

# PROJECT NEWSLETTER

**FINANCIAL EDUCATION AND FINANCIAL  
LITERACY PROJECT OF THE MINISTRY  
OF FINANCE OF THE RUSSIAN FEDERATION**

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- > FINANCIAL LITERACY WEEK RESULTS
- > EXPERTS DISCUSSED NATIONAL STRATEGY
- > NATIONWIDE STUDENT TESTING



**Your friendly  
finances**

NATIONAL PROGRAM TO IMPROVE  
FINANCIAL LITERACY

Dear  
colleagues!



**Alexei Kudrin,**  
Chairman of the Expert Council for the Financial  
Education and Financial Literacy Project of the Ministry  
of Finance of the Russian Federation

In the 21st century, financial literacy is considered to be a competence as vitally important for any person as the ability to write and count. But in practice many people – even those who consider themselves literate in personal finances – often make unfortunate mistakes while using financial services or choose an option that is not quite suitable for or shaped to their needs.

When taking a loan, every tenth citizen of Russia instead of studying the contract with the financial organization thoroughly simply puts his or her signature without reading its terms. Being unaware of the risk and profitability ratio importance people often lose their savings, get trapped by unfair organizations offering “guaranteed” deposit profitability at the level of 30-40% per year.

Strategies of the Russians’ financial behavior are mainly formed spontaneously. In the majority of cases citizens have no clear personal financial plan or even minimal financial reserve for contingencies. And those few who do have savings often prefer to keep them at home, which provides no protection from inflation to their saved money.

Today the economic reality around us is rapidly changing. But no matter what global events take place, in most cases a financially literate person will cope with the unexpected changes easier. In case of any unforeseen circumstances

his financial “safety cushion” will keep him from shock. In more predictable situations, financial literacy skills will allow the person to efficiently plan personal budget, make financial decisions based on his long-term interests while avoiding any excessive personal arrears and identifying any financial threats or risks of fraud.

Very soon the National Strategy for Improving Financial Literacy in the Russian Federation developed till 2021 will be presented for public discussion. At present similar strategies are being designed or even realized in nearly 60 countries, and we shall certainly use the most successful practices while forming our Strategy.

The new economic reality requires new approaches to managing assets: it equally concerns international institutes, states, and their citizens. And while governments and companies strive to become more competitive increasing the efficiency of their activities, any person can follow suit starting with the optimization of his or her personal finances.

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The 2<sup>nd</sup> Nationwide Financial Literacy Week for Children and Youth, the biggest federal event, was held from 14<sup>th</sup> till 22<sup>nd</sup> March to introduce the basics of financial literacy and consumer protection in financial services to the young citizens of Russia.

The biggest financial institutions, non-governmental youth organizations and higher education institutions became the official partners of the Week. All partners took an active part in the Week, held theme events for young participants and talked about their work and financial literacy basics.



# EXPERTS DISCUSSED THE PROJECT WITHIN THE NATIONAL STRATEGY AIMED AT THE IMPROVEMENT OF FINANCIAL LITERACY

On December 14, 2015 a meeting of the Expert Council for the Financial Education and Financial Literacy Project of the Ministry of Finance of the Russian Federation was held at the Ministry of Finance of the Russian Federation. The meeting was conducted by Alexei Kudrin, the Expert Council Chairman.

One of the key topics was the discussion of the project within the National Strategy of Financial Literacy Improvement in its current version and further steps in the elaboration of the document. The strategy aimed at contributing to the improvement of well-being of the Russian people will become the basis

for a coordinated state policy in the improvement of people's financial literacy and engagement of all interested parties into its implementation.

The document is elaborated by a consortium composed of FBK Grant Thornton Economic and Law School and Massey

University of New Zealand acting within the Project of Russia's Ministry of Finance with the active participation of the Bank of Russia, Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor) and the Ministry of Education and Science of the Russian Federation.



The participants mentioned that based on the results of the Strategy's first variant discussion at the Interregional Conference held in September 2015 in Volgograd over 100 remarks were prepared and sent to the developers of the Strategy to be taken into account during further elaboration of the document.

Suggestions prepared by the Council will be used for the Strategy adjustment. In spring 2016 the draft document will be submitted to the broad public discussion on vashifinancy.ru. Expert discussions of the Strategy with the academic community, financial institutions and regional authorities have already been held.

The Council also discussed the results of the first wave of the Project's information campaign timed to the Nationwide Savings Week, which took place in October 2015 in 42 regions of the country.

Project Director, Director of the Department for International Financial Relations of Russia's Ministry of Finance Andrey Bokarev stressed the importance of continuing the work on forming a responsible attitude towards personal finances and a rational financial behavior in citizens.

**"Soon we shall initiate the second wave of the Project's information campaign devoted to consumer rights protection in the sphere of financial services and risk protection, which we shall carry out in a close cooperation with our colleagues from Rospotrebnadzor," Andrey Bokarev stated.**

At the Council's meeting the Interrepublican Confederation of Consumer Societies (Konfop) presented the results of the independent monitoring

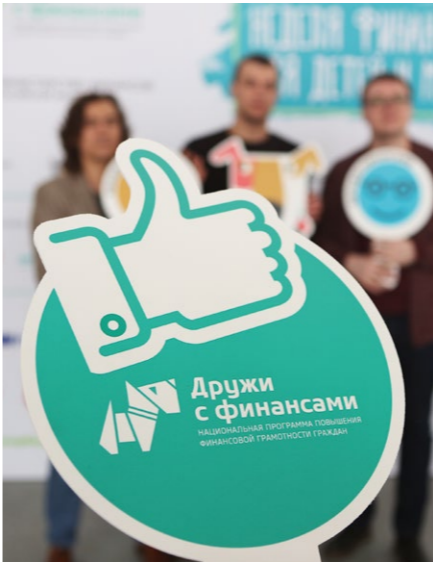
in the sphere of consumer rights protection in savings services. The research authors gave their suggestions on the improvement of consumer rights protection. Thus, in the report authors' opinion, it is necessary to oblige financial organizations to provide their consumers with the structured standard information about all bank deposit conditions, including the reliable information about the order of defining the size of compensation on a deposit when it is covered by insurance.

It is also necessary to introduce clarity into the legislation in the sphere of consumer rights protection and bank responsibility related to the use of remote banking technologies as well as to liven up protection from the illegal use of the state deposit insurance system signage: "Insured deposits. Deposit insurance system."

PHOTO COVERAGE

# PIONEERS OF FINANCIAL LITERACY

The final event of the Nationwide Financial Literacy Week for Children and Youth – a fascinating quest game on financial literacy – took place on March 22<sup>nd</sup> at the Moscow Palace of Young Pioneers. About 200 pupils of 12–14 years old took part in it and popular television stars – Artem Korolev and Elizaveta Arzamasova – acted as its hosts. The event’s winners and participants were presented with memorable prizes, letters of commendation and awards. Representatives of the Project Management Team and the Ministry of Finance of Russia also took part in the event.



## EXAMINATION



## STUDENTS TESTED THEIR FINANCIAL KNOWLEDGE

During the Financial Literacy Week the Nationwide Testing of Students in Financial Literacy was held in all federal districts of Russia.

Students of the largest higher education institutions took the examination. The All-Russia Non-Government Youth Organization Russian Union of Student Organizations acted as an official partner of the Week and the main

organizer of the testing. The test was taken by over 30,000 students in 20 cities: Arkhangelsk, Barnaul, Vladivostok, Vladikavkaz, Grozny, Kazan, Kaliningrad, Krasnodar, Makhachkala, Moscow, Nalchik, Omsk, Penza, Samara, Saint

Petersburg, Saransk, Saratov, Stavropol and Tomsk. Questions for the test were prepared by the independent non-commercial research institute CEFIR (Center for Economic and Financial Research).



## PROJECT LIFE

## TALKING ABOUT FINANCIAL LITERACY WITH THE YOUNG PEOPLE OF ARKHANGELSK

On March 19<sup>th</sup>, Alexei Kudrin, Chairman of the Project's Expert Council, visited Arkhangelsk where he took part in the events and meetings devoted to financial literacy.

In the morning Alexei Kudrin gave an open lesson for the pupils of school No.17, the school that he finished in 1978. At the beginning of the lesson the lecturer asked what pupils of 6th-7th grades knew about finances. It turned out that children had an idea not only of mortgage, stocks and securities, but even of how the 'maternal capital' can be spent.

During the lesson Alexei Kudrin repeatedly stressed the importance of financial literacy for everyone.

**"With the same level of income a financially literate person spends money 20% more efficiently," Alexei Kudrin stated.**

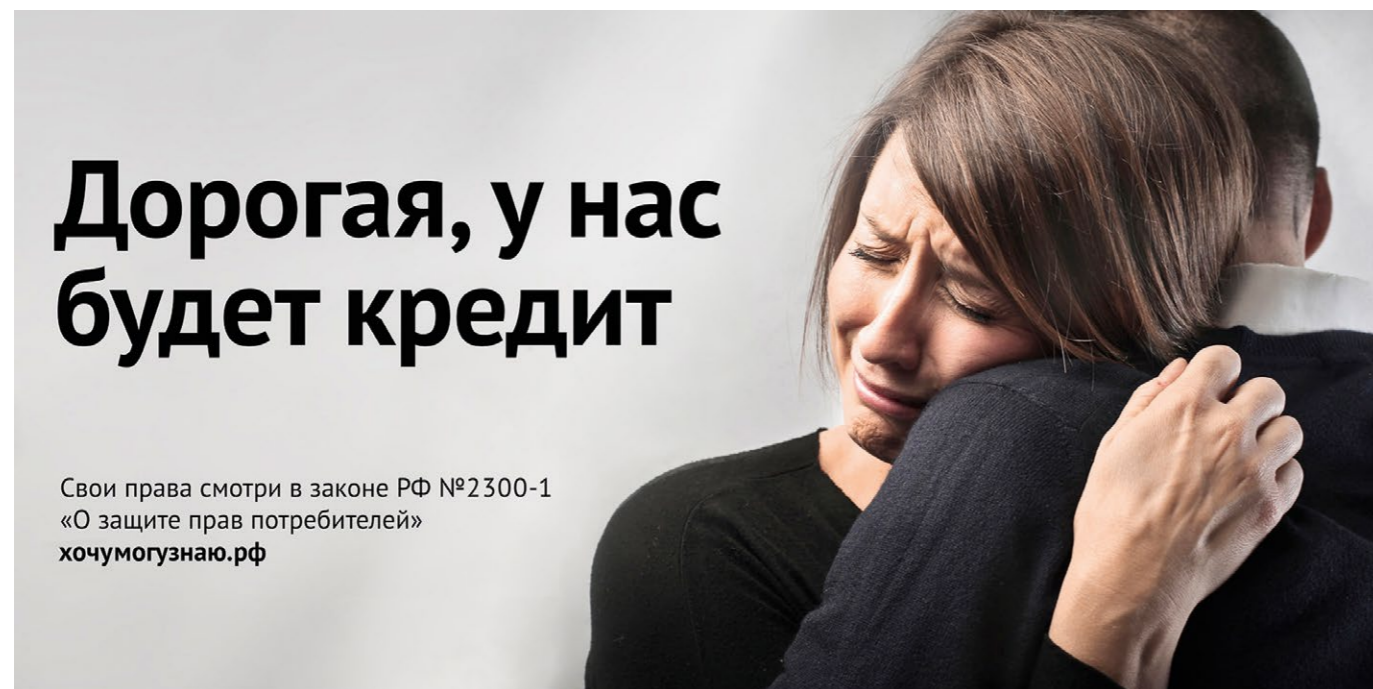
He also stressed that the initiatives related to the increase in the level of financial literacy of people, especially of the young ones, are the key to a steady development of the national economy. After the lesson Alexei Kudrin gave teaching aids in financial literacy

intended for 5<sup>th</sup>-7<sup>th</sup> grades to the pupils.

Later Alexei Kudrin visited the Intellectual Center of the Northern (Arctic) Federal University (NARFU) and took part in the opening of the electronic reading room and library of literature written in the languages of Northern countries. He gave an open lecture on the topic: "Structural Reforms and Economic Growth" for NARFU students and answered questions from the audience.



## PROJECT MATERIALS



\* «Dear, we are expecting a... loan!» Know your rights. Study the Law No. 2300-1 «On Consumer Rights Protection»

# GRAPHIC DESIGN COMPETITION

Did you take an unplanned loan? Then get ready for some unplanned consequences! This very idea was used as a basis for the graphic design competition entitled “I Want. I Can. I Know.”

“I Want. I Can. I Know” is the title of an educational project aimed at engaging creative young people into the process of formation of the Russians’ responsible financial behavior through the creation of emotional visuals.

The topic of the contest “I Want. I Can. I Know” is related to the consumer protection in the sphere of financial services and aimed at informing people about the essence of financial products and possible risks

of their usage in case of unfair actions performed by the market participants or the people’s overestimation of their capabilities while planning their financial goals. Thus, the topics of the first stage of the competition

“I Want. I Can. I Know” were “Bank Card,” “Consumer Loan,” and “Microfinancing.” At the second stage the participants were suggested to demonstrate the consequences of unplanned loans — mortgage, consumer or automobile credits.

**The competition was held in an unusual format — within a two-day guest master class under the guidance of a well-known graphic artist – Andrey Logvin, winner of the State Prize of the Russian Federation in Art.**

Young designers who have passed the preliminary selection (a portfolio contest) searched for thematic associations, analyzed them and then created a visual set for the suggested competition topic.

Their creative decisions were rated by a jury composed of the representatives of Russia’s Ministry of Finance, Rospotrebnadzor and of

other experts in the sphere of financial services and graphic design.

Konstantin Bogach became the winner of the competition. He presented as many as four works executed in a unified style with the originally visualized slogans warning about the perils of a loan. The second place was adjudged to Mila Silenina with the illustration of a well-known, but wittily altered quotation: “Darling, we are having a loan!” The third place was divided between Ekaterina Dorosheva and Elena Nogami.

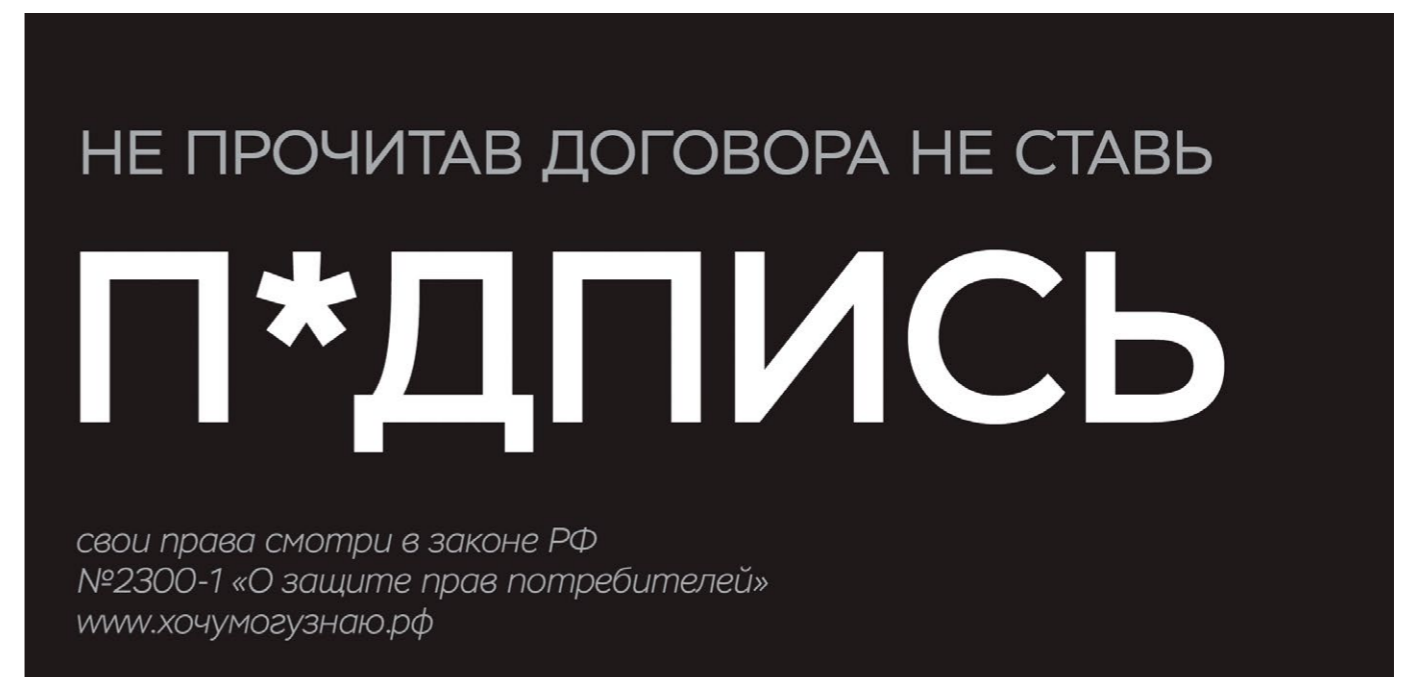
“Those were two very ‘hot’ days,” Konstantin Bogach recollects. “On our way to the final idea we passed through verbal expression to visual images. Thus, on the first day we tried to find as many words, phrases and notions related to the competition topic as possible. For me it was an overwhelming task. On the second day we discussed our ideas and got valuable and clear feedback from Andrey Logvin.

For me personally it was a great opportunity to broaden my vision and deepen my understanding of the visual world.”

All the works by the participants of the theme competition can be viewed at the official site of the project “I Want. I Can. I Know” located at [2.khochumoguznayu.rf](http://2.khochumoguznayu.rf).

Young artists will be able to try their hand at graphic design with a new topic related to the problems of electronic payment safety and voluntary retirement savings while taking part in the next stage of the competition, which is carried out in the form of an interuniversity contest and will last till March 2016.

The competitions “I Want. I Can. I Know” are organized by Communication Agency KAK Project within the Financial Education and Financial Literacy Project of the Ministry of Finance of the Russian Federation and supported by the Rospotrebnadzor.



\* «Do not sign an agreement until you have reviewed it.» Know your rights. Study the Law No. 2300-1 «On Consumer Rights Protection»

CALENDAR OF EVENTS

PROJECT  
TIMETABLE

Event	Data	Location
Round table discussion “Improvement of Regulations and Current Business Practices Related to Disclosing Information to Consumers of Financial Services”	April 25	Moscow
Presentation of the results of the 2nd wave of the All-Russia Household Research “Study of People’s Financial Behavior and Habits in Money Saving” carried out in 2015 by the Research Center at Demoskop	April 27	Moscow
A work meeting of regional coordinators with the heads of Federal Methodological Centers on the issue of cooperation in fulfilling the tasks related to the advanced training of teachers, lecturers and tutors	April 27	Moscow
Interregional Conference “Improvement of the Financial Literacy of Children and Youth: Teaching Materials and Educational Practices”	April 28–29	Moscow
Installation of electronic information stalls at public reception rooms and consultation centers of Rospotrebnadzor	April — May	Moscow
International Practical Conference “International Experience and Russian Practice of Financial Literacy Improvement: Cooperation between State and Business”	May 19	Moscow
Summing up the 3rd round of Graphic Design Competition “I Want. I Can. I Know”	May	Moscow
Inception seminar with the participation of authors of educational programs and teaching materials in financial literacy for students “Advanced Training for Lecturers: Programs Designed and Possibilities of Their Use”	May	Moscow
Presentation of the 4th Public Report by Rospotrebnadzor on “Consumer Rights in the Financial Market in 2015”	June	Moscow
Solemn ceremony of awarding the winners of mass media competition	June	Moscow
Round table discussion on the results of the new wave of independent monitoring performed by Konfop	June-July	Moscow

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