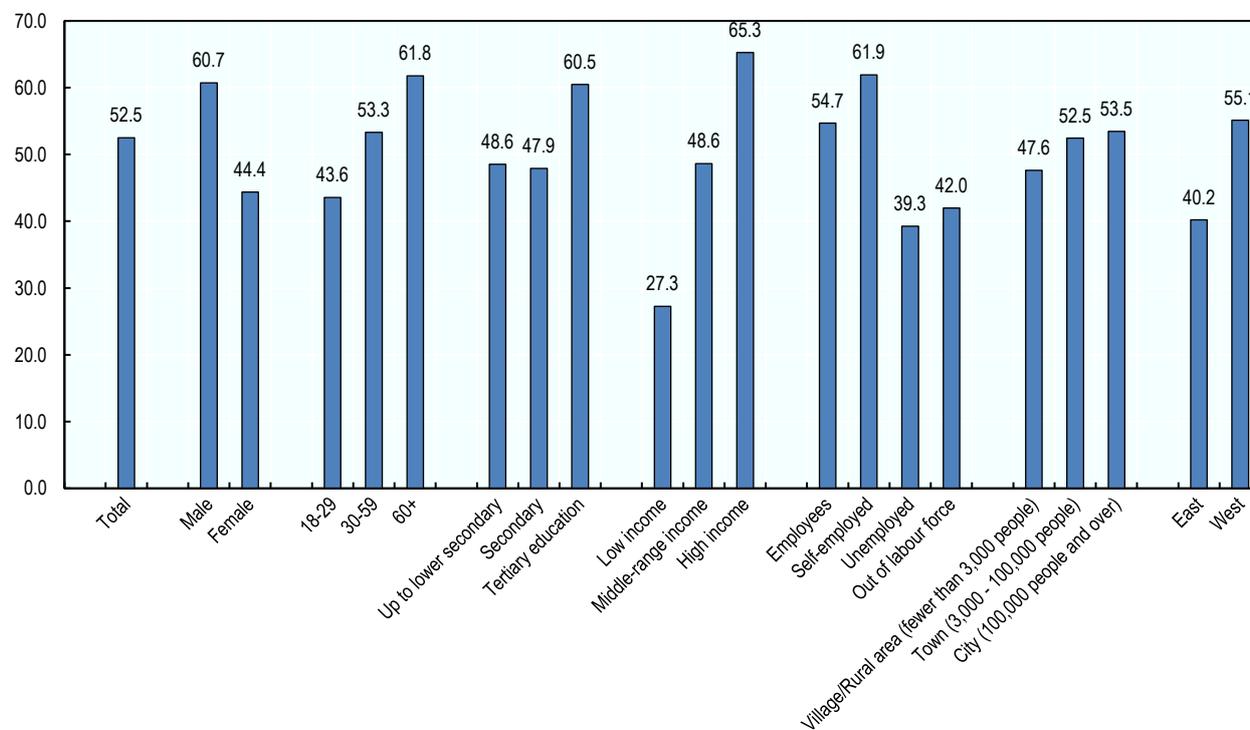


Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[11]</sup>)

Even though a relatively high percentage of adults, on average, hold pension products and save, the confidence they have about retirement plans is low. Figure 3.5 shows the retirement confidence of adults in the working-age population: only 52% of adults in the working-age population (18-66) feel very confident or confident about their retirement plans. Within this group, confidence is higher for men (61% vs. 44% for women) and for those living in West Germany (55% vs. 40% in the East), it is positively associated with age and income, and it is higher among the self-employed than among employees (62% vs. 53%). Holding of retirement products in itself is not a sufficient condition to feel confident about retirement plans: just 62% of all adults who hold some kind of retirement product are confident about their retirement plans.

**Figure 3.5. Retirement confidence among the working-age population**

Percentage of the working-age population (18-66 years old) responding “very confident” or “confident” to the question “How confident are you that you have done a good job of making financial plans for your retirement?”



Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[11]</sup>)

Financial education can help individuals acquire a good understanding of the characteristics of public, occupational and private pensions, including the presence of subsidies. It can promote an understanding of the risks and the key financial concepts relevant for retirement planning and support attitudes oriented towards the long-term, the motivation and confidence to plan ahead and to take retirement decisions (OECD, 2016<sup>[27]</sup>). In this context, financial education can play a positive role in supporting long-term financial wellbeing. It can promote an understanding of the changes in the demographic, economic and financial landscape, as well as changes in public policy such as pension reform, with implications on individual financial decisions and outcomes (OECD, 2020<sup>[31]</sup>).

The evidence collected through the 2022 financial literacy survey confirms the association of financial literacy with retirement confidence and with the holding of pension or retirement products. A multivariate analysis<sup>17</sup> undertaken by the OECD Secretariat shows that adults in Germany with high financial literacy<sup>18</sup> are 80% more likely to feel confident about their retirement plans than those with low financial literacy, after accounting for socio-demographic characteristics. The same relationship is observed on holding of pensions products: adults with high financial literacy are 70% more likely to hold these products than adults with low financial literacy, after accounting for socio-demographic characteristics.

Additional evidence from research undertaken in Germany confirms that financial literacy can make a difference when it comes to long-term wealth accumulation and specifically to building retirement income. Studies shows that financial planning and financial literacy are positively correlated, and that low financial literacy is associated with less planning for retirement and lower take up of pension products than high financial literacy (Bucher-Koenen and Lusardi, 2011<sup>[29]</sup>). This is confirmed also looking specifically at

Riester pensions, for which a positive correlation has been established between financial knowledge and the likelihood of holding these pension products (Bucher-Koenen, 2009<sup>[34]</sup>).

This is corroborated by studies conducted in the United States which show that between thirty and forty percent of retirement wealth inequality is accounted for by financial knowledge (Lusardi, Michaud and Mitchell, 2015<sup>[35]</sup>), and that adults with more confidence in their financial knowledge have a higher propensity to plan, because of a reduction in the costs linked to planning and to processing information (van Rooij, Lusardi and Alessie, 2012<sup>[36]</sup>). Financial literacy is associated not only to adequately planning for retirement, but also to sticking to such plans: households with adequate levels of financial literacy allowing them to calculate their saving needs after retirement often follow through, set up a retirement plan, and adhere to it (Lusardi et al., 2011<sup>[37]</sup>). The effectiveness of financial education on enrolment in and/or contributions to a retirement savings plan has been demonstrated, in particular in the workplace (Atkinson et al., 2015<sup>[38]</sup>; Lusardi, Michaud and Mitchell, 2020<sup>[39]</sup>).

### ***Participating in capital markets***

Being able to make long-term investments, in the framework of an adequate financial consumer protection regime, can make an important contribution to individual financial well-being. Decisions regarding long-term investments can generate returns on savings and additional income to address present or future financial obligations, acquiring property, contribute to funding retirement, or accumulate wealth for future generations. Participating in capital markets can also be explicitly undertaken to generate retirement income: 37% of adults responding to the 2022 financial literacy survey indicated that they plan to fund their retirement also by selling financial assets (stocks, bonds, and mutual funds).

German households allocate 12% of their financial wealth in stocks and shares, this is a relatively low share and is below the EU average, and 13% in mutual funds (OECD, 2022<sup>[40]</sup>). Some 18% of the population aged 14 and above (12.3 million people) hold share, equity funds and Exchange-traded funds (ETFs) (Deutschen Aktieninstitut, 2024<sup>[41]</sup>). The number of retail investors in Germany has increased in particular following the COVID-19 pandemic: in 2020 almost 3 million new investors started to invest in capital markets, with around one third of them under the age of 40 (Deutschen Aktieninstitut, 2021<sup>[42]</sup>). As of 2023, 7.6 million hold ETFs, 2.6 million hold shares and ETFs, and 2 million hold only shares. Investing in capital markets is more common in Western Germany (19% of adults) than it is in Eastern Germany (11% of adults). Women represent 38% of investors (4.7 million) and their number has remained constant since 2022, whereas male investors decreased by 520 000.

Younger generations increasingly participate in capital markets. Investors under the age of 40 represent one third of all investors, compared to one fifth in 2013. Shareholders under the age of 30 rose by 40% in 2022 compared to the previous year (Jonas, Hoffmann and Binder-Tietz, 2022<sup>[21]</sup>). These younger investors are more likely than older generations to follow recommendations from social media or influencers<sup>19</sup> (12%, vs 4% for the whole population), from friends, family or acquaintances (41%, vs 24% for the whole population) and from product advertising (13%, vs 6% for the whole population). These findings indicate a growing trend among young people to engage in discussions about financial matters and to seek inspiration from social media posts or advertisements. This highlights the crucial role of financial literacy for consumers in navigating this context effectively.

In this context, financial literacy can promote awareness of the opportunities offered by capital markets with regards to long-term wealth accumulation, as a means to support financial security. In parallel, it can also raise awareness and understanding of the risks related to investing and the importance of risk diversification, and understanding the balance of risk and reward (OECD, 2020<sup>[3]</sup>). Research undertaken on adults in the Netherlands and the United States has established a positive causal relationship between financial literacy and stock market participation and has shown that lack of investment knowledge translates in into lower propensity to hold stocks, with significant consequences on long-term wealth accumulation and welfare (Yoong, 2011<sup>[43]</sup>; van Rooij, Lusardi and Alessie, 2011<sup>[44]</sup>). The lower

participation of women in stock markets, building on evidence collected in Germany and the Netherlands, has been attributed to both lower financial knowledge and lower confidence (Bucher-Koenen et al., 2021<sup>[25]</sup>; Bannier and Neubert, 2016<sup>[45]</sup>).

A multivariate analysis<sup>20</sup> undertaken by the OECD Secretariat on the evidence collected through the 2022 financial literacy survey confirms the association of financial literacy with holding of stocks and shares and of investment accounts. Adults in Germany with high financial literacy are 120% more likely to hold investment products than those with low financial literacy, after taking into account socio-demographic characteristics.

### ***Using credit responsibly***

Data collected as part of the 2022 financial literacy survey indicates that 81% of adults in Germany report holding some kind of credit products. A considerate use of credit by informed consumers and under an appropriate financial consumer protection framework can have positive effects on financial well-being and resilience, by allowing individuals to smooth consumption, cope with an income shortfall, or to acquire assets such as property (OECD, 2019<sup>[46]</sup>). However, it can also lead to significant consumer detriment and unsustainable levels of debt, in particular among the most financially fragile sectors of the population (OECD, 2019<sup>[47]</sup>).

While for most adults the use of credit does not lead to unsustainable levels of debt, 6% of adults in Germany report that they had too much debt at the time of the BaFin survey, suggesting levels of debt that are difficult to manage or that are already unsustainable. This matches evidence collected in 2023 indicating that around six million people were over-indebted<sup>21</sup> in 2023, corresponding to 8.4% of the population (Peters et al., 2023<sup>[48]</sup>). Among these, roughly 575 000 sought help through a debt advice centre (German Federal Statistical Office, 2023<sup>[49]</sup>). The percentage of over-indebted individuals has been decreasing for the 4<sup>th</sup> consecutive year (it was 10% in 2019) but does not yet incorporate fully the effects of rising energy prices and inflation on household finances. Among the causes of over-indebtedness in Germany in 2022 were unemployment (19%); sickness, addiction or incidents (16%); inefficient housekeeping (15%); separation, divorce or death of a partner (12%); and failed self-employment (8%) (German Federal Statistical Office, 2023<sup>[50]</sup>).

Financially squeezed consumers are at particular risk of defaulting on their credit commitments. Data collected as part of the 2022 financial literacy survey indicate that 14% of adults in Germany declare that income has not always covered living expenses in the previous 12 months. Among these, 30% borrowed from friend or family, 22% used authorised overdraft or line of credit, 16% used a credit card for a cash advance of to pay for bills or buy food. Among the adults who could not make ends meet in the previous 12 months, there are important differences in coping mechanisms associated with gender, which suggest lower familiarity of women in this group with formal financial services or lower confidence in approaching providers. The percentage of women who borrowed from family, friends or the community is 34% vs. 26% for men, whereas the percentage of women who used authorised arranged overdraft facilities and used a credit card is respectively 15% and 9%, versus 32% and 25% for men.

Additional sources of risk can come financial innovation, and developments in digital credit and the offer of Buy Now Pay Later (BNPL) products<sup>22</sup> can be a particular source of concern. Indeed, while these products can offer benefits to consumers, for example providing the ability to enjoy purchases immediately and pay for them later or that consumers will not pay any additional amounts above the purchase price if payments are on time, these products also come with potential risks. Financial authorities in Germany report that these new products and services can be particularly detrimental for younger audiences, who might not understand how these products work and assess their potential negative consequences (OECD, 2024<sup>[51]</sup>). In Germany, almost half (44%) of young people aged between 16 and 25 and 38% of those aged 16-17 have used BNPL products. These products are particularly used by young women: half of them have used BNPL, versus 38% of young men. Young consumers seem to be aware of the risks related to these

products: 90% of them believe it is easy to lose track of expenses, 83% that these products tempt potential users to buy useless goods, and 80% that this leads to the accumulation of debt (SCHUFA, 2023<sup>[18]</sup>). Of particular concern is that almost 30% of adults (18+) who sought the help of debt advice centres in 2022 owed money to online or mail order dealers, representing a 3% increase over the previous five years (German Federal Statistical Office, 2023<sup>[49]</sup>). Consequently, it is worth monitoring this market to understand if these potential risks will result in actual consumer detriment.

Research has shed light on the role that financial literacy can play in influencing individuals' behaviour towards credit and help them avoid getting into over-indebtedness. Individuals with lower levels of debt literacy tend to transact in high-cost manners, incurring higher fees and using high-cost borrowing (Lusardi and Tufano, 2015<sup>[52]</sup>). Lack of financial illiteracy is also positively associated with non-payment of consumer credit and self-reported excessive financial burdens of debt (Gathergood, 2012<sup>[53]</sup>). Financial literacy initiatives which address credit and the risks of over-indebtedness can contribute to support consumers throughout their experience with credit. They can support the development of specific core competencies to help consumer to safely use credit and chose the products that meet their needs and circumstances (European Union/OECD, 2022<sup>[8]</sup>).

The effectiveness of financial education on credit literacy has been evidenced by recent research undertaken by the Institute for Responsible Finance (*Das institut für finanzdienstleistungen e.V.*, iff) on the credit literacy of 1066 young people aged 14-24 in Germany (Roggemann et al., 2023<sup>[19]</sup>). The Institute for Responsible Finance compared results on credit literacy with the results of "Index of Economic Education" (OeBiX) created by the Institute for Economic Education (*Institut für Ökonomische Bildung, IÖB*) (Flossbach von Storch Stiftung, 2021<sup>[26]</sup>) to measure the framework for economic education in different states. The results show that young people from states with higher provision of economic education (which includes financial education) in schools score better in the credit literacy test.

Financial education specifically focusing on credit can prove particularly relevant in Germany as the use of credit is mostly associated with negative outcomes. Results from focus groups organised by the European Commission indicate how debt is associated with losing control of one's finances, making sacrifices, as well as emotional distress, unease, fear, anxiety, stress, despair and self-blame. Fewer associations are positive in nature and linked to the accumulation of assets, or sensible financial decisions (European Commission, 2022<sup>[54]</sup>). It is worth noting that, as part of this same study, participants strongly supported financial education programmes on the importance of budgeting and saving as they felt that too many people had inadequate knowledge and understanding. Participants who had experienced over-indebtedness were especially supportive, and referred to past mistakes they could have avoided had they had better knowledge and skills.

### ***Using digital financial services safely***

New digital financial products and services may change the way in which consumers make financial decisions and product choices (OECD, 2020<sup>[3]</sup>). While the digitalisation of financial products and services can bring benefits, it also contributes to the complexity of retail finance, in particular for the most vulnerable, and it exposes them to new risks such as digital financial exclusion, online fraud or personal data hacks. These risks are compounded by low digital literacy and low digital financial literacy.

A vast majority of adults in Germany report that they are comfortable using digital financial services: 44% feel very comfortable, and 37% somewhat comfortable, and only 17% feel not too comfortable or not comfortable at all (European Commission, 2023<sup>[10]</sup>). Evidence from the 2022 financial literacy survey confirms the familiarity of a significant proportion of the population with digital financial services. Around 40% of adults had ever opened a current/saving account or requested a payment card completely online, 34% had ever subscribed to an insurance policy and almost 10% had ever taken out credit in a similar fashion, bypassing a physical branch of a financial services provider.

According to another survey by SCHUFA, some 42% manage often or very often financial products and services (including savings, investments credit and insurance) completely online. Almost 90% use online banking to carry out their everyday transactions and over 70% can set up and use their banking app intuitively and manage its security features (SCHUFA, 2023<sup>[55]</sup>). A smaller proportion of adults, around one fifth, report using often or very often websites or apps aggregating different financial accounts thanks to open banking. While cash still holds an important role in the payment preferences, accounting for 58% of day-to-day payments (and 30% of turnover) in 2021 despite a downward trend, the use of digital payments is growing, and almost 30% of adults who own a smartphone with payment functions use it also as a payment tool (Deutsche Bundesbank, 2022<sup>[56]</sup>).

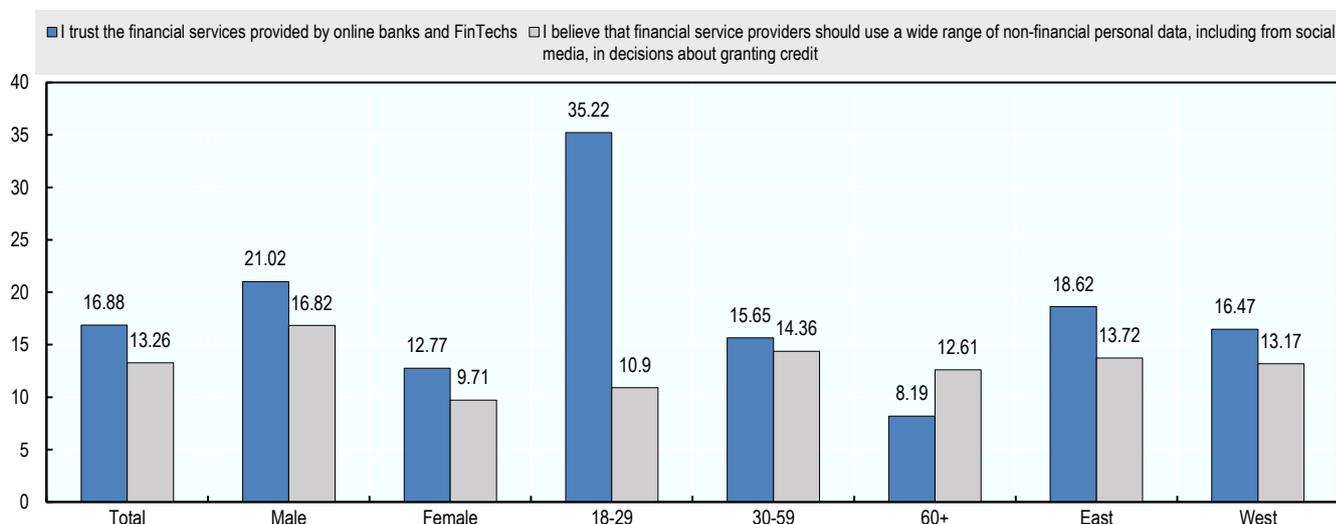
Despite the widespread use of digital technology to carry out financial transactions, just 17% of adults in Germany trust the financial services provided by online banks and FinTechs (see Figure 3.6). The percentage is lower among women (13%) and seniors (8%). Even for young adults (18-29), who are the group of the population for whom trust is the highest, the percentage is only 35%.

Low levels of trust in online banks and FinTechs can limit the use of new innovative services with the potential to offer tangible benefits and lower costs to consumers. This might lead some consumers to refrain from using digital financial services altogether, resulting in lost opportunities and digital exclusion (OECD, 2018<sup>[57]</sup>).

Finally, evidence from the 2022 financial literacy survey shows that only 13% of adults in Germany believe that financial services providers should use a wide range of non-financial personal data, including from social media, in decisions about granting credit (see Figure 3.6).

**Figure 3.6. Attitudes towards the digitalisation of financial services**

Percentage of adults



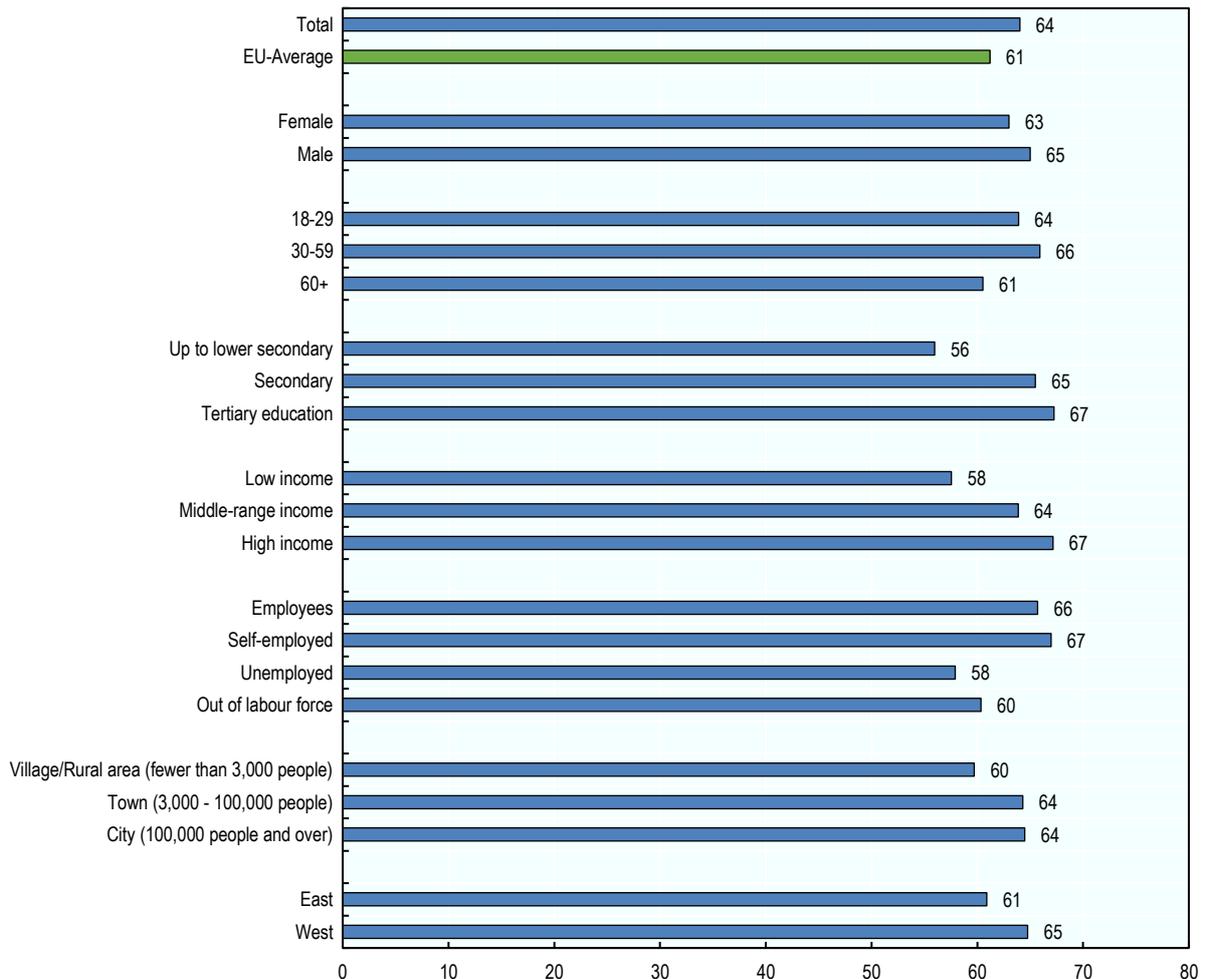
Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[1]</sup>)

As adults in Germany increasingly use digital financial products and services, but display very low levels of trust in the services offered by digital-only providers and FinTechs, financial literacy can promote awareness and understanding of the characteristics of innovative financial products and services, and of the financial risks associated with them. It can also give consumers the knowledge and nurture the skills to protect themselves from data theft, frauds and scams, while empowering them to counter digital financial exclusion (OECD, 2018<sup>[57]</sup>; 2020<sup>[58]</sup>).

Evidence from the 2022 financial literacy survey indicates that the digital financial literacy score for adults in Germany is 64 out of 100. This score is calculated using responses to questions assessing digital financial knowledge, behaviours, and attitudes. While the score for adults in Germany is above the average of 52 for the EU Member States participating in the OECD/INFE 2023 international survey of adult financial literacy (OECD, 2023<sup>[2]</sup>), it is still well below 100.

**Figure 3.7. Digital financial literacy levels in Germany**

Score (out of 100)



Note: Score calculated using the OECD/INFE methodology. EU average calculated on the results from Croatia, Cyprus, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Spain, and Sweden.

Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[1]</sup>)

The analysis of the digital financial literacy score across socio-demographic groups shows that, besides general low levels of digital financial literacy, there are groups of the population in particular who display significant gaps (see Figure 3.7). This increases their chances of digital financial exclusion, of purchasing inadequate digital financial products and services, or of falling victim of frauds and scams online.

- *Digital financial knowledge*: only 43% of adults know that a digital financial contract does not require signature of a paper contract to be considered valid, and just 65% that crypto-currencies do not have the same legal tender as banknotes and coin.

- *Digital financial behaviours*: Just 43% of adults check if the provider is regulated before buying a financial product online, and just 20% regularly change the passwords on websites they use for online shopping and personal finance.
- *Digital financial attitudes*: only 56% of adults think that it is not safe to shop online using public Wi-Fi networks, and just half think it is important to read terms and conditions when buying something online.

The results of a multivariate analysis show that there are significant variations<sup>23</sup> in digital financial literacy associated with:

- *Age*: adults aged 60+ have levels of digital financial literacy that are 4 points lower than the rest of the population.
- *Education*: those with more than secondary education have levels of digital financial literacy that are 9 points higher than those with upper secondary education or less.
- *Income*: Medium and high incomes are associated with 4 and 6 additional points of digital financial literacy respectively compared to low incomes.

In comparison to other countries, Germany still has great potential with regard to the implementation of digital finance. This suggests that Germany may have untapped opportunities to enhance the efficiency and convenience of its financial systems. One path to address this gap is by supporting financial education. By empowering consumers to better understand how digital financial services operate and how to use them securely, they can develop the confidence to embrace these technologies. By promoting financial literacy, consumers can make more informed decisions while simultaneously advancing the acceptance and utilization of digital financial services in Germany.

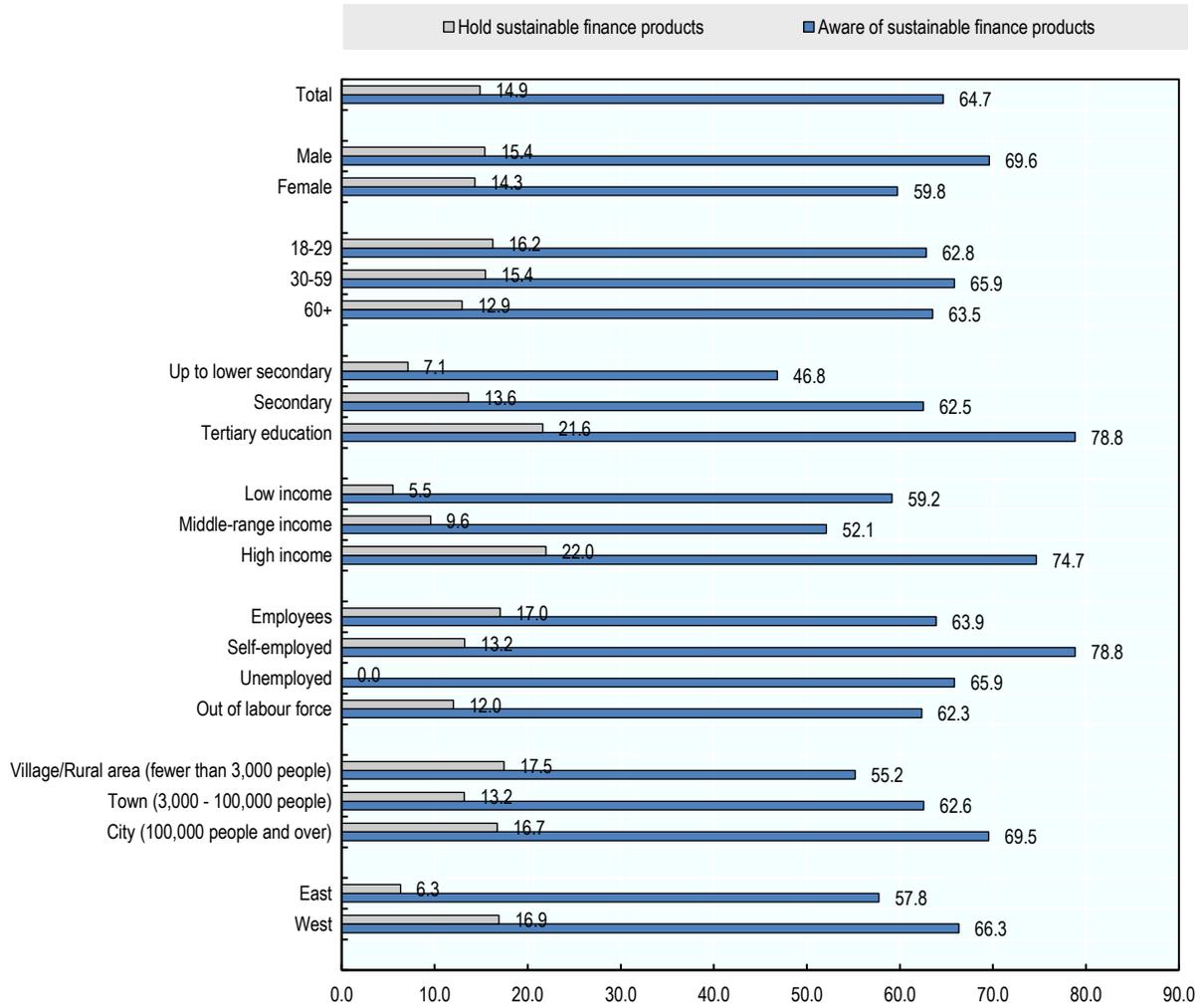
### ***Meeting sustainability preferences***

The financial sector has a key role to play in facilitating the mitigation, adaptation, and transition of economies towards a more sustainable pathway. Sustainable finance has gained prominence for financial markets and among institutional investors. This has been accompanied by a rising interest in sustainable finance among financial consumers (OECD, 2023<sub>[59]</sub>)

In Germany, over 80% of adults are concerned by the climate crisis and perceive a very strong or strong impact of climate change in Germany in the form of persistent dry spells, low water levels and droughts (BMUV, 2023<sub>[60]</sub>). This concern is associated with high levels of awareness of sustainable financial products, which are known by 65% of the adult population (see Figure 3.8). This is considerably higher than the average among the countries and economies that participated in the OECD/INFE 2023 International Survey of Adult Financial Literacy, where on average only 20% of adults are aware of sustainable financial products. This high level of awareness does not translate in equivalent levels of product holding: just 15% of adults in Germany hold financial products labelled as sustainable (still a much higher percentage compared to the average of 2% in the countries participating in the OECD/INFE international survey).

Figure 3.8. Awareness and holding of sustainable finance products

Percentage of adults



Source: 2022 financial literacy survey using the OECD/INFE methodology (OECD, 2022<sup>[11]</sup>)

Despite low levels of holding, adults in Germany claim that sustainability in personal financial choices matters to them. Around half (49%) of respondents strongly disagree or disagree with the statement “it is more important to invest in companies that are making a profit, rather than in companies that strive to minimise the impact of the environment”.

Under these circumstances, low levels of holding of sustainable financial products can be due to limited understanding of sustainable finance (EIOPA, 2023<sup>[61]</sup>), or to a more limited participation of environmentally engaged individuals in capital markets (Anderson and Robinson, 2021<sup>[62]</sup>). Accordingly, potential investors interested in sustainable finance should be provided with the knowledge and skills to understand sustainable financial products, and to invest according to their sustainability preferences. They should also be alerted to the existence of greenwashing, i.e. the practice of marketing financial products as being more environmentally or climate-aligned than they are (OECD, 2023<sup>[59]</sup>).

# 4 Existing provision of financial education in Germany

This chapter presents the financial literacy stakeholders active in Germany and the initiatives which have been identified through responses to the nationwide survey coordinated by the Federal Ministry of Finance, the Federal Ministry of Education and Research and the OECD.

It first describes the stakeholders active in Germany, categorised according to the criteria set out in the OECD/INFE Guidelines on Private and Not-for-profit Stakeholders in Financial Education (OECD, 2014<sup>[63]</sup>). It then illustrates the financial literacy initiatives currently implemented in Germany, both at the federal, state and local levels, and analyses their main characteristics, including target audiences, content and delivery methods, and their use of evidence, notably with regards to monitoring and impact evaluation.

Given the high number of initiatives being implemented in schools, the chapter describes the status of financial literacy in German schools. States have exclusive responsibility for education and teaching financial literacy as a cross-curricular subject is encouraged across all German states as part of consumer education, in accordance to the guidelines of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany (OECD, 2020<sup>[64]</sup>; Secretariat of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany, 2021<sup>[65]</sup>).

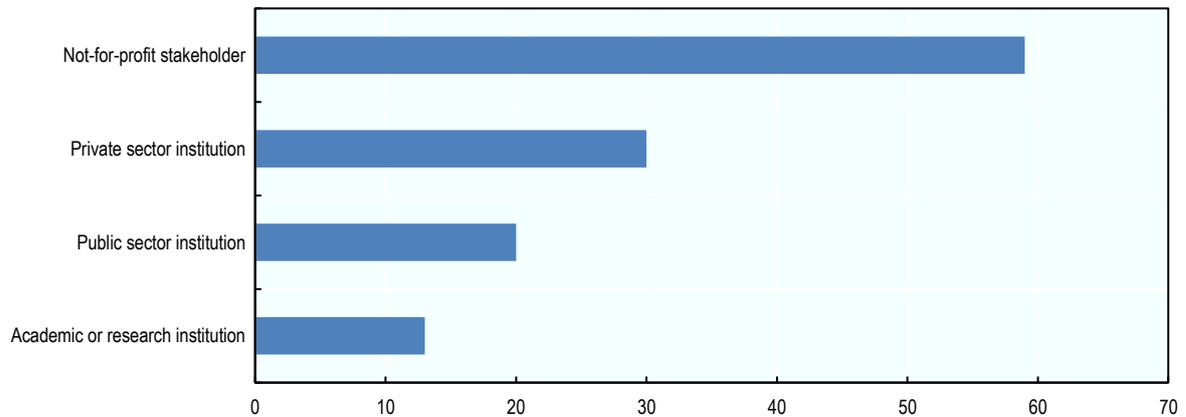
## Financial education stakeholders in Germany

The stocktaking survey undertaken as part of this project was answered by 122 institutional stakeholders active in the field of financial literacy in Germany, at the federal, state and municipal levels (see Figure 4.1). These include 20 stakeholders of a public nature, from Federal Ministries to local institutions, 59 not-for-profit stakeholders, including industry associations from the financial sector and non-governmental organisations such as churches, 13 academic and research institutions, and 30 private sector institutions.

In addition to responses received from institutions, 35 individuals responded to the survey. These include individuals who have created financial literacy initiatives building on their own personal expertise or interests, but also employees of private or not-for-profit institutions who participated in the survey in an individual capacity. These responses offered interesting insights on the financial literacy activities of NGOs and financial services providers active at the local level, or of student unions.

**Figure 4.1. Nature of financial literacy stakeholders in Germany**

Number of institutions (excluding individual responses)



Source: Stocktaking survey among German financial literacy stakeholders

### **Public sector authorities**

Twenty institutions of a public nature, from the federal, state and local levels, have responded to the stocktaking survey. These include five federal ministries: the Ministry of Finance (*Bundesministerium der Finanzen*, BMF), the Ministry of Education and Research (*Bundesministerium für Bildung und Forschung*, BMBF), the Ministry of Justice (*Bundesministerium der Justiz*, BMJ), the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection (*Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz*, BMUV), and the Federal Ministry for Labour and Social Affairs (*Bundesministerium für Arbeit und Soziales*, BMAS). Additionally, the Sustainable Finance Advisory Committee of the German Federal Government answered. Federal financial authorities that responded included the Deutsche Bundesbank, the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin), and the German Pension Insurance (*Deutsche Rentenversicherung*). At the state level, nine ministries with portfolios encompassing finance, consumer protection and social affairs took part. Finally, one municipality responded to the survey, through its office for social affairs and youth.

#### *Federal authorities with financial literacy responsibilities*

In Germany, several federal authorities have responsibilities related to financial literacy.

- The Federal Ministry of Finance (BMF) is tasked with designing a National Financial Literacy Strategy as part of the Financial Literacy Initiative.
- Similarly, the Federal Ministry of Education and Research (BMBF) supports research on the effectiveness of financial education in the country as part of the Financial Literacy Initiative.
- The Federal Financial Supervisory Authority (BaFin) oversees the functionality and integrity of the German financial system, including the protection of collective consumer interests.
- The German Pension Insurance provides information and advice on public pensions and general pension options.
- The Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection (BMUV) promotes consumer education and skills development in financial services through its Department of Consumer Protection in Financial Services. Additionally, its Department

for Consumer Research, Consumer Education, and Consumer Information addresses overarching consumer education issues.

This comprehensive framework reflects the significance attributed to financial literacy across various levels of government in Germany.

Lastly, the German Bundesbank educates the public about monetary policy and the role of central banks. These efforts aim to ensure that individuals, particularly young people, understand the significance of stable currency and appreciate the Bundesbank's commitment to financial stability.

#### *Financial literacy initiatives implemented by federal authorities*

- Federal Ministry of Finance: the BMF has created a financial literacy platform [www.mitgeldundverstand.de](http://www.mitgeldundverstand.de) which hosts the financial literacy initiatives of public authorities in Germany (such as the Bundesbank, BaFin, Pension Authority, etc.), and in the future will be hosting also quality-controlled initiatives from the private and not-for-profit sectors. It aims to become the reference website for consumers in Germany when it comes to financial literacy resources.
- Federal Ministry of Education and Research: as part of the funding guideline "Research on Financial Education", the BMBF funds research projects with the aim of improving the research and data basis for financial education in Germany. Building on this, evidence-based, application-oriented measures are to be derived to promote financial education at all stages of education.
- German Pension Insurance (*Deutsche Rentenversicherung*) created a public website in July 2023 to offer a digital pension overview<sup>24</sup>. By registering with their identity card and tax number, adults in Germany can find out about the current status of their statutory, company and private pension plans. The website also offers information on the three pillars of the German pension system and redirects to the main website of the German Pension Insurance if policy holders want to contact the authority for pension advice. In addition, the authority also been running since 2007 a website which provides information on retirement for schools and young people (the "pension viewer", *Rentenblicker*).
- The *Deutsche Bundesbank* has developed resources to familiarise particularly young audiences with the functions of the central bank, the Euro and the Euro system, as well as inflation, deflation, and price stability. These resources include teaching materials for primary and secondary schools<sup>25</sup>, interactive tools<sup>26</sup> as well as short movies<sup>27</sup>. In addition, the Bundesbank also offers lectures by his own staff, adapted to the requirement of the different curricula in states, which have reached almost 50.000 students in 2022.
- The Federal Financial Supervisory Authority (BaFin) dedicates a section of its website to financial literacy, offering information about banks, insurers and other financial service providers supervised by BaFin. Finally, BaFin experts contribute to the webinars organised by Digital Kompass<sup>28</sup>, an initiative of the Federal Association of Senior Citizens' Organizations (*Bundesarbeitsgemeinschaft der Seniorenorganisationen*, BAGSO) and of Germany Safe Online eV. Senior citizens can meet in the BAGSO member organisation premises or watch the webinars from home. They can learn from BaFin experts about financial services in a language and format that is relevant to them. Topics have included insurance, innovations in payment transactions, travel insurance and payments abroad, digitalisation, and fraud protection.

#### *Financial literacy initiatives implemented by state and local authorities*

State and local authorities in Germany are also providers or sponsors of financial literacy initiatives. The cases of North Rhine-Westphalia and of the City of Dusseldorf offer interesting examples in this regard:

- *Ministry of Agriculture and Consumer Protection of the state of North Rhine-Westphalia*: The Ministry supports the activities of the Financial Competence Network NRW<sup>29</sup>, organised in

cooperation with the University of Siegen. The Network includes players from consumer and debt advice, from academia, education and youth welfare centres, politics and administration, as well as business and banking associations. The Network organises two conferences per year, and its members deliver financial literacy classes in schools in the state, as well as online workshops. To support the implementation of the activities, the Network also organises training for multipliers, including teachers, has developed an interactive textbook “Financial Competence”.

- *Office for Social Affairs and Youth, state capital Düsseldorf*: The Office delivers financial education in particular in the context of debt prevention and debt advice<sup>30</sup>, with mixed funding from the city administration and the savings bank association. Financial education is delivered by professional members of the Office in a variety of settings, including schools, companies, and family centres, through one-off lectures or longer projects over days or weeks. Ideas and content are discussed in the Prevention Working Group of the Düsseldorf Association of Debt Advice Centres, and training material is also provided by Financial Competence Network NRW.

### **Not-for-profit stakeholders**

A majority of respondents to the survey are not-for-profit stakeholders: these include stakeholders with links to the financial sector but no direct commercial interest (such as finance industry associations), and stakeholders with no direct link to the financial sector and with an interest in financial education (such as consumer associations) (see Figure 4.2 and Table 4.1).

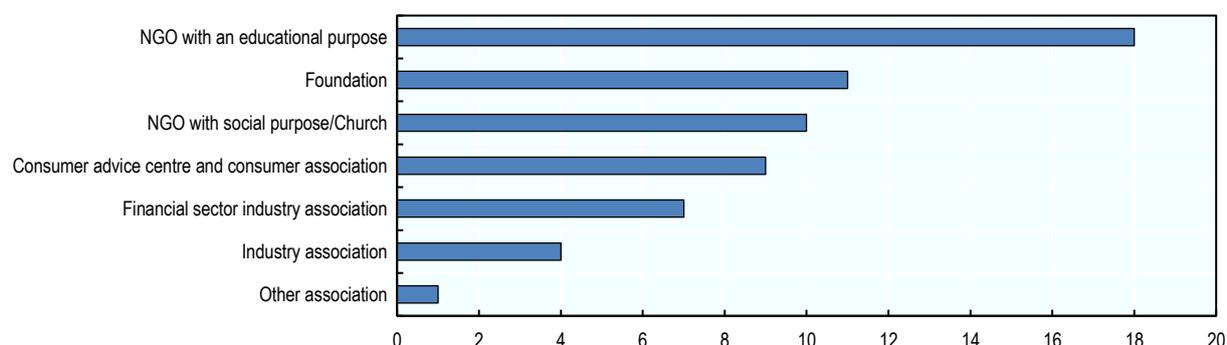
There are seven finance industry association which are active in the field of financial literacy in Germany. These associations represent actors in the banking, investment, and insurance sectors.

Among non-governmental stakeholders with no direct link to the financial sector and with an interest in financial education, the survey identified:

- Non-governmental organisations with an educational purpose (18), focusing on general education as well as specifically on financial or consumer education.
- Foundations<sup>31</sup> (11), focusing specifically on education or including education as part of broader socio-economic portfolios.
- Non-governmental organisations with a social purpose (10), including Christian charities or local churches.
- Consumer advice centres and consumer associations (nine)<sup>32</sup>.
- Industry associations not linked to the financial sector (four), including professional business organisations.

**Figure 4.2. Profile of not-for-profit financial literacy stakeholders**

Number of institutions (excluding individual responses)



Source: Stocktaking survey among German financial literacy stakeholders

**Table 4.1. Not-for-profit financial literacy stakeholders**

Stakeholders categorised according to the OECD/INFE Guidelines on Private and Not-for-profit Stakeholders in Financial Education.

Category	Stakeholder	
Non-governmental organisations with no direct link to the financial sector and with an interest in financial education	Non-governmental organisations with an educational purpose	Alliance for Economic Education Germany e.V. CJD Christophorusschule BK Frechen DVV e.V. Finance Network - FNI e.V. Finanztip Foundation finlit foundation gGmbH FiscalFuture e.V. Foundation Germany in positive territory IW JUNIOR gGmbH Jugen grunded Learning Region - Network Cologne e.V. Money teachers e.V. Prevention Network Financial Competence e.V. Stiftung Bildung Tax Justice Network VALUE makes school gUG Working group of German educational institutions e.V.
	Foundations	Dieter von Holtzbrinck Foundation Dr. Jürgen Meyer Foundation Flossbach von Storch Foundation Foundation for Understanding the Economy Foundation of the German Economy gGmbH German Foundation for Consumer Protection Joachim Herz Foundation Konrad-Adenauer-Stiftung e.V. (Main Department of Political Education) Rechnen Foundation Stiftung Warentest
	Consumer advice centres and consumer associations	AWO Berlin Spree-Wuhle e.V., debtor and insolvency advice Consumer advice center Hesse e.V. Consumer advice center NRW e.V. Consumer advice center SH Consumer Center Baden-Württemberg e.V. Consumer Center Berlin e.V.

Category	Stakeholder
	Consumer Center Rhineland-Palatinate e.V. Federal Association of Consumer Organizations (vzbv) Saarland consumer advice center
Non-governmental organisations with a social purpose	ARBEITERWEHLFAHRT, district association OWL e.V., debt advice on Löhne/Vlotho AWO debtor and insolvency advice AWO Familienglobus gGmbH Debtor and insolvency advice center Berlin City Mission, Evangelical Church Caritas Association for the City of Cologne e.V. Debt advice from the Diakonisches Werk Leverkusen Evangelical debt advice from Diakonie Düsseldorf LIGA of Independent Welfare in Thuringia e.V. SKFM Düsseldorf e.V. SWT eV (self-managed housing project Theodorstrasse, Düsseldorf)
Industry associations	Association of Hessian Business Associations e.V. Economic Juniors Germany e.V. Federal Association of Daycare and School Support Associations (BSFV) VGSD - Association of Founders and Self-employed People Germany e.V.
Other associations	Germany safe online eV
Non-governmental organisations with links to the financial sector but no direct commercial interest	AfW Federal Association of Financial Services e.V. BVI German Fund Association Federal Association for Structured Securities e.V., BSW, (from September 11, 2023, previously German Derivatives Association e.V., DDV) Federal Association of German Banks Federal Association of German Volksbanks and Raiffeisenbanks eV (BVR) General Association of the German Insurance Industry (GDV) German Savings Banks and Giro Association e.V.

Source: Stocktaking survey among German financial literacy stakeholders

### **Co-operation among stakeholders**

Around 70% of respondents to the stocktaking survey report some kind of collaboration with other public, private and not-for-profit stakeholders. Around 40% report the existence of a formalised collaboration, through established partnerships and working groups. These forms of cooperation do not necessarily focus specifically on financial literacy, but on wider topics such as economic or consumer education, or on debt advice. Examples of formalised cooperation at the federal level include:

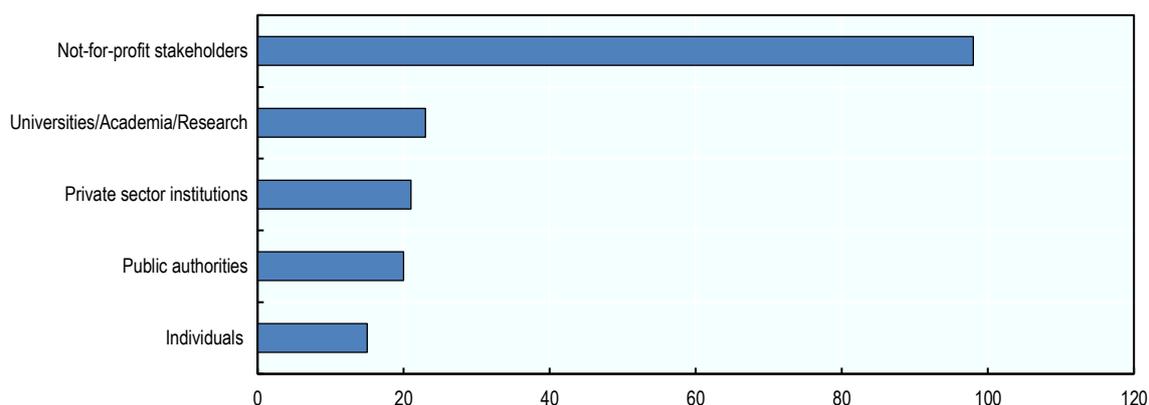
- The Alliance for Economic Education Germany (*Bündnis Ökonomische Bildung Deutschland, BÖB*): a not-for-profit initiative founded in 2020 and whose membership includes teacher and business associations, foundations and scientific organisations, as well as regional initiatives.
- Federal Working Group for Debt Advice (*Bundesarbeitsgemeinschaft der Schuldnerberatungsstellen, BAG-SB*).
- The Financial Literacy Prevention Network (*Präventionsnetzwerk Finanzkompetenz, PNFK*), whose objective it to strengthen financial education and financial literacy in Germany.
- The Federal association of state associations of adult education centres (*Deutscher Volkshochschul-Verband*).

## Financial education initiatives

The stocktaking survey collected information on 177 financial literacy initiatives currently being implemented in Germany (see Figure 4.3), most of them on a recurring or regular basis (90%). These are mostly implemented by not-for-profit stakeholders (55%), followed by universities, academia and research institutions (13%), the private sector (12%) and the public sector (10%).

**Figure 4.3. Financial literacy initiatives by kind of stakeholder in Germany**

Number of initiatives



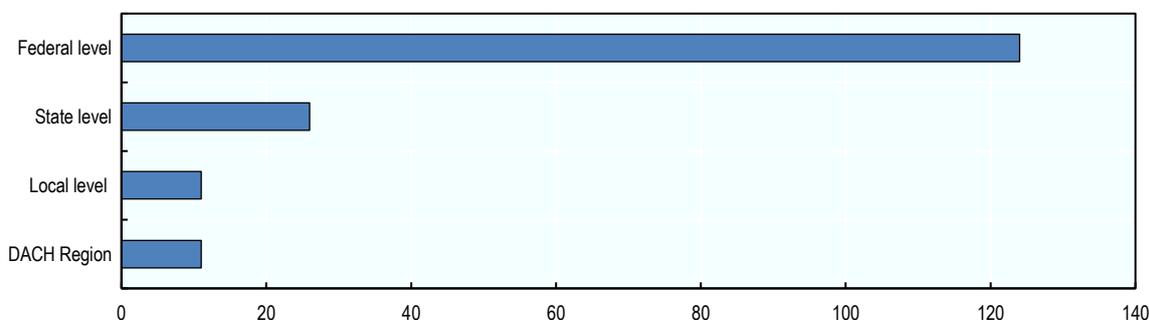
Source: Stocktaking survey among German financial literacy stakeholders

## Federal and state-level coverage

Most financial literacy initiatives have a federal coverage, with fewer cases of state and local coverage. Some 68% initiatives have a federal coverage, because they are implemented (or potentially available) across all German states, or because they are offered digitally (see Figure 4.4). Around 14% are implemented in one or more states, and around 6% at the local level notably in state capitals (see Figure 4.5). Finally, while all financial literacy initiatives which are not implemented face-to-face can potentially be accessed by German-speaking individuals outside of Germany, around 10 stakeholders explicitly indicated that their initiative is intended for the DACH Region.<sup>33</sup>

**Figure 4.4. Geographical coverage of financial literacy initiatives**

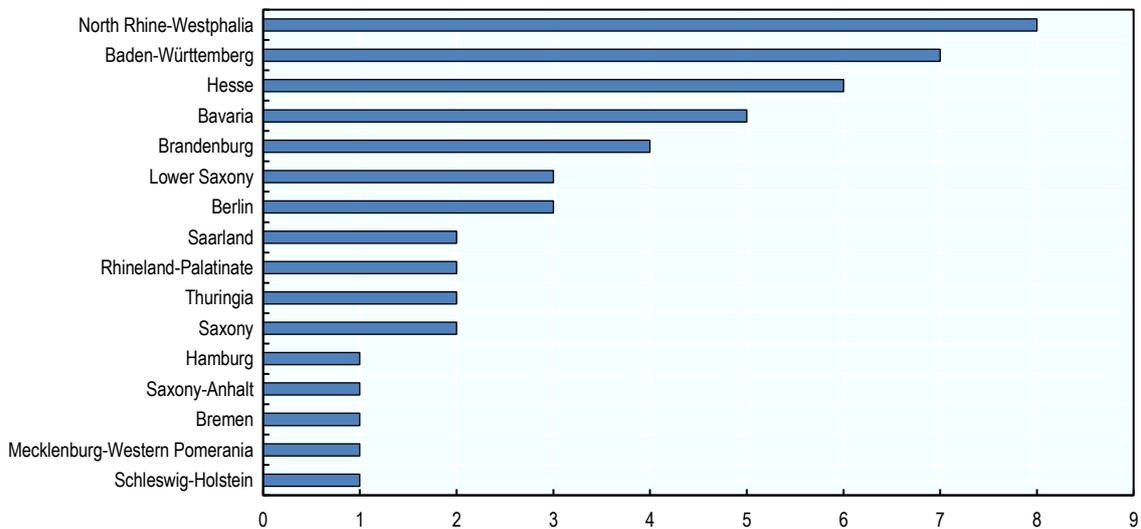
Number of initiatives; federal level includes initiatives which are offered digitally.



Source: Stocktaking survey among German financial literacy stakeholders

**Figure 4.5. Distribution of state-level initiatives among German states**

Number of initiatives



Notes: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

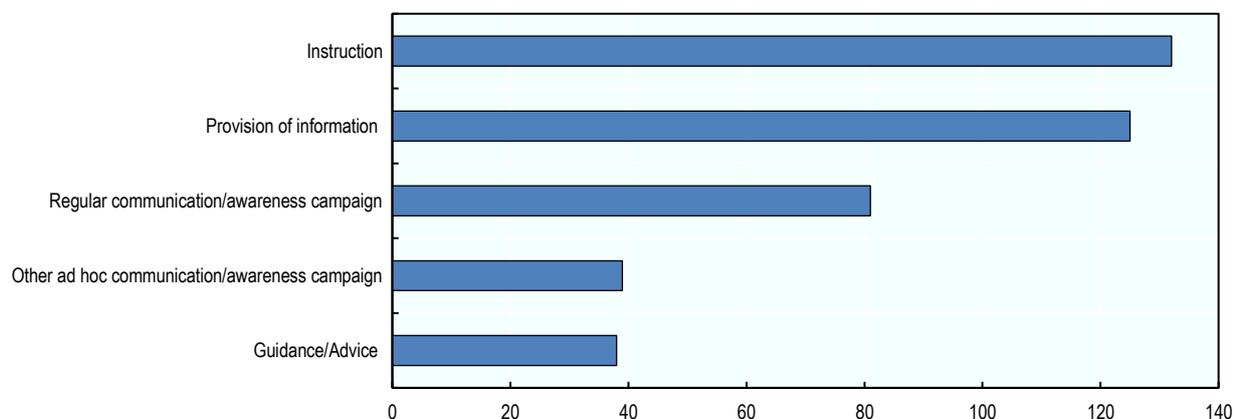
### ***Type of financial literacy activity***

While most financial literacy initiatives aim at increasing the financial literacy and ultimately the financial well-being of the target audience, they can do so through different and complementary approaches. These include instruction (i.e. the delivery of a curriculum), provision of reliable information, awareness campaigns, or offer of financial advice. Stakeholders responding to the survey were asked to indicate which kind of activity better described their financial literacy initiative, with the possibility of choosing more than one category (see Figure 4.6):

- Some 73% of financial literacy initiatives in Germany focus on instruction, i.e. training courses, seminars, webinars and any other programmes that typically entail a “curriculum” delivery on specific topics, in a variety of settings such as school, online, or community centres.
- Some 68% of initiatives provide information, through digital or traditional media, for example through websites, brochures, booklets, etc.
- Around 45% of initiatives are part of regular communication or awareness campaigns, be it international such as the Global Money Week<sup>34</sup> organised by the OECD, or national ones. Fewer initiatives, around 40, are part of ad hoc communication and awareness campaigns.
- Around 22% of initiatives focus on or include the generic or personalised provision of financial guidance or advice on a specific topic, such as debt relief advice, investment advice, etc.

**Figure 4.6. Financial literacy initiatives by kind of activity**

Number of initiatives



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

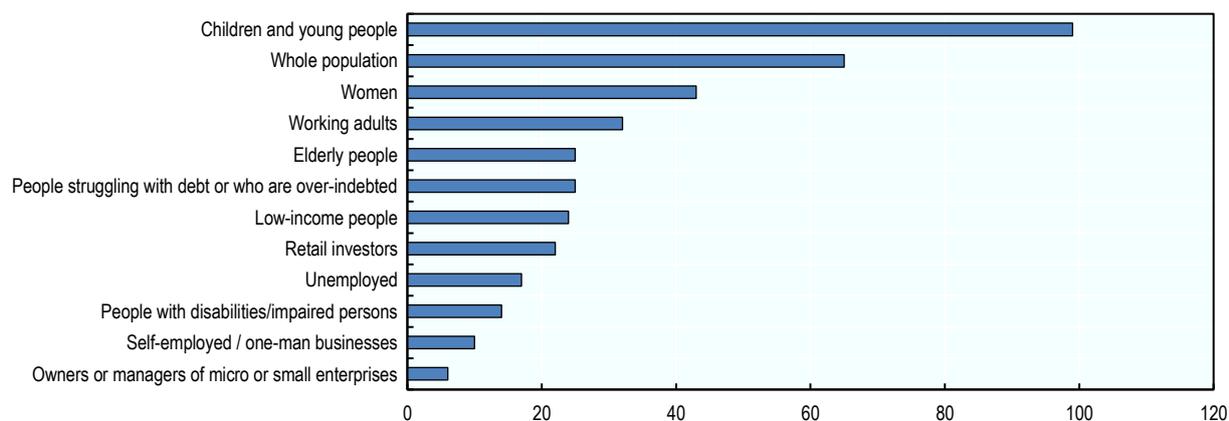
### Target groups

Around 56% of financial literacy initiatives developed by stakeholders in Germany target children and young people, and 34% of initiatives target the whole population (see Figure 4.7). Stakeholders report that 24% of initiatives target women, however, a closer analysis of the content of these initiatives indicates that a gender angle is adopted by a much lower number (less than half).

Compared to the number of initiatives targeting children and young people, a relatively low number are addressed at seniors (14%), low-income people and the unemployed (13% and 10% respectively), people struggling with debt or over-indebted (14%), retail investors (8%), and the self-employed or owners of micro and small enterprises (6% and 3% respectively). Five initiatives target immigrants and refugees.

**Figure 4.7. Groups of the population targeted by financial literacy initiatives**

Number of initiatives



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

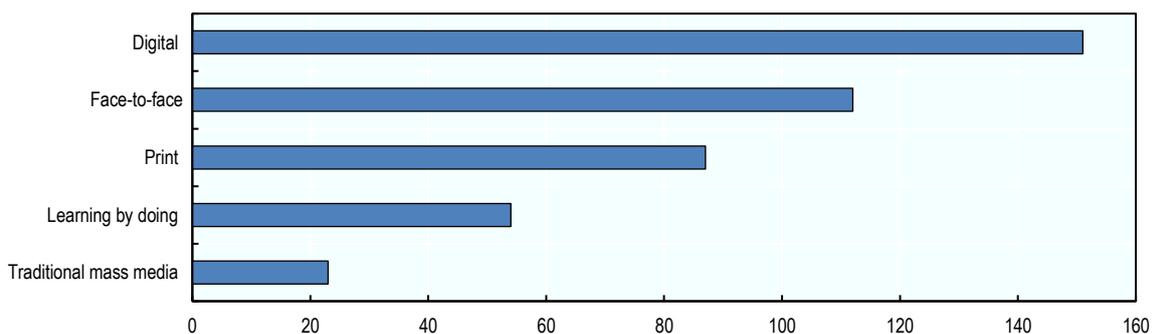
### Delivery channel and setting

The OECD Recommendation on Financial Literacy invites to use a variety of channels and means to reach a target audience appropriately (OECD, 2020<sup>[3]</sup>). A majority of financial literacy initiatives implemented in Germany make use of more than one delivery channel (see Figure 4.8). Most financial literacy initiatives are delivered digitally or include a digital component, and a very high number are delivered in a face-to-face setting:

- Around 85% of initiatives are delivered through digital media or include a digital component. They include websites, e-learning platforms, mobile applications, videos, social media, or podcasts.
- 63% are delivered face-to-face, especially in an academic context.
- 50% of initiatives use printed material, such as books, booklets, or comic books.
- 28% take a learning by doing approach and build on the possibilities offered by games and simulations.
- Finally, 11% make use of traditional mass media such as newspapers, TV and radio.

Figure 4.8. Delivery channels

Number of initiatives



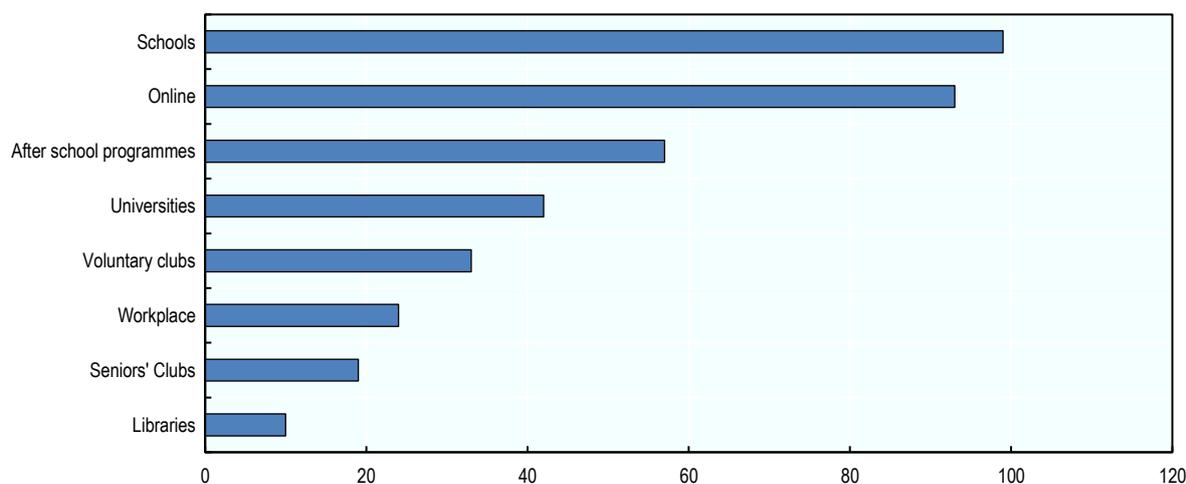
Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

With regards to the setting in which financial literacy initiatives are implemented, most take place in schools, either in the classroom (54%) or in after school programmes (32%) (see Figure 4.9). Around 50% of initiatives take place online, and around 22% take place in universities. A lower number of initiatives can be implemented in voluntary or senior clubs (19% and 10% respectively), and in the workplace (12%).

**Figure 4.9. Implementation setting**

Number of initiatives



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

The survey collected additional interesting insights on where and how financial literacy is delivered to the main groups of the population:

- Young people: around 80% of the initiatives that target them can be delivered in schools, or after school programmes (41%). Around 40% can be accessed online. Almost 80% of the financial literacy initiatives targeting them and are delivered face-to-face, and an equal number makes use of digital tools. Printed media is used in around 53% of initiatives, and 41% adopt a learning by doing approach.
- Working adults: half of the initiatives that target them are delivered online, with few examples of financial education which can potentially be delivered in the workplace (31%).
- Elderly people: some 60% of initiatives addressed to them are delivered online, and 44% in senior clubs. With regards to the delivery methods used, 76% are delivered digitally and 68% face-to-face. Less than 10% make use of traditional mass media such as TV or radio.

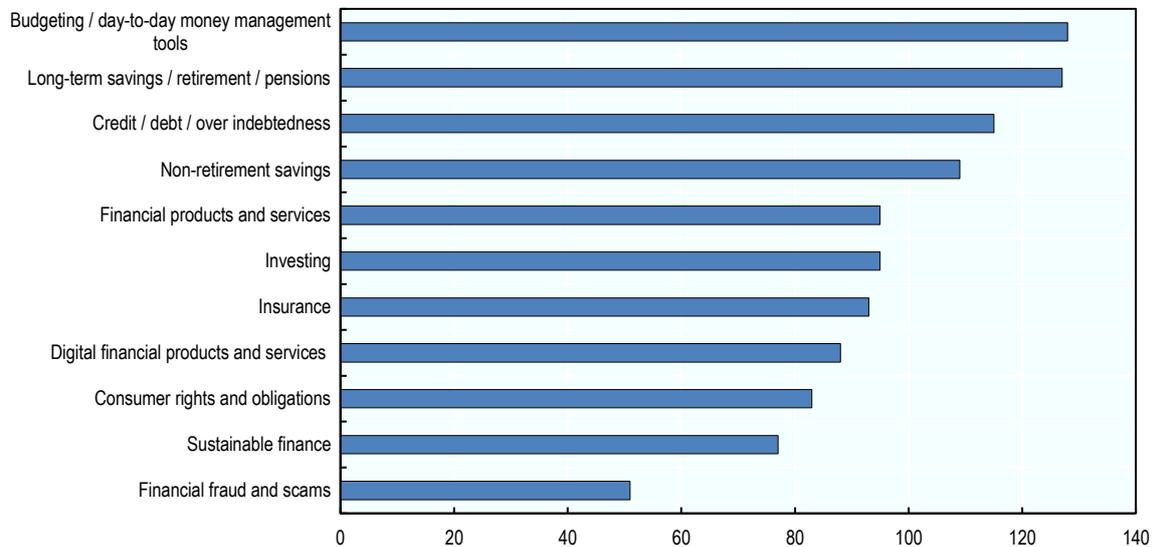
### **Content**

Most topics underpinning financial well-being are given adequate consideration by German stakeholders in the choice of the content of their financial literacy initiatives, with very little variation by category of the population (see Figure 4.10).

Almost 70% of initiatives address budgeting and day-to-day money management tools, and long-term savings investment and pensions; around 60% cover credit and over-indebtedness, and non-retirement savings. Investing, insurance, and digital products and services are the subject of around half of initiatives. These are followed by consumer rights and obligations, and sustainable finance, covered by 45% of initiatives. The topic receiving relatively less attention, but still not neglected, is financial frauds and scams (29% of initiatives).

**Figure 4.10. Topics addressed by financial literacy initiatives in Germany**

Number of initiatives



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

The use of financial literacy core competencies frameworks, including the ones developed by the OECD/INFE in cooperation with the European Commission (European Union/OECD, 2022<sup>[8]</sup>; 2023<sup>[9]</sup>; OECD, 2016<sup>[66]</sup>; 2015<sup>[67]</sup>; 2018<sup>[68]</sup>), is not common (see Box 4.1).

#### Box 4.1. Financial competence frameworks for adults, children and youth in the European Union

The OECD together with the European Commission have developed two competence frameworks in the context of the 2020 Capital Markets Union Action Plan (European Commission, 2020<sup>[69]</sup>): the Financial competence framework for adults in the European Union (European Union/OECD, 2022<sup>[8]</sup>) and the Financial competence framework for children and youth in the European Union (European Union/OECD, 2023<sup>[9]</sup>).

##### Content

The frameworks provide a set of outcome-based competences in financial literacy that individuals should ideally possess to make sound decisions on personal finance. They both structure competences in four main content areas: money and transactions, planning and managing finances, risks and reward, and financial landscape. Within these areas, the frameworks describe the types of knowledge that individuals could benefit from, what they should be capable of doing and the behaviours that may help them to achieve financial well-being throughout their lives, as well as the attitudes and confidence that will support this process.

For children and youth, competences are presented for three distinct age groups: 6- to 10-year-old, 11–15-year-old and 16-18 year old.

The frameworks build on previous work developed by the OECD/INFE (OECD, 2016<sup>[66]</sup>; OECD, 2015<sup>[67]</sup>) and integrate cross-cutting dimensions.

For adults these are:

- Digital financial competences related to digital financial services, digital tools relevant for personal finance, and digital assets.
- Sustainable finance competences, addressing the knowledge, attitudes and skills that are necessary to make sound financial decisions that account for one's own sustainability preferences (environmental, social and governance).
- Financial resilience, covering the competences most relevant to financial resilience, defined as the ability of individuals or households to resist, cope with and recover from negative shocks with financial consequences.
- Essential competences that are particularly relevant to: (i) daily life and/or to current or future financial well-being; and to (ii) a majority of the adult population.

For children and youth, in addition to digital and sustainable competences, the framework highlights citizenship competences, which can foster a sense of community and encourage civically responsible financial behaviour, and entrepreneurship competences, which can support personal fulfilment and development, active citizenship, social inclusion and employment in the knowledge society.

### **Use by public authorities and financial literacy stakeholders**

The Frameworks contribute to build a common understanding of financial literacy and can be used both by public authorities and by private and not-for-profit stakeholders. Possible uses include:

- Support to the design of financial literacy policies and of national strategies.
- Inform the development of specific financial literacy programmes and learning materials.
- Help with the assessment of financial literacy levels and the impact evaluation of financial literacy initiatives.

To facilitate uptake and use by stakeholders, both frameworks come with an Excel database to make it easier for users to browse through and filter competences<sup>35</sup>. Competences can be filtered by subject area or by the three dimensions (awareness/knowledge/understanding, skill/behaviours or attitudes). In addition, different tags are used to flag horizontal competences.

### ***Financial and human resources***

The survey distributed among financial literacy stakeholders in Germany collected information also on the financial and human resources being used to design and deliver financial literacy initiatives in the country.

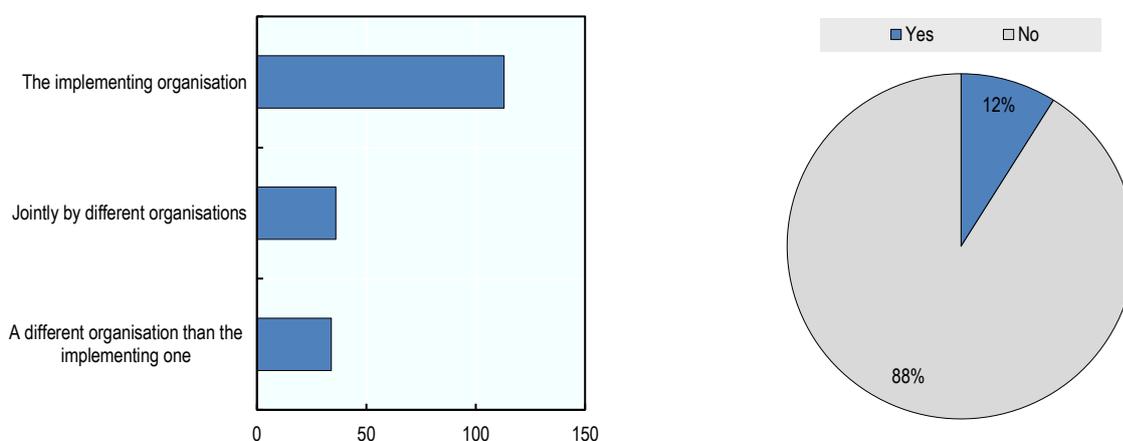
The implementing organisation funds the initiative in 64% of cases, and in 20% cases it does so together with a partner organisation (see Figure 4.11). Around 20% of initiatives are financed by a different organisation than the one implementing it.

These sources of funding make participating in initiatives or using their resources mostly free for users: indeed 91% of all initiatives do not require the payment of a fee (see Figure 4.11). Those that require the payment of a fee by the users include personal finance courses offered by specialised for-profit financial literacy providers, one offer of financial advice by a not-for-profit consumer centre, and a summer school by a political foundation.

With regards to human resources, most initiatives are delivered by specialist professional staff of the implementing organisation. This denotes a high level of professionalism and expertise among financial literacy stakeholders in Germany. Whenever the implementing organisation's staff is not directly responsible for the delivery, notably in the case of implementation in schools, teachers and volunteers often play a role in supporting the delivery.

**Figure 4.11. Financing the initiative**

Who funds the initiative; do users need to pay for the initiative



Source: Stocktaking survey among German financial literacy stakeholders

### **Evidence-based initiatives**

The survey investigated the use of data, evidence or research to inform the design of financial literacy initiatives in Germany, as well as their monitoring<sup>36</sup> and evaluation<sup>37</sup>. These are important elements that can influence the effectiveness of financial literacy initiatives. On the one hand, the use of evidence in the design phase ensures that financial literacy initiatives give due consideration to the financial literacy needs and gaps of the audience, as well as to findings from research and international good practices. On the other hand, monitoring and evaluation are essential to understand if an initiative is meeting its objectives and if resources, both human and financial, are used efficiently.

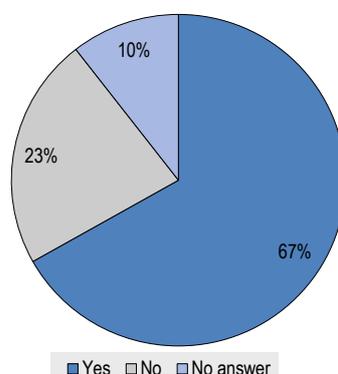
#### *Design*

Respondents indicated that 67% of initiatives currently implemented in Germany have been designed taking data and research (also beyond financial literacy) into account (see Figure 4.12). It is worth highlighting that 23% of initiatives do not seem to be built taking into account evidence or research, and that for 10% no response was provided. Concerning the initiatives delivered in schools, just around half (53%) are designed taking into account research or data.

When data and research are used, respondents point to the use of data from the German Federal Statistical Office, the OECD, consumer surveys, as well as academic literature on financial literacy, pedagogy and social mobility. Other elements that have been taken into account include the core curricula of the different states, the Beutelsbach consensus (standards for civic and religious education developed in 1976), state-level guidelines as well as recommendations of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder (*Ständigen Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland*, KMK), results of focus groups with students and teachers, and in one case the use of a gaming agency to refine pedagogic content.

**Figure 4.12. Use of data and research to design financial literacy initiatives**

Percentage of initiatives

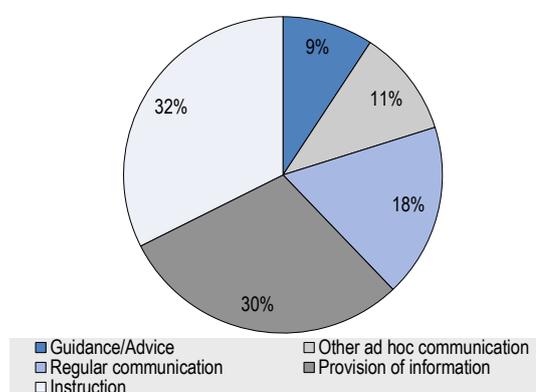
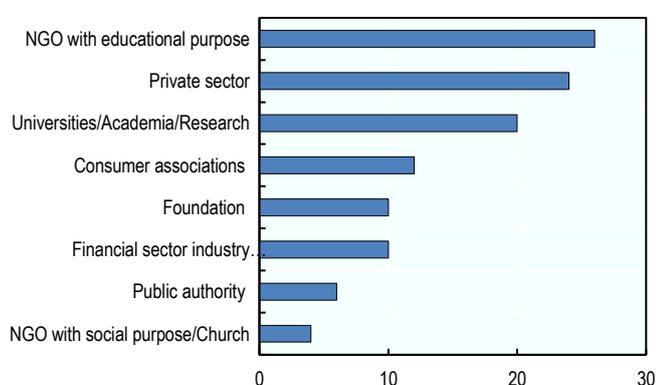


Source: Stocktaking survey among German financial literacy stakeholders

Data is used in particular to design financial literacy initiatives which focus on instruction (32%) and the provision of information (30%). Among the initiatives that use data and research, 21% are implemented by non-governmental organisations with educational purpose, 19% by the private sector, and 16% by universities and research institutions (see Figure 4.13).

**Figure 4.13. Use of data by implementing stakeholder and kind of financial literacy activity**

Number of initiatives using data by implementing stakeholder, and percentage of initiatives using data by kind of activities



Source: Stocktaking survey among German financial literacy stakeholders

### *Monitoring and evaluation*

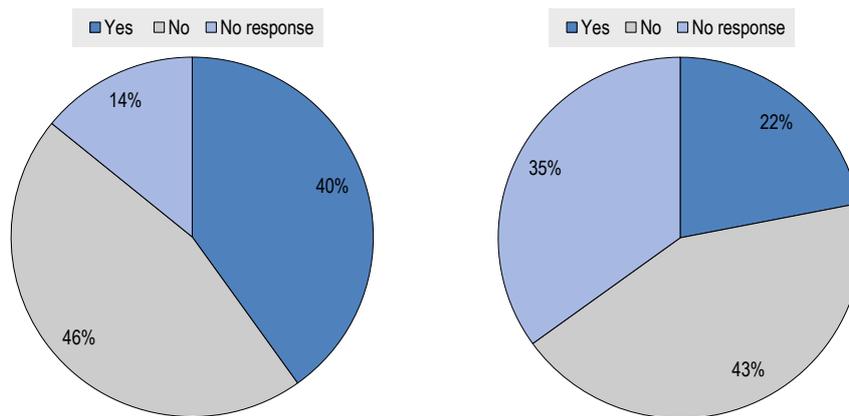
The monitoring and evaluation of financial literacy initiatives are essential to understand if they are having an impact, identify areas for improvement and understand if financial and human resources are spent effectively. They can ensure that their content is adapted to the target audience, up to date with respect to the evolution of retail financial services, and that delivery methods are effective.

With respect to monitoring, respondents to the survey provided information on the monitoring of around 67% of initiatives (see Figure 4.14). Monitoring techniques include the use of KPIs, qualitative feedback from participants through questionnaires, as well as automatic data collection for digital initiatives.

Key Performance Indicators (KPIs) represent a first step in measuring the performance of an initiative against its objectives. KPIs show an initiative's direct outputs in numbers, for example the number of resources produced, or target reached with regards to number of participants in an event. Around 40% of initiatives being implemented in Germany make use of KPIs and 46% do not (and for 14% no response was provided) (see Figure 4.14). A relatively low number of digital financial literacy initiatives (43%) include automatic data collection about the user and their use of the digital content provided.

**Figure 4.14. Monitoring the implementation of financial literacy initiatives**

Use of KPIs, and percentage of initiatives using automated monitoring/data collection for digital initiatives



Note: For the automated monitoring, results are as a percentage of digital initiatives only.

Source: Stocktaking survey among German financial literacy stakeholders

Stakeholders report that half of the initiatives are evaluated, however these evaluations are mostly carried out through qualitative feedback, from users in around twenty cases, or teachers in less than ten. A handful of initiatives test the financial knowledge of participants following exposure to the financial education content (with one carrying out pre and post tests). Very few stakeholders have carried out rigorous quantitative evaluations<sup>38</sup>: these include the Federal Association of Consumer Organizations, which evaluated its Consumer Education Material Compass, and the German Savings Banks and Giro Association which evaluated its *Sparkassen-SchulService* (in both cases in cooperation with academics and universities). Rigorous evaluations also include those undertaken by the Mannheim Institute for Financial Education (MIFE) and University of Mannheim and the Technical University of Munich (TUM) who have both carried out scientific evaluations through randomised field trials. Two respondents indicate that an evaluation of their initiative is carried out through the Material Compass of the Federal Association of Consumer Organizations, which assesses and rates existing financial literacy resources in Germany and makes available these results on its webpage.

Among those that indicate they do not undertake an evaluation, reasons include the lack of financial and human resources, lack of direct access to users (i.e. they develop a resource which is then delivered by partners or trainers with no information feedback) or a forthcoming evaluation being planned. One respondent points to personal data protection concerns preventing any evaluation.

## Financial literacy initiatives in German schools

Education in Germany is under the jurisdiction of the 16 Federal states. The states, through their education ministries, are responsible for early childhood education, schools, higher and adult education and have responsibility for the content and curriculum development (OECD, 2020<sup>[64]</sup>; Secretariat of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany, 2021<sup>[65]</sup>) (for details on the education system in Germany see Annex A). The teaching of financial literacy as a cross-curricular subject is encouraged across all German states as part of consumer education. However, the coverage of financial literacy content is not systematic and when existing it is very heterogeneous, both in its scope and in the way it is embedded in the curriculum of each state.

### **Responsibility for the content of curricula and teaching of financial literacy**

The Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany (*Ständigen Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland*, KMK) decided in 2013 to introduce consumer education in schools (Ständigen Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland, 2013<sup>[70]</sup>), thereby commissioning the 16 German states to introduce it in their curricula. This was intended to help students to acquire knowledge and skills to take effective decisions as consumers, reflect critically and independently, and act in accordance with their ethics and values.

Within the wider framework of consumer education, which also includes media and sustainability literacy, the KMK recognised that rising over-indebtedness proved the need to provide children and young people with the financial literacy skills to plan their finances in the medium and long-term. States were encouraged to introduce consumer education in a cross-curricular fashion, and to support its teaching via extra-curricular activities including projects, competitions, and out-of-school visits, also in cooperation with extra-curricular partners (public institutions, private and not-for-profit stakeholders). With regards to the content of financial literacy, the KMK invited German states to cover: conscious handling of money; financial products, investments, credit; private insurance and pensions; and advertising and consumption (Ständigen Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland, 2013<sup>[70]</sup>).

In the light of the characteristics of the German federal education system and the autonomy of each state, the recommendation by the KMK has been adapted to the content of state curricula respecting their different characteristics. For example, in Bavaria and Thuringia the focus of consumer education is on economics and law, in North Rhine-Westphalia on politics and in Berlin on technology (Bucher-Koenen and Knebel, 2021<sup>[12]</sup>). How this is introduced also differs, as in some states this is mandatory and in some optional.

A systemic analysis of the curricula of high schools in ten different German states using the OECD/INFE Core Competencies Framework on Financial Literacy for Youth indicates that the curricula cover to a very limited extent aspects of financial literacy, and that there are substantial differences across states and types of school (OECD, 2015<sup>[67]</sup>; Schuler and Brahm, 2021<sup>[71]</sup>). With respect to the coverage of the four content areas of the OECD/INFE Core Competencies Framework, “Money and transactions” and “Planning and managing finances” are more often included in curricula than “Risk and reward” and “Financial landscape”. In light of the high heterogeneity of content, but also of wording and structure of the different state curricula, it is not possible to understand whether financial literacy is actually addressed and if it is taught in terms of confidence, attitudes, skills and behaviours, and not only in terms of knowledge.

Studies undertaken on the teaching of *economic* education, under which financial literacy could be taught, by the Institute for Economic Education (*Institut für Ökonomische Bildung*, IÖB,) on behalf of the Flossbach von Storch Foundation, show how eleven out of 16 German states do not meet even half the prerequisites necessary to establish economic education in terms of both hours of teaching and of teachers’ training (Flossbach von Storch Stiftung, 2021<sup>[26]</sup>). Further research shows that the higher the school type the less

economic content is taught (Kraitzek, Förster and Walstad, 2022<sup>[72]</sup>). This is confirmed by surveys undertaken among young people aged 14-24 in Germany: 30% report having learnt very little on economics and finance and 38% not so much (Bankenverband, 2021<sup>[20]</sup>).

The joint response of the Saarland Ministry of Finance and Science and of the Saarland Ministry of Education to the national stocktaking survey sheds some light on how financial literacy can be taught in schools. Financial literacy is promoted in full-time vocational schools as part of vocational skills for bank, insurance and financial investment clerks, and can be taught as part of economic education in general high schools, particularly in upper secondary schools with a focus on economics. The integration of *economic* topics in Saarland can take place as early as primary school in science lessons (money, shopping at the bakery, or visiting the weekly market), and in a variety of subjects in secondary schools including the subjects of labour studies, social studies, history, geography, politics, social studies, careers and economics as well as business studies. To facilitate the teaching of *economic* education, all relevant business actors in Saarland have joined forces and set up an association (ALWIS, *Arbeitsleben, Wirtschaft, Schule*, i.e. Working life, business, school) to promote cooperation between schools and the business sector, and provide pupils and teachers with better economic education. ALWIS implements projects for pupils such as the business summer camp, training courses for teachers, the development of teaching modules for practice-oriented business lessons, as well as support for schools in setting up student companies or conducting business games (Gemeinsame Ministerialblatt Saarland, 1996<sup>[73]</sup>).

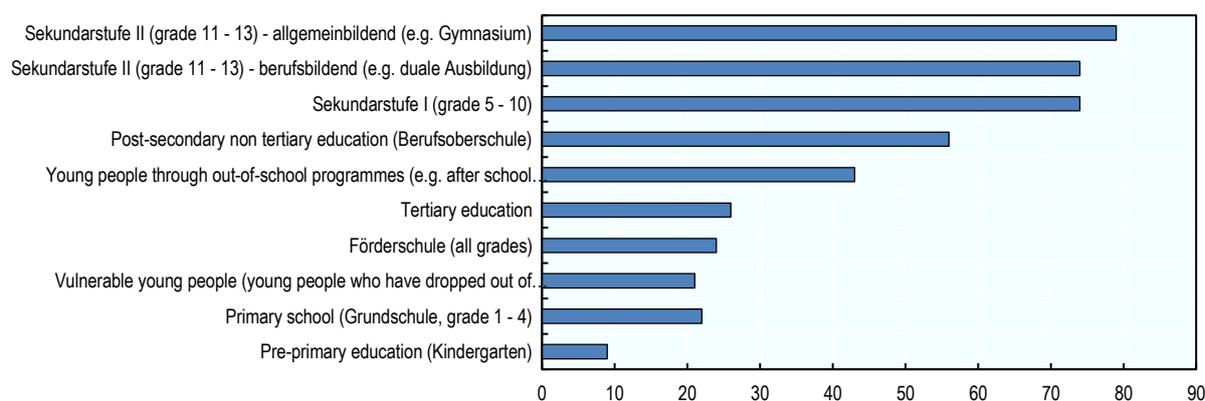
### ***Initiatives developed by stakeholders to support financial literacy in schools***

Against this background of great heterogeneity across states, individual schools and teachers can decide whether to introduce financial literacy in the classroom and under which modalities, considering state level curricula and guidelines.

Accordingly, and in line with the recommendations of the KMK (Ständige Konferenz der Kultusminister der Länder in der Bundesrepublik Deutschland, 2013<sup>[70]</sup>), financial literacy stakeholders from the public, private and not-for-profit sector have designed initiatives and resources to support the teaching of financial literacy within existing curricula or through extra-curricular activities. Currently, there seems to be no formal coordination among stakeholders regarding the content of their initiatives, or the type of school and grades addressed. This can potentially lead to relevant core financial literacy competences not being fully addressed. It could also lead to duplication of resources, i.e. some schools or grades could be targeted by several stakeholders, or leave certain schools or grades without sufficient access to financial education.

The survey allowed the identification of 99 initiatives delivered in a school setting, focusing in particular on instruction (88%), i.e. the teaching of a curriculum, and the provision of information (71%). Most financial literacy initiatives target students in secondary schools, both gymnasiums and vocational schools (grades 5-13). Few initiatives are offered in primary schools (22) (see Figure 4.15).

**Figure 4.15. School grades for which financial literacy stakeholders have designed resources**



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

Not-for-profit stakeholders are the most active and they are responsible for the implementation of 66% of initiatives, followed by universities and research institutions (13%), the public sector (4%) and the private sector (7%).

Among the initiatives delivered by not-for-profit stakeholders, 27% are offered by NGOs with educational purpose, 19% by consumer associations, 16% by financial sector industry associations, and 10% by NGOs with social purpose and churches.

Looking at how the content is delivered in the classroom, around one third of initiatives explicitly mention the role that can be played teachers. However, the presence of some form of teacher training is reported in just ten cases.

### ***Content of financial literacy initiatives in schools***

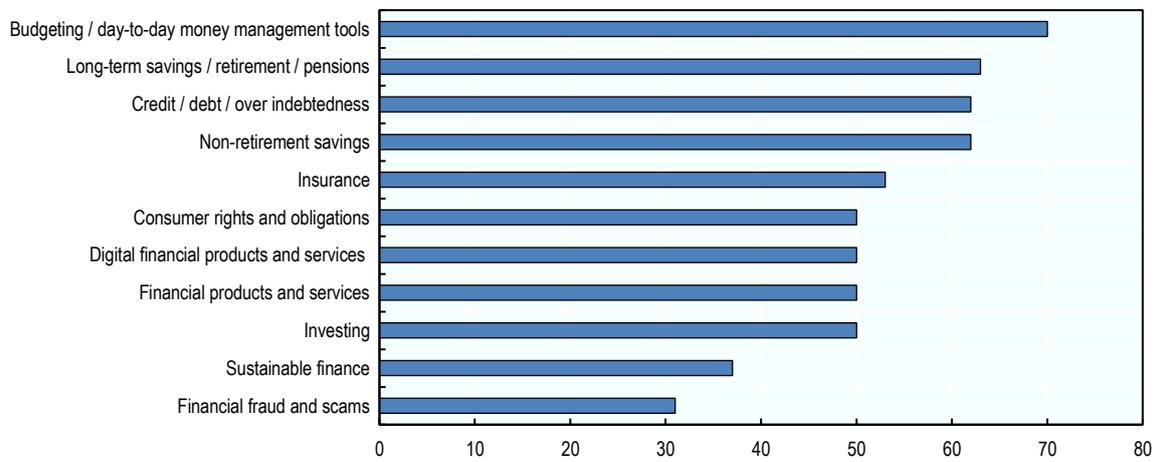
The content of the financial literacy initiatives which can be delivered in a school setting (see Figure 4.16) mirrors the content of all financial literacy initiatives (see Figure 4.10).

As there is substantial overlap between initiatives targeting students from Gymnasiums and from vocational secondary schools, there are no significant differences in their content.

However, the available evidence on financial literacy of high school students in Germany indicates that there are differences in financial literacy among Gymnasiums and vocational schools (Brühl, 2019<sup>[22]</sup>; Erner, Goedde-Menke and Oberste, 2016<sup>[23]</sup>). In addition, students from these schools will most likely meet different challenges: tertiary education on the one hand, and entering the job market on the other. In the light of these differences, it could be appropriate to conduct further research on the needs and gaps of students from different high schools, and to consider the opportunity of providing tailored financial literacy content.

**Figure 4.16. Topics addressed by financial literacy initiatives delivered in schools**

Number of initiatives



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

# 5 Identification of gaps and policy considerations

## Identification of gaps

Financial literacy stakeholders in Germany have designed and are implementing a considerable number of initiatives, demonstrate high levels of expertise as well as a strong commitment to advancing financial literacy. Despite this, the evidence collected as part of this project and the analysis undertaken in the previous chapters points to existing gaps in the provision of financial literacy, with regards in particular to:

- Groups of the population who could benefit from better access to tailored financial literacy initiatives, in light of their levels of financial literacy and of the current offer of financial education.
- The financial literacy content covered by existing financial literacy initiatives.
- The way in which financial literacy initiatives are designed and delivered.

Some of these gaps align with the priority areas which have been indicated by German stakeholders for the future development of the National Strategy (see Box 5.1).

## Groups of the population

While all individuals in Germany would benefit from higher levels of financial literacy, there are groups of the population in particular who display significant gaps in their financial literacy or who do not currently receive sufficient tailored access to financial education. These groups include individuals with lower levels of income and education, women, working adults and self-employed, and young people. It is important to note that these groups are not mutually exclusive, and that individuals can belong to more than one of these categories.

### ***Individuals with lower levels of income and education***

- *People who are struggling with over-indebtedness:* while budgeting and credit issues receive considerable attention among the topics addressed by financial literacy initiatives, people struggling with over-indebtedness are the explicit target of a relatively small number of initiatives (25), and few have wide reach. For instance, many initiatives that cover over-indebtedness are addressed mostly at students, and those that report reaching a few thousand individuals are mostly at the municipal level. This group of the population could benefit from a tailored approach focusing in particular on prevention, offering them support before their debt levels become unsustainable.
- *Unemployed:* the unemployed have lower levels of financial literacy, and score lower in particular on financial behaviour. In addition, unemployment is the first cause of over-indebtedness in Germany (German Federal Statistical Office, 2023<sup>[50]</sup>). Despite this, only 18 initiatives include the unemployed among their target audience, none of them exclusively, and few have a wide reach, apart from a few experiences at the municipal level. Those looking for employment would benefit from financial literacy initiatives that focus on in particular on nurturing financial behaviours such

as managing budgets under tight constraints, saving on low incomes, and on avoiding over-indebtedness. These initiatives could be provided in the context of existing programmes and resources for the unemployed.

- *Immigrants and refugees*: the successful integration of immigrants and refugees depends on how effectively they join the formal economy and integrate Germany's financial system. Only five initiatives are targeted to the needs of immigrants and refugees, none exclusively, and with low reach beyond the municipal level. While low-threshold financial literacy resources designed for all audiences are already used in centres for migrants and refugees, tailored financial literacy initiatives could play an important role in supporting a successful long-term integration (Atkinson and Messy, 2015<sup>[74]</sup>). These could present the characteristics of the German financial system and focus in particular on supporting effective financial inclusion.
- *Adults with low levels of education*: those with lower levels of financial literacy, and in particular score of financial knowledge and behaviours, and of financial resilience. They are also less likely to save, set long-term goals, and to feel confident about their retirement plans. These individuals would benefit from targeted initiatives that consider their learning needs.

## Women

- Evidence shows that women in Germany have lower financial knowledge than men and lower confidence in their financial literacy (Bucher-Koenen et al., 2021<sup>[25]</sup>; Monticone, 2023<sup>[75]</sup>; Monticone, 2023<sup>[75]</sup>; Bucher-Koenen and Lusardi, 2011<sup>[29]</sup>; Bucher-Koenen and Lusardi, 2011<sup>[29]</sup>), they save less and hold fewer financial products than men. Women also tend to have more fragmented careers and work part-time, leading to significant differences in retirement income compared to men (Institut für finanzdienstleistungen, 2020<sup>[76]</sup>). Women also are over-represented among single parents, and as such particularly affected by over-indebtedness compared to men. Around 20 initiatives report taking into account the financial literacy needs of women. However, these include personal finance courses offered for a fee by specialised for-profit financial literacy providers, which makes them not easy to access, particularly for women in a situation of financial fragility. These factors show the relevance of having financial literacy initiatives that adopt a gender angle and are designed to meet the financial literacy needs of women, including the most vulnerable (OECD, 2013<sup>[77]</sup>).

## Working adults and the self-employed

- *Working adults* are the explicit object of a relatively low number of initiatives: 34 initiatives include them among the target audience, none of them exclusively, and just 24 can potentially also be delivered in the workplace. Financial literacy evidence indicates that working adults might benefit from financial education in particular to support decision-making on retirement issues: just 62% of self-employed and 53% of employees, and just 40% of working-age adults in East Germany are confident about their retirement plans.
- *Owners of MSMEs and the self-employed*: there are 3.9 million people in Germany who are self-employed, and there are over 2.4 million SMEs (OECD, 2022<sup>[78]</sup>), but the financial literacy initiatives targeting them are respectively just ten and six (with just two focused exclusively on the self-employed and with a wide reach, 15 000 in person and 75 000 through a website). These individuals have specific financial literacy needs, for example linked to business financing and accounting (OECD, 2018<sup>[68]</sup>), and have a different pension regime. In light of these characteristics, they could benefit from tailored financial literacy initiatives which focus in particular on business creation and development.

## **Young people**

- While young people are the focus of a significant number of initiatives, the limited evidence available on their financial literacy levels points to significant gaps in the understanding of key concepts such as inflation, compound interest or risk diversification and more generally on credit literacy. Accordingly, focusing on increasing financial literacy levels of younger generations from an early age should remain a priority. The provision of financial literacy for this group of the population would however benefit from the collection of quantitative evidence, and from better coordination among all relevant stakeholders.

## **Content of financial literacy initiatives**

Most of the topics identified as underpinning financial well-being are given adequate consideration in the content of the financial literacy initiatives implemented in Germany (see Figure 4.10). In light of the evidence collected on financial literacy initiatives and on the gaps identified in the population through the financial literacy measurement, the topics on which the Strategy implementation could particularly focus on include:

### ***Saving for the long-term and for retirement***

- The evidence collected highlights the lack of confidence in retirement planning of a significant proportion of adults. Only 52% of adults in the active population feel confident or very confident about their retirement plans. In addition, only around half of adults hold occupational or private pensions, with significant differences based on income. Low levels of participation particularly among those on low incomes, indicate that significant percentages of the population are at risk of old-age poverty. Against this background, a bigger focus could be placed on financial literacy about retirement, to further raise awareness of the need to complement public pensions with occupational and private pensions, to educate on the subsidies available to those on low incomes, and to give adults living in Germany the knowledge and skills to take effective retirement decisions. In addition, financial literacy initiatives in the workplace could be encouraged, in cooperation with employers and industry associations.

### ***Participating in capital markets***

- As almost 90% of adults in Germany actively save, and 18% hold investment products, existing and potential retail investors might benefit from financial literacy resources that can help them navigate an increasingly complex retail investment landscape. Whether it is to give to potential investors the tool to invest in line with their risk preferences, or to support existing investors, financial literacy for investing should focus on encouraging a long-term approach to setting financial goals (just 60% of adults in Germany set long-term financial goals). It should also offer the knowledge and nurture the skills required to navigate an increasingly digital investment landscape, and to understand the difference between advice and marketing, notably on social media. While investing is addressed by 95 financial literacy initiatives, retail investors are the explicit target of just 23 initiatives, with only a handful focusing primarily on investing in capital markets. The provision of financial literacy on investing can be particularly relevant for younger citizens (18-29), since their participation keeps rising, by more than 40% between 2021 and 2022 (Jonas, Hoffmann and Binder-Tietz, 2022<sup>[21]</sup>) and they also tend to invest more than their parents, and who rely increasingly on financial advice found on social media. Furthermore, a solid understanding of how capital markets function could stimulate greater interest in investments, as indicated by the correlation between financial literacy and investment in capital markets (Yoong, 2011<sup>[43]</sup>; van Rooij,

Lusardi and Alessie, 2011<sup>[44]</sup>). By participating in capital markets, individuals can shield their money from the impact of inflation and are more likely over time to achieve returns exceeding those obtained from savings accounts.

### ***Using credit responsibly***

- Over 80% of adults in Germany hold some form of credit products, and the use of innovative digital credit products is increasing particularly among younger generations. While this does not lead to unsustainable levels of debt for most people, around 8% of the population is over-indebted (Peters et al., 2023<sup>[48]</sup>) and almost 600.000 people sought help from debt advice centres (German Federal Statistical Office, 2023<sup>[49]</sup>). Financial literacy initiatives should continue to focus on credit, both in its traditional and innovative digital forms, to ensure that individuals can safely use these products in particular for asset accumulation.

### ***Using digital financial services safely***

- Only under half of adults in Germany feel very comfortable using digital financial services, and just 17% trust the financial services offered by online providers and FinTechs. Digital financial literacy levels could be improved, as the average digital financial literacy score using the OECD/INFE methodology is just 64 out of 100. This indicates the need for adults in Germany to acquire better knowledge on digital financial services and develop the attitudes and skills that would empower them to use them safely, in ways that contribute to their financial well-being. Areas to focus on could include understanding and using open banking and account aggregation tools, which are used by one fifth of the adult population, with a particular focus on personal data protection. Moreover, all citizens may benefit by enhancing their understanding of digital financial products and in the context of retirement planning.
- Some 7% of adults in Germany have been victim of financial fraud or scams. The risk of falling victim to frauds and scams is likely to rise in coming years, due to an increased use of digital finance and online payment platforms, the higher volume of personal information shared online (OECD, 2020<sup>[58]</sup>), as well as the search by consumers of higher yields leading them to seek new investment opportunities (OECD, 2024<sup>[51]</sup>). Consumers, and particularly the most vulnerable such as the elderly (OECD, 2020<sup>[79]</sup>; 2022<sup>[80]</sup>), would benefit from resources to acquire the knowledge and skills to identify threats and protect their assets and their personal data.

### ***Meeting sustainability preferences***

- While awareness of sustainable finance products is very high, very few adults hold them. Half of adults would claim they would not invest in a company which puts profitability above sustainability, indicating that there is a potential strong interest in financial products labelled as sustainable. This interest also creates new challenges for consumers. In addition to basic financial literacy levels, consumers interested in sustainable financial products need to understand complex issues around sustainability, have an understanding of the new risks related to climate-events, as well as awareness and appropriate protection from the risks of greenwashing, i.e. the practice of marketing financial products as being more environmentally or climate-aligned than they are (OECD, 2023).

More generally, financial literacy initiatives should consider gaps evidenced by the measurement of financial literacy, which apply across policy areas. For example, just 35% of adults compare different offers from more than one financial services provider before buying a financial product, and a similar percentage (37%) has sought independent advice. As shopping around can provide consumers with better offers in terms of cost and suitability, adults should be encouraged to do so. An additional element which should be considered is that around one fifth of adults cannot understand correctly simple and compound interest.

## Coordination of financial literacy policies, design and delivery of financial literacy initiatives

The evidence collected and the dialogue undertaken with financial literacy stakeholders permits to identify areas for improvement in the design and the effective delivery of financial literacy initiatives.

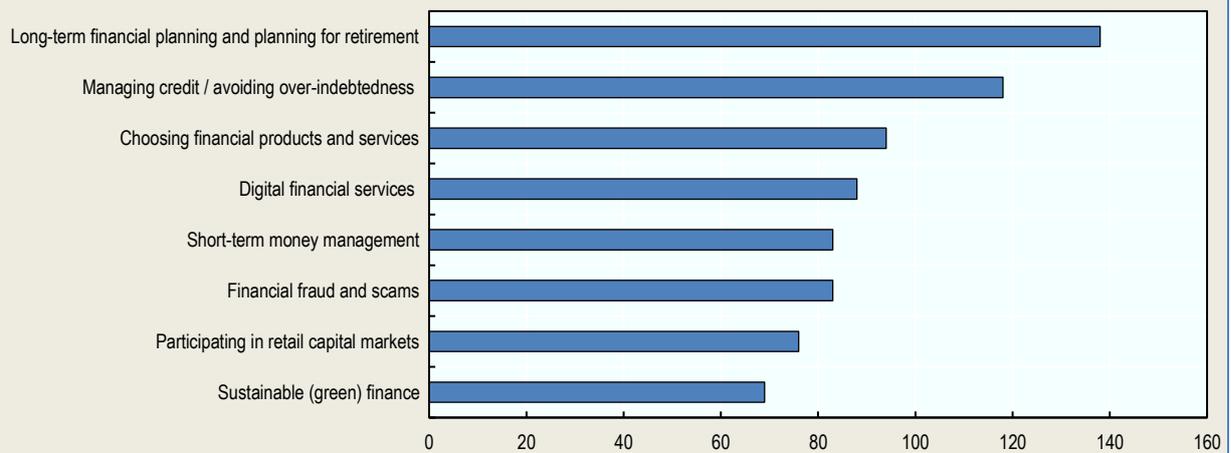
- *Coordination of financial literacy policies*: the cooperation between the Federal Ministry of Finance and the Federal Ministry of Education and Research is providing effective leadership at the federal level. There are also relevant instances of cooperation among stakeholders, who have also clearly indicated their eagerness to work with public authorities and be part of a sustained long-term dialogue in the context of the Financial Literacy Initiative. The establishment of a dialogue between the Federal and state levels, in the light of the exclusive responsibility on school curricula of the states, would make an important contribution to this process and to the effectiveness of financial literacy policies and initiatives in Germany.
- *Design of evidence-based initiatives*: the design of financial literacy initiatives would benefit from a more systematic use of research and quantitative evidence, in particular of financial literacy levels and their distribution (OECD, 2023<sup>[2]</sup>; 2022<sup>[1]</sup>). Besides the use of quantitative data, the design of the content of financial literacy initiatives could benefit from the use of competences frameworks (European Union/OECD, 2022<sup>[8]</sup>; 2023<sup>[9]</sup>).
- *Delivery setting*: in light of the many initiatives taking place in schools, coordination mechanisms could be put in place to ensure that stakeholders do not target primarily the same kind of schools or grades. Empowering teachers is crucial, as curricula often afford them the flexibility to design their own classes.
- *Impact evaluation*: most financial literacy stakeholders do not undertake rigorous assessment of the impact of their initiative on the target audience, nor an evaluation of the use they make of financial and human resources. Monitoring and evaluation would support the implementation of initiatives which better meet the needs of the target audience, and address gaps identified through evidence. They would also lead to a better use of resources.

### Box 5.1. Stakeholders' views on the future National Financial Literacy Strategy

Financial literacy stakeholders had the opportunity to provide their views on the future National Strategy when responding to the sock-taking survey distributed as part of this project. This included the main topics to be addressed and the groups of the population to be targeted as a priority. Stakeholder views on these topics are presented below.

### Figure 5.1. Stakeholders' views on the future topics to be addressed by the National Strategy

Number of stakeholders indicating each topic

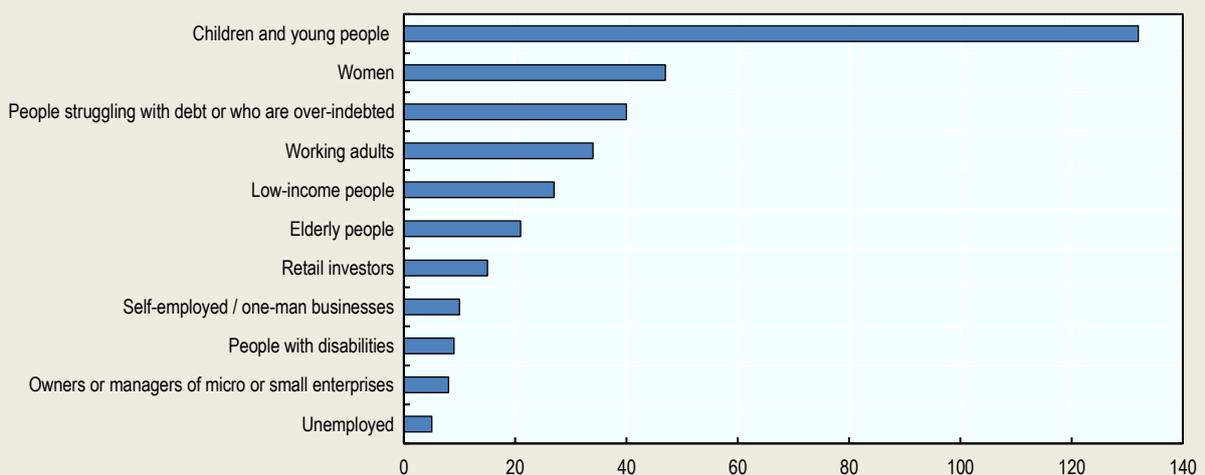


Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

### Figure 5.2. Stakeholders' views on the future target audiences of the National Strategy

Number of stakeholders indicating each audience

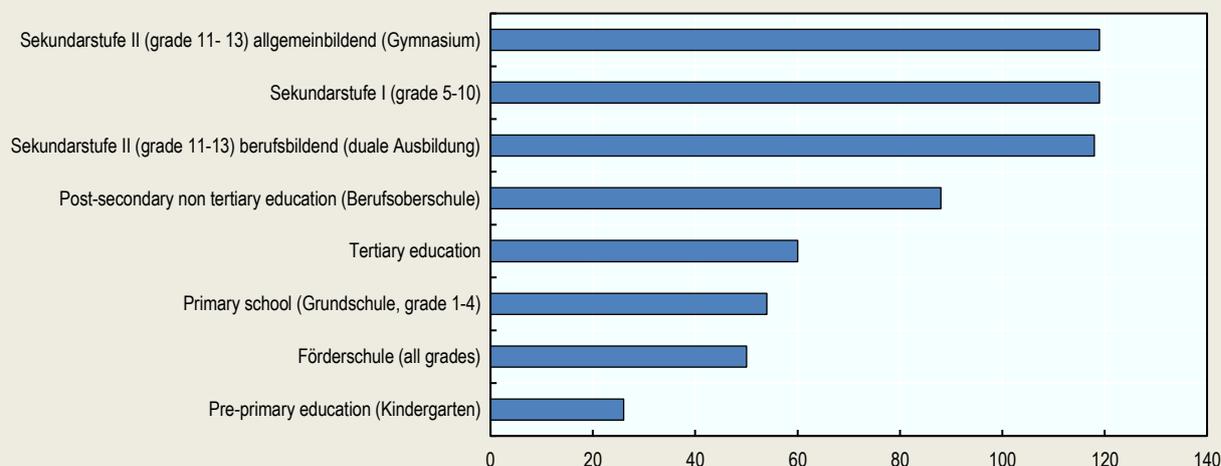


Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

**Figure 5.3. Stakeholders' views on the grades in which financial literacy should be provided in schools as part of the National Strategy**

Number of stakeholders indicating each grade



Note: More than one response possible

Source: Stocktaking survey among German financial literacy stakeholders

## Policy considerations to feed into the design of the Strategy

The evidence collected and the analysis conducted in this report support the adoption of a National Financial Literacy Strategy for Germany and the further development of financial literacy policies and initiatives. Based on the evidence and analysis, it is possible to formulate a number of policy considerations.

The adoption of a National Financial Literacy Strategy would bring several benefits for the effectiveness of financial education, the successful cooperation among stakeholders, and ultimately for individuals and households in Germany. The National Strategy would in particular recognise further the importance of financial literacy as part of the policy toolbox to support the financial well-being of people living in Germany. It would do it by tailored targeting of specific groups; support the development of all relevant financial competences; encourage the design of evidence-based initiatives; support systematic impact assessment.

### ***Tailored targeting of specific groups***

A majority of financial literacy initiatives currently implemented in Germany is addressed at young people in schools. While this is welcome, and in line with the OECD Recommendation on Financial Literacy (OECD, 2020<sup>[3]</sup>), there are certain groups of the population who would benefit from receiving increased attention.

The National Strategy's implementation could:

- Continue to focus on students and younger generations, building on the eagerness of students in Germany to learn about financial literacy: 81% of young people aged 14-24 would like to learn about retirement provision options in school, 87% about money management, 73% about investment options (Bankenverband, 2021<sup>[20]</sup>).

- Create mechanisms supporting increased coordination among stakeholders in the offer of financial literacy in schools.
- Consider the opportunity of tailoring the financial literacy offer to different types of high school, in the light of the different financial literacy levels of students from Gymnasiums and vocational schools (Brühl, 2019<sup>[22]</sup>; Erner, Goedde-Menke and Oberste, 2016<sup>[23]</sup>), and their different needs as they enter adult life.
- Strengthen effective provision in schools through more systematic teachers training.

Besides a sustained and comprehensive focus on younger generations, the implementation of the National Strategy could ensure that all relevant groups of the population, particularly those with significant financial literacy gaps, have adequate access to financial literacy initiatives. These groups include:

- Individuals with lower levels of income and education, such as people who are struggling with over-indebtedness, the unemployed, as well as immigrants and refugees.
- Women.
- Working adults, including owners of MSMEs and the self-employed.

In addressing these audiences, the Strategy could consider the most effective delivery methods and settings. These include in particular the delivery of financial education in the workplace (OECD, 2022<sup>[81]</sup>).

### ***Support the development of all relevant financial competences***

In parallel with ensuring that all relevant target audiences have sufficient access to financial literacy initiatives, the Strategy's implementation could also ensure that the content of these initiatives addresses all relevant areas that have been identified in particular through quantitative data collections.

These include in particular:

- Saving for the long-term and for retirement.
- Participating in capital markets.
- Using credit responsibly.
- Using digital financial services safely.
- Meeting sustainability preferences.

The identification of the knowledge, skills, and attitudes which support financial well-being in these areas would be facilitated by the adoption of common policy tools informing the design of financial literacy initiatives. Of particular relevance would be the use of common core competencies frameworks, such as those developed by the OECD International Network on Financial Education and the European Commission for the adults and for young people in the European Union (European Union/OECD, 2022<sup>[8]</sup>; 2023<sup>[9]</sup>).

### ***Encourage the design of evidence-based initiatives***

The design of financial literacy initiatives in Germany could benefit from a more widespread use of evidence from research and from financial literacy data collection (OECD, 2022<sup>[11]</sup>). Despite the regular collection of financial literacy of adults by German authorities (BaFin, 2020<sup>[24]</sup>; OECD, 2020<sup>[5]</sup>; 2017<sup>[7]</sup>), and despite the numerous academic institutions which conduct high-quality relevant research, financial literacy stakeholders do not systematically design initiatives based on quantitative evidence.

Furthermore, existing quantitative evidence on the financial literacy levels of adults could be complemented by a comprehensive assessment of the financial literacy levels of students in schools (OECD, 2019<sup>[16]</sup>), as part of future PISA Financial Literacy Assessments or through independent assessments undertaken by a sufficient number of German States using a comparable methodology. This would meet a need for

evidence: currently, just around half of financial literacy initiatives for young people are designed considering research or data.

The National Strategy's implementation could:

- Facilitate sharing the results of financial literacy data collections with stakeholders, for example through events open to stakeholders active in the field.
- Encourage stakeholders to use financial literacy evidence to choose the groups of the population to target and to adapt the content of their initiatives.
- Pave the way for a comprehensive assessment of financial literacy of students, as part of future PISA Financial Literacy Assessments or through independent assessment using a similar methodology.

### ***Support systematic impact assessment***

Most financial literacy stakeholders currently do not undertake rigorous evaluation of their initiatives, both with regards to the impact they have on the target audience, and with regards to the effective use resources.

The National Strategy's implementation could:

- Develop a common monitoring and evaluation toolkit, building on international good practices (OECD, 2012<sup>[82]</sup>; 2022<sup>[83]</sup>).
- Facilitate the collection of similar monitoring data during the implementation of initiatives, and encourage the assessment of impact against common objectives identified by the National Strategy.
- Support stakeholders through the organisation of dedicated workshops focused on programme monitoring and evaluation, especially as many stakeholders point to a lack of financial means and expertise.
- Create mechanisms to foster the cooperation between academia and financial literacy stakeholders.

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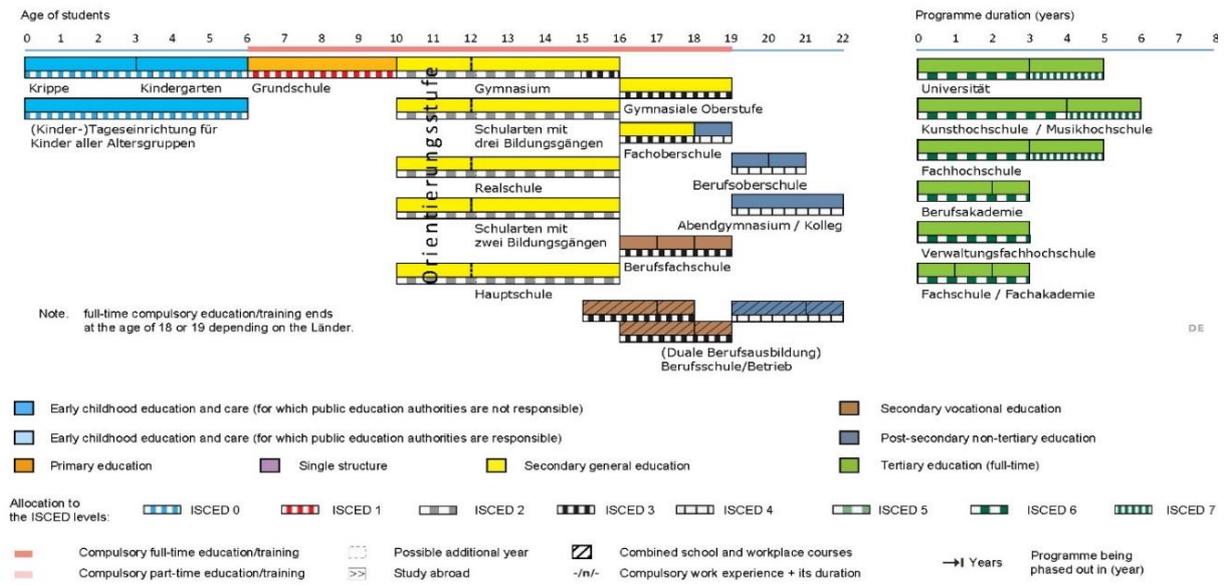
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# Annex A. The education system in Germany

## Germany – 2023/2024



Source: <https://eurydice.eacea.ec.europa.eu/national-education-systems/germany/overview>

## Annex B. Stocktaking questionnaire

### 1. Respondent's details

\*1.1 Please indicate whether you represent:

<input type="radio"/>	A public, private or not-for-profit institution	
	*Name of the institution:	
<input type="radio"/>	Yourself	
	*Please provide your name and details on how you are involved in financial literacy projects:	

\*1.2 Please select the category that applies to your institution:

<input type="radio"/>	Public authority
<input type="radio"/>	Not-for-profit stakeholders
<input type="radio"/>	Universities/Academia/Research
<input type="radio"/>	Private sector institution
<input type="radio"/>	Other   Please specify:

\*If **public authority**, please specify whether your institution has a:

<input type="checkbox"/>	National mandate (e.g. government, central bank, financial regulator, etc.)
<input type="checkbox"/>	State/land mandate
<input type="checkbox"/>	Local mandate

\*If **public authority**, does your institution have a legal mandate to conduct financial education/literacy:

<input type="radio"/>	Yes, my institution has an explicit legal mandate for financial education/literacy
<input type="radio"/>	Yes, my institution implies its financial education/literacy mandate from other responsibilities (such as financial stability, financial consumer protection or social policies)
<input type="radio"/>	No, my institution does not have a legal or implicit mandate for financial education/literacy

\*Please provide details to your answer to the above question.

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\*If **not-for-profit stakeholder**, please specify:

<input type="radio"/>	Consumers' associations	
<input type="radio"/>	Employers' associations	
<input type="radio"/>	Teachers' associations	
<input type="radio"/>	Other associations	
<input type="radio"/>	Foundations	
<input type="radio"/>	Trade unions	
<input type="radio"/>	Other	Please specify:

\*If **not-for-profit stakeholder**, please briefly describe the nature and areas of work of the organisation (whether financial education is amongst core objectives of your programmes or complementing other programmes).

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\*If **not-for-profit stakeholder**, please indicate whether your organisation operates under a public sector mandate

<input type="radio"/>	Yes	Please provide details:	
<input type="radio"/>	No		

\*If **Universities/Academia/Research**, please indicate which faculties and departments focus on financial literacy issues.

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\*If **Universities/Academia/Research**, please indicate how your institution is involved in financial education/ literacy (e.g., by providing financial education courses to students, by conducting research on financial literacy, etc).

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\*If **private sector institution** or **other**, please briefly describe the nature and areas of work of your organisation

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\*If **private sector institution**, please specify

<input type="radio"/>	Financial sector industry body (e.g. bank association, insurance association, private pensions providers association, etc.)	
<input type="radio"/>	Financial sector institution (e.g. bank, insurance company, private pensions provider, fintech company, etc.)	
<input type="radio"/>	Private company outside the financial sector providing financial education	
<input type="radio"/>	Other private sector institution	Please specify:

**\*If private sector institution**, is your organisation following any principles or codes of conduct in the provision of financial education?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	

## 2. The relevance of financial literacy policies and initiatives in Germany and your expertise

2.1 Please explain why you think that improving the financial literacy of people is currently relevant in Germany, given the current opportunities and challenges faced by individuals and households.

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2.2 Please explain how your institution contributes to increasing financial literacy and financial well-being in Germany.

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## 3. Your financial education initiative(s)

In this section you will be able to provide details of financial literacy initiatives developed or implemented by your institution. Financial literacy initiatives can include, for instance, (one-off or a series of) awareness campaigns, training courses, seminars, lectures, generic guidance, booklets, videos, games, etc.

At the end of this section, you will be given the option to add information for additional initiatives (you can add up to a maximum of 10 initiatives).

### ***Details about your initiative***

**\*3.1** Name of the initiative

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3.2 Please provide web links to your initiative, if possible.

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3.3 Please provide timeframe information about your initiative.

- Start date: *[in date format]*
- End date (if past or foreseen): *[in date format]*
- Additional details if needed

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## 3.4 Please provide details about the frequency of your initiative.

<input type="radio"/>	Reoccurring (e.g. events, lectures, seminars taking place regularly or over a long period of time, or provision of information that is available and regularly updated over a long period of time, etc.)
	Please provide details: <input type="text"/>
<input type="radio"/>	Non-reoccurring (e.g., one-off event, lecture, seminar or provision of information that is available over a short period of time, etc.)
	Please provide details: <input type="text"/>

## \*3.5. Please provide details on the geographical coverage of your initiative.

<input type="radio"/>	Federal level
<input type="radio"/>	State/Land level
	Please indicate all the Lander in which this initiative takes place:
	<input type="checkbox"/> Schleswig-Holstein
	<input type="checkbox"/> Hamburg
	<input type="checkbox"/> Mecklenburg-Vorpommern
	<input type="checkbox"/> Bremen
	<input type="checkbox"/> Brandenburg
	<input type="checkbox"/> Berlin
	<input type="checkbox"/> Niedersachsen
	<input type="checkbox"/> Sachsen-Anhalt
	<input type="checkbox"/> Sachsen
	<input type="checkbox"/> Thüringen
	<input type="checkbox"/> Hessen
	<input type="checkbox"/> Nordrhein-Westfalen
	<input type="checkbox"/> Rheinland-Pfalz
	<input type="checkbox"/> Saarland
	<input type="checkbox"/> Baden-Württemberg
	<input type="checkbox"/> Bayern
<input type="radio"/>	Other (including abroad in German speaking countries)

## 3.6 Please indicate who developed the content of this initiative.

<input type="radio"/>	Your organisation
	Please provide details: <input type="text"/>
<input type="radio"/>	Another organisation
	Please provide details: <input type="text"/>
<input type="radio"/>	Jointly by your organisation and others
	Please provide details: <input type="text"/>
<input type="radio"/>	Adapted from internationally available material/initiatives
	Please provide details: <input type="text"/>

## 3.7. Is the content of the initiative updated regularly?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	

## \*3.8 What kind of activity is your initiative?

Please tick all that apply.

<input type="checkbox"/>	Regular communication / awareness campaign (e.g., participation in Global Money Week, World Investor Week, etc.)	
	Please provide details:	
<input type="checkbox"/>	Other ad hoc communication / awareness campaign (e.g. national campaigns on specific topics such as financial fraud/scams, pensions/retirement, etc.)	
	Please provide details:	
<input type="checkbox"/>	Provision of information (e.g., websites, brochures, booklets, etc. )	
	Please provide details:	
<input type="checkbox"/>	Instruction (e.g., training courses, seminars, webinars and any other programmes that typically entail a “curriculum” delivery on specific topics, in a variety of settings such as school, online, workplace, etc.)	
	Please provide details:	
<input type="checkbox"/>	Guidance/Advice (e.g., generic or personalised provision of financial guidance/advice on a specific topic, such as debt relief advice, investment advice, etc.)	
	Please provide details:	
<input type="checkbox"/>	Other	
	Please specify and provide details:	

## 3.9 Did your organisation used any data, evidence or research to inform the design of the initiative?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	

## 3.10 Please provide details on any other element that informed the design of your initiative (e.g., using a competencies framework, behavioural insights, etc.).

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3.11 Please briefly describe the **objective(s)** and **expected outcome(s)** of the initiative (e.g., increasing awareness and knowledge in a policy area, such as banking products, investing, saving, etc.; improving behaviours, such as budgeting, etc.; preventing problems such as over-indebtedness; supporting safe use of digital financial services, etc).

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Are there any specific Key Performance Indicators (KPIs) for the initiative?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	

\*3.12 Please indicate who funds the initiative.

<input type="radio"/>	Your organisation	
	If possible, please indicate which budget source (dedicated financial education budget, budget for communication, budget for corporate social responsibility, etc.)	
<input type="radio"/>	Another organisation	
	If possible, please indicate the source (e.g., public, private, foundations, others) and nature of funding by other organisations (e.g. lump-sum, inducements, etc.)	
<input type="radio"/>	Jointly by your organisation and another	
	If possible, please indicate the source (e.g., public, private, foundations, others) and nature of funding by other organisations (e.g. lump-sum, inducements, etc.)	

3.13 Do users/participants in the initiative have to pay to use it or participate in it?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	

### ***Delivery of the initiative***

3.14 Is the initiative is delivered by the same organisation which developed it?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	
	Please provide details:	

**\*3.15 What channels are used to deliver the initiative?**

Please tick all that apply.

<input type="checkbox"/>	Print (booklets, pamphlets, comic books, etc.)	
	Please provide details:	
<input type="checkbox"/>	Traditional mass media (TV, radio, etc.)	
	Please provide details:	
<input type="checkbox"/>	Face-to-face	
	Please provide details:	
<input type="checkbox"/>	Digital (websites, e-learning platforms, mobile applications, videos, social media, chatbots, podcasts etc.)	
	Please provide details:	
<input type="checkbox"/>	Learning by doing (e.g., simulations, games, etc.)	
	Please provide details:	
<input type="checkbox"/>	Other	
	Please specify and provide details:	

**3.16 Who delivers the initiative (for example, teachers, professionals, volunteers, etc.):**


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**\*3.17 What setting is the initiative delivered in?**

Please tick all that apply.

<input type="checkbox"/>	Schools	
<input type="checkbox"/>	Universities	
<input type="checkbox"/>	After school programmes	
<input type="checkbox"/>	Voluntary clubs	
<input type="checkbox"/>	Workplace	
<input type="checkbox"/>	Libraries	
<input type="checkbox"/>	Seniors' clubs	
<input type="checkbox"/>	Online	
<input type="checkbox"/>	Other	Please provide details:

***Content of the initiative*****3.18 Please describe the content of the initiative:**


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**3.19 Please describe the structure of the content (is the content organised by areas, by core competencies, by life stages, etc.):**


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## \*3.20 What topics does the initiative address?

Please tick all that apply.

<input type="checkbox"/>	Budgeting / day-to-day money management hools
<input type="checkbox"/>	Long-term savings / retirement / pensions
<input type="checkbox"/>	Non-retirement saving (e.g. saving for emergencies, or education, or other goals)
<input type="checkbox"/>	Credit / debt / over indebtedness
<input type="checkbox"/>	Insurance
<input type="checkbox"/>	Investing
<input type="checkbox"/>	Sustainable finance (e.g. sustainable savings, investments, mortgages)
<input type="checkbox"/>	Financial products and services (e.g. characteristics and risks)
<input type="checkbox"/>	Digital financial products and services (e.g. digital payments, online credit, safety procedures to adopt online, open banking, personal data within financial sphere etc.)
<input type="checkbox"/>	Consumer rights and responsibilities
<input type="checkbox"/>	Financial fraud and scams
<input type="checkbox"/>	Other      Please provide details:

3.21 Please provide details on any specific educational material developed for or used by the initiative (educational materials may include leaflets, books, videos, games, digital tools, or any other external resources):

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**Target group of the initiative**

## 3.22 Who is the target audience(s) of the initiative?

Please tick all that apply.

<input type="checkbox"/>	Whole population	
<input type="checkbox"/>	Children and young people	Please also specify within this target group: <input type="checkbox"/> Förderschule (all grades) <input type="checkbox"/> Pre-primary education (Kindergarten) <input type="checkbox"/> Primary school (Grundschule, grade 1 - 4) <input type="checkbox"/> Sekundarstufe I (grade 5 - 10) <input type="checkbox"/> Sekundarstufe II (grade 11 - 13) - allgemeinbildend (e.g. Gymnasium) <input type="checkbox"/> Sekundarstufe II (grade 11 - 13) - berufsbildend (e.g. duale Ausbildung) <input type="checkbox"/> Post-secondary non tertiary education (Berufsoberschule) <input type="checkbox"/> Tertiary education <input type="checkbox"/> Young people through out-of-school programmes (e.g. after school programmes or voluntary clubs) <input type="checkbox"/> Vulnerable young people (young people who have dropped out of school, unemployed young people)
<input type="checkbox"/>	People with disabilities/impaired persons	
<input type="checkbox"/>	Elderly people	

<input type="checkbox"/>	Self-employed / one-man businesses	
<input type="checkbox"/>	Owners or managers of micro or small enterprises	
<input type="checkbox"/>	Women	
<input type="checkbox"/>	Retail investors	
<input type="checkbox"/>	Working adults	
<input type="checkbox"/>	Unemployed	
<input type="checkbox"/>	Low-income people	
<input type="checkbox"/>	People struggling with debt or who are over-indebted	
<input type="checkbox"/>	Other	Please specify:

3.23 How many people are reached by the initiative (please provide numbers or approximate numbers)?

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### **Monitoring and evaluation**

3.24 How do you **monitor** the implementation of the initiative (please describe the process and specific KPIs monitored)?

**Monitoring** refers to a set of activities that track the implementation of an initiative, including through gathering specific KPIs of the initiative at regular time intervals, such as number of individuals the initiative reaches, the resources used, etc. In the case of digital initiatives, such data gathering/monitoring can be automated to track enrolment, drop-outs, contact hours etc.

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3.25 For **digital initiatives**, is there an automated monitoring/data collection?

<input type="radio"/>	Yes	
	Please provide details:	
<input type="radio"/>	No	
	Please explain why not:	
<input type="radio"/>	Not applicable	

\*3.26 Have you **evaluated** the effectiveness and impact of the initiative?

**Evaluation** generally refers to the process of assessing whether the programme is reaching the set of “objectives” and “expected outcomes”. Typically, the evaluation is less frequent or regular than monitoring efforts, but it builds on data gathered through the monitoring process and other quantitative and qualitative inputs, to provide a detailed analysis of the impact of the initiative on the end user.

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<input type="radio"/>	Yes	
	Please provide details on the methodology used and the main results. Please provide any links to publications, if available:	
<input type="radio"/>	No	

Please explain why not:	
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### Lessons learnt

3.27 Please provide information on what you learnt in the design and implementation of the initiative, what you would do differently, what was effective and could be replicated in the context of the national strategy.

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## 4. Data and research

4.1 If your organisation collected data on financial literacy in your country, conducted relevant research or collected monitoring and evaluation evidence connected to the design and delivery of financial education programmes in your country, please provide the link or send the document to the OECD.

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Alternatively, you can upload a document in the survey (if you encounter any difficulties, please contact [SecretariatNFE@oecd.org](mailto:SecretariatNFE@oecd.org))

## 5. Existing cooperation

5.1 Does your organisation cooperate with other public, private or not-for-profit stakeholders in the field of financial literacy and education?

Yes

Please explain:	
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No

Please explain why not:	
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5.2 If **yes**, please indicate whether this cooperation is formalised (e.g., in a Memorandum of Understanding (MOU), other form of agreement, working groups etc.).

Yes

Please provide details:	
-------------------------	--

No

## 6. Your expectations concerning a national strategy for financial literacy in Germany

In this section, please provide your views and your expectations concerning a national strategy for financial literacy in Germany.

6.1 In your opinion, why do you think a national strategy for financial literacy should be developed for Germany?

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\*6.2 What should be the key objectives of the national strategy?

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\*6.3 Please indicate which, in your opinion, should be the priority target groups of the future national strategy. Please consider the need to target also audiences currently not covered by financial literacy initiatives in your country, based on existing or potential future vulnerabilities.

Please select between 1 and 3 priority target groups.

<input type="checkbox"/>	Children and young people	Please also specify within this target group: <input type="checkbox"/> Förderschule (all grades) <input type="checkbox"/> Pre-primary education (Kindergarten) <input type="checkbox"/> Primary school (Grundschule, grade 1 - 4) <input type="checkbox"/> Sekundarstufe I (grade 5 - 10) <input type="checkbox"/> Sekundarstufe II (grade 11 - 13) - allgemeinbildend (e.g. Gymnasium) <input type="checkbox"/> Sekundarstufe II (grade 11 - 13) - berufsbildend (e.g. duale Ausbildung) <input type="checkbox"/> Post-secondary non tertiary education (Berufsoberschule) <input type="checkbox"/> Tertiary education
<input type="checkbox"/>	People with disabilities/impaired persons	
<input type="checkbox"/>	Elderly people	
<input type="checkbox"/>	Self-employed / one-man businesses	
<input type="checkbox"/>	Owners or managers of micro or small enterprises	
<input type="checkbox"/>	Women	
<input type="checkbox"/>	Retail investors	
<input type="checkbox"/>	Working adults	
<input type="checkbox"/>	Unemployed	
<input type="checkbox"/>	Low-income people	
<input type="checkbox"/>	People struggling with debt or who are over-indebted	
<input type="checkbox"/>	Other	Please specify:

\*Please explain the choices you made in question 6.3.

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\*6.4 Please indicate on which topics/areas, in your opinion, the future national strategy should focus on

Tick all that apply.

<input type="checkbox"/>	Short-term money management
<input type="checkbox"/>	Long-term financial planning and planning for retirement
<input type="checkbox"/>	Choosing financial products and services
<input type="checkbox"/>	Managing credit / avoiding over-indebtedness
<input type="checkbox"/>	Participating in retail capital markets
<input type="checkbox"/>	Sustainable (green) finance
<input type="checkbox"/>	Digital financial services (e.g. online banking, open banking, digital payments, investing apps, crypto assets, etc.)
<input type="checkbox"/>	Financial fraud and scams
<input type="checkbox"/>	Other    Please specify:

\*Please explain the choices you made in question 6.4.

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6.5 What kind of support or guidance would you expect to receive in the framework of the implementation of the national strategy?

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\*6.6 Do you see the need for more cooperation and exchange among stakeholders in Germany on financial education issues?

<input type="radio"/>	Yes	
	Please explain under which modalities:	
<input type="radio"/>	No	
	Please explain why not:	

\*6.7 Would you consider actively taking part in the process of developing a national strategy together with other public, private and not-for-profit stakeholders?

<input type="radio"/>	Yes
<input type="radio"/>	No

6.8 Along with the development of a national strategy for financial literacy, in the context of the “Initiative Finanzielle Bildung”, BMF and BMBF currently work on the launch of a financial literacy platform to collect quality assured financial literacy initiatives and present initiatives that are relevant for different target groups: What would you expect from such a financial literacy platform in Germany?

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\*6.9. Would you agree to be informed and contacted by the OECD with regards to the implementation of the next steps in this project (e.g., clarifications about your reply to the survey and for possible involvement in the next steps of the project)?

<input type="radio"/>	Yes		
	<table border="1"><tr><td>*Please provide your name and email address</td><td></td></tr></table>	*Please provide your name and email address	
*Please provide your name and email address			
	Please note that personal details provided here (name, role and email) will be stored by the OECD in accordance with its privacy policy and will not be shared with any other organisation.		
<input type="radio"/>	No		

Please provide any other additional general observations (optional):

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# Notes

<sup>1</sup> <https://www.bundesregierung.de/breg-en/news/financial-literacy-initiative-2173184>

<sup>2</sup> [www.mitgeldundverstand.de](http://www.mitgeldundverstand.de)

<sup>3</sup> For a review of existing measurements of financial knowledge of adults in Germany, please see “*Finanzwissen und Finanzbildung in Deutschland – Was wissen wir eigentlich?*” (Bucher-Koenen and Knebel, 2021<sup>[12]</sup>)

<sup>4</sup> Participation in the PISA Financial Literacy Assessment is possible also by individual entities of a federation, as is the case in Belgium, Canada, and the People’s Republic of China. For more information please visit: <https://www.oecd.org/finance/financial-education/oecdpisafinancialliteracyassessment.htm>

<sup>5</sup> For details on how the score is calculated please see the OECD/INFE Toolkit for Measuring Financial Literacy and Inclusion (OECD, 2022<sup>[11]</sup>)

<sup>6</sup> Score-point differences (out of 100) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>7</sup> The States that compose East Germany are Berlin, Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, and Thuringia.

<sup>8</sup> Score-point differences (out of 35) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>9</sup> Score-point differences (out of 45) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>10</sup> Score-point differences (out of 20) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>11</sup> Score-point differences (out of 100) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>12</sup> Medium incomes are between EUR 1900 and EUR 3200, high incomes are above EUR 3200.

<sup>13</sup> The minimum target score of financial literacy is defined as scoring at least 70 out of 100 points.

<sup>14</sup> Score-point differences (out of 100) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights. This report discusses only statistically significant differences or changes, with the significance level set to 5%.

<sup>15</sup> Participation in the PISA Financial Literacy Assessment is possible also by individual entities of a federation, as is the case in Belgium, Canada, and the People's Republic of China. For more information please visit: <https://www.oecd.org/finance/financial-education/oecdphisafinancialliteracyassessment.htm>

<sup>16</sup> Private pensions which can be provided by banks, insurance companies or investment funds. Riester pensions are tax-promoted and subsidised by the government (OECD, 2023<sup>[30]</sup>). There are three types of subsidy: a basic subsidy of EUR 175 per year and per person, a child subsidy of EUR 300 per year and per child, and a young worker subsidy of EUR 200 granted once at the age of 25. In order to receive the maximum subsidy, the sum of the member's contributions and subsidies must be at least equal to 4% of previous year's annual income. Only very low-income households can get the full subsidy without investing 4% of their income if they contribute at least EUR 60 annually (OECD, 2018<sup>[85]</sup>).

<sup>17</sup> Odds ratios associated with characteristics of the respondent are based on a logistic regression, with sampling weights.

<sup>18</sup> Scoring more than 70 out of 100 in financial literacy using the OECD/INFE methodology.

<sup>19</sup> For a description of financial influencers in Germany, please see (Aprea et al., 2024 forthcoming<sup>[87]</sup>)

<sup>20</sup> Odds ratios associated with characteristics of the respondent are based on a logistic regression, with sampling weights.

<sup>21</sup> Over-indebtedness has been defined as a situation where household income "in spite of a reduction of the living standard, is insufficient to discharge all payment obligations over a long period of time (Haas, 2006<sup>[84]</sup>)

<sup>22</sup> A financial service, usually offered during the checkout process, that allows a customer to receive a good or service immediately but fully defer the payment or pay for it in instalments. The customer often, though not always, does not pay additional fees or interest charges if the instalments are repaid on time and in full. Generally, it involves a tri-partite transaction among the consumer, the merchant, and the BNPL provider (source FinCoNet 2024 forthcoming "FinCoNet Briefing Note on BNPL: Risks for consumers and regulatory and supervisory approaches").

<sup>23</sup> Score-point differences (out of 100) associated with characteristics of the respondent are based on a linear regression (OLS), with sampling weights

<sup>24</sup> [www.rentuebersicht.de](http://www.rentuebersicht.de)

<sup>25</sup> [www.bundesbank.de/de/service/schule-und-bildung/unterrichtsmaterialien](http://www.bundesbank.de/de/service/schule-und-bildung/unterrichtsmaterialien)

<sup>26</sup> [www.bundesbank.de/de/service/schule-und-bildung/interaktive-angebote](http://www.bundesbank.de/de/service/schule-und-bildung/interaktive-angebote)

<sup>27</sup> [www.bundesbank.de/de/service/schule-und-bildung/erklaerfilme](http://www.bundesbank.de/de/service/schule-und-bildung/erklaerfilme)

<sup>28</sup> [www.digital-kompass.de/](http://www.digital-kompass.de/)

<sup>29</sup> <https://www.netzwerk-finanzkompetenz.nrw.de/>

<sup>30</sup>

[https://www.duesseldorf.de/fileadmin/Amt50/Soziales/Broschueren/Finanzkompetenz\\_staerken\\_2024.pdf](https://www.duesseldorf.de/fileadmin/Amt50/Soziales/Broschueren/Finanzkompetenz_staerken_2024.pdf)

<sup>31</sup> In Germany, a foundation (*Stiftung*) is a legal entity whose earnings on assets are used to pursue a specific purpose set forth by the founder (Sections 80-88 of the Civil Code, *Stiftungen bürgerlichen Rechts*).

<sup>32</sup> For a detailed description of the financial education offer by consumer advice centres in Germany see (Aprea et al., 2024 forthcoming<sup>[87]</sup>)

<sup>33</sup> D-Germany, A-Austria, and CH-Switzerland.

<sup>34</sup> For more information, please visit the Global Money Week website: <https://globalmoneyweek.org/>

<sup>35</sup> The excel files can be found here: [www.oecd.org/financial/education/financial-competence-framework-for-adults-in-the-european-union.htm](http://www.oecd.org/financial/education/financial-competence-framework-for-adults-in-the-european-union.htm); [www.oecd.org/financial/education/financial-competence-framework-youth-european-union.htm](http://www.oecd.org/financial/education/financial-competence-framework-youth-european-union.htm)

<sup>36</sup> Monitoring refers to a set of activities that track the implementation of an initiative, including through gathering specific Key Performance Indicators (KPIs) of the initiative at regular time intervals, such as the number of individuals the initiative reaches, the resources used, etc. In the case of digital initiatives, such data gathering/monitoring can be automated to track enrolment, dropouts, contact hours, etc.

<sup>37</sup> Evaluation generally refers to the process of assessing whether the initiative is reaching the set “objectives” and “expected outcomes”. Typically, the evaluation is less frequent or regular than monitoring efforts, but it builds on data gathered through the monitoring process and other quantitative and qualitative inputs, to provide a detailed analysis of the impact of the initiative on the end beneficiary.

<sup>38</sup> A rigorous quantitative evaluation with treatment and control group was undertaken on a financial education programme for schools in 2012 (Lührmann, Serra-Garcia and Winter, 2015<sup>[86]</sup>).

