

Guidelines for the implementation of financial education programmes for adults



Comitato per la programmazione
e il coordinamento delle attività
di educazione finanziaria

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Preamble

'Financial knowledge and skills for all, for a peaceful and secure future'. This is the ultimate goal (vision) of the National Strategy for Financial, Insurance and Pensions Education of the Committee for the Planning and Coordination of Financial Education Activities (hereinafter 'Committee'). In order to achieve this goal, the Committee intends to *'Promote and coordinate initiatives intended to enhance financial, insurance and pensions knowledge and skills and improve everyone's ability to make choices consistent with their goals and context'*¹.

Consistent with the National Strategy and the Financial Competence Framework for Adults defined by the G20 and the OECD/INFE² – as adapted to the Italian context –, these guidelines provide principles for the design and implementation of financial-, insurance- and pension-related education initiatives for adults³, in continuity with the guidelines already outlined for young people⁴.

According to the OECD definition, financial literacy *'is the knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life'*⁵. The OECD definition thus refers to a set of notions, skills and attitudes that can support the decision-making process underlying any financial choice.

It should also be borne in mind that financial decisions can be influenced by potentially misleading emotional conditioning and behavioural distortions⁶. Financial literacy is an active citizenship tool that takes the form of an on-going learning process. This process may entail an initial awareness phase where not only knowledge and skills, but also motivation are very low. It also may involve the acquisition not only of theoretical knowledge, but also of the ability to translate notions into everyday concrete actions, such as budgeting for forecasting and monitoring one's income and expenditure, or the use of tricks to avoid fraud and manipulation. Activities aimed at educating and raising the level of financial literacy should not only aim at transmitting information, but also creating virtuous behaviours in the management of personal finances that can be sustained in the medium to long term, favouring conscious choices consistent with personal and family needs.

This document identifies a set of skills considered indispensable for making financial decisions in any context and economic scenario and being more resilient – and therefore less vulnerable to economic shocks. Indeed, financial skills become particularly important in times of crisis. At such times, it is even more important to be able to manage limited resources, protect oneself from risks and have the ability to cope with the unexpected.

¹ See the Italian Strategy for Financial, Insurance and Pensions Education on the ['Quellocheconta'](#) website

² See OECD (2016), G20/OECD INFE ['Core competencies framework on financial literacy for adults'](#)

³ This document was drafted by the 'Financial Education for Adults' working group set up as part of the 'Committee for the planning and coordination of financial education activities'. The group, as headed by Professor A. Lusardi (Director of the Committee), was coordinated by F. Di Leo (Advisor to the Committee); the following participated in the working group and drafting process: D. Costa (CONSOB), V. De Luca (IVASS), E. Giacomel (Covip), M. Guida (Bank of Italy), F. Martinelli (IVASS), R. Nanula (Bank of Italy), E. Napoli (Covip), P. Soccorso (CONSOB), S. Sparacca (IVASS), A. Staderini (Bank of Italy).

⁴ 'Guidelines for the development of financial education skills in schools' document by the Committee for the Planning and Coordination of Financial Education Activities in cooperation with the Italian Ministry of Education.

⁵ The definition of financial literacy is taken from the analytical reference framework of financial skills and the OECD PIS survey; the Italian version can be found at the following link https://www.invalsi.it/invalsi/ri/pisa2012/documenti/Financial_Literacy.pdf

⁶ See the online appendix 'Behavioural Traps' at www.quellocheconta.gov.it.

1. Objectives and contents of the guidelines

These guidelines:

- provide a framework for stakeholders – associations, institutions, companies, intermediaries, universities, research centres, foundations, public administrations and any organisation wishing to engage in the field of financial education – that intend to implement a high-quality financial-, insurance- and pension-related education programme (or even a single initiative) dedicated to the adult population;
- in line with the best international standards⁷, define a framework of competences, i.e., contents useful to make important, conscious and careful economic decisions at different moments in life;
- provide guidance and advice for the implementation and evaluation of educational initiatives.

Design

The design of a financial education initiative can start from the following questions:

- 1) What are the main economic, financial-, insurance- and pension-related decisions that individuals make over a lifetime that affect their own well-being as well as that of society?
- 2) What skills⁸ are useful for making informed financial-, insurance- and pension-related choices that are consistent with one's own context (in terms of, say, age and life stage, economic-financial situation, working conditions) and can ensure active participation in the economic-financial system?
- 3) What skills are useful to cope with uncertain and difficult economic and financial times?
- 4) What are the levers on which to act in order to stimulate people's interest, increase the level of learner involvement, promote the transition from knowledge to competence and contribute to the retention of learned content over time?

Target groups and training needs

Working with adults is complex, as one must challenge deep-rooted prejudice, the belief that one already knows enough, the lack of time and the absence of a defined place – what would be schools for young people – where to reach a homogeneous group of people (e.g., by age group). However, there is no shortage of significant experiences: an example is the CPIAs of the Italian Ministry of Education, which implemented the *EduFinCPIA ...towards a National Plan for Adult Financial Education* project both through official programmes and as an addition to the educational offer⁹. It is also necessary to deal with an extremely varied audience in terms of training needs (young and old, employees and entrepreneurs, indebted individuals and savers, immigrants, women and men, more or less educated individuals with different income capacities and different levels of access to information channels); such an audience may feel the need to acquire financial information only when a concrete event/situation occurs or in relation to a particular moment in their life cycle.

The guidelines are based on evidence derived from national and international research on the level of financial knowledge and skills in Italy¹⁰ and from studies on cognitive science and behavioural finance¹¹.

⁷ For a comprehensive examination of the international landscape, in addition to the reference cited in footnote 2, see <http://www.oecd.org/daf/fin/financialeducation/National-Strategies-Comparative-Tables.pdf> and [The TIAA Institute-GFLEC Personal Finance Index](#)

⁸ In accordance with the OECD (2016), G20/OECD INFE document 'Core competencies framework on financial literacy for adults', this document refers to the definition of competencies in a broad sense (used in the definition of 'Core competencies'), i.e., the set of 'those aspects of knowledge, behaviours and attitudes that form the basis for making sound financial choices'; see: <https://www.oecd.org/finance/Core-Competencies-Framework-Adults>

⁹ See <https://www.miur.gov.it/web/guest/-/istruzione-degli-adulti-e-apprendimento-permanente-avvio-iii-annualita-del-progetto-edufincpia-trasmisione-linee-guida-iii-edizione-a-s-2018-20-1>

¹⁰ See the 'Research Notebooks' available on the [Quellocheconta.gov.it](http://www.quellocheconta.gov.it) portal.

¹¹ For bibliographical references on behavioural economics, please refer to the online appendix published on the www.quellocheconta.gov.it portal.

In particular, the skill portfolio has been designed on the basis of the cognitive needs of the reference population, as also surveyed by the Authorities participating in the Committee and by the Committee itself¹², taking into account the sudden changes that are affecting the economy and society as well as the evidence on the most widespread perceptual distortions and behavioural errors¹³.

Transversally to the individual competences identified in the framework set out in paragraph 2 below, the Committee pays particular attention to the themes of **sustainability, inclusion and financial resilience**, also drawing inspiration from the goals identified in the United Nations 2030 Agenda for Sustainable Development¹⁴. In particular, the theme of sustainability recalls the ability to assess the long-term effects of financial decisions and the concept of conscious consumption. In addition, it has been deemed appropriate to make learners aware of the importance of **investment in human capital** and training and of **digitisation** (thus enabling them to seize the opportunities related to technological innovation).

2. The competence framework, moments that count and knowledge that counts

It is crucial that individuals recognise the value of financial knowledge and the contribution it can make to their well-being, as it helps them make informed financial decisions based on sound and well-structured decision-making.

It is useful to consider times in life when there are important financial decisions to be made ('moments that count') – from managing one's first earnings, to making the most of them; from buying one's first home, to starting a new household, to having children; from caring for one's elders, to retirement.

Similarly, it is important to consider 'knowledge that counts' in major financial decisions – managing day-to-day accounts, investing one's money, dealing with unforeseen events (such as illness and job loss), getting into sustainable debt, planning for retirement and old age, buying important goods and services.

The "["moments that count"](http://www.quellocheconta.gov.it)" and "["knowledge that counts"](http://www.quellocheconta.gov.it)" sections of the Committee's www.quellocheconta.gov.it portal can serve as a useful reference point for educational activities aimed at adults. When it comes to designing the content of financial-, insurance- and pension--related education programmes, the Committee suggests using the information on the 'Quello che conta' national portal and on the websites of the institutions participating in the Committee¹⁵.

Acquiring the skills outlined in these guidelines will enable people to make financial decisions throughout their life cycle in a manner that is consistent with their preferences and context, and to identify where to turn for support in such decisions. The box below contains a brief illustration of the skills that are considered useful to develop for financial education of adults. A more detailed illustration of these is provided in section 5 below.

¹² Di Salvatore, A., F. Franceschi, A. Neri, F. Zanichelli (2018), 'Measuring the financial literacy of the adult population: the experience of Banca d'Italia', Banca d'Italia, *Questioni di Economia e Finanza* (Occasional Papers), No. 435, June 2018; CONSOB (various years), 'Report on the investment choices of Italian households'; COVIP-CENSIS (2013), 'Promoting complementary pensions as an effective tool for serene longevity'; early evidence from the Comitato and Doxa survey (2020), 'COVID-19 emergency: Italians between fragility and financial resilience'

¹³ In fact, empirical research conducted according to the cognitive science approach shows that such distortions and errors can affect learning processes, distort the perception and evaluation of factors relevant to economic choices and thus lead to systematically incorrect financial decisions. See, for example, Kahneman (2011), *Thinking, fast and slow*

¹⁴ For a description of the goals of the UN 2030 Agenda, see <https://unric.org/it/agenda-2030/>

¹⁵ Reference is made to the websites of the Bank of Italy (<https://economieapertutti.bancaditalia.it/>), Consob (<http://www.consob.it/web/investor-education>), IVASS (<http://www.educazioneassicurativa.it/>) and Covip (<https://www.covip.it/>).

The competency framework

Knowing how to manage liquidity and payment instruments

- Money and the value of goods
- Inflation and the macroeconomic environment
- Payment instruments

Knowing how to manage the family budget and planning

- Sources of Income
- Managing the family budget
- Financial planning

Knowing how to save

- Saving
- Sustainable consumption

Knowing how to invest

- Investments
- Financial markets and investment instruments

Knowing how to apply for a loan and manage one's debts

- Applying for a loan
- Managing one's debts
- Creditworthiness

Coping with retirement using pension instruments

- The social security system
- Planning for retirement savings
- Forms of supplementary pension provision

Recognising life's risks and insuring oneself

- Identifying lifetime risks and insurance
- The essential features of an insurance contract
- The market for insurance products and the rules to follow

Knowing how to inform oneself

- Identifying reliable information sources and properly documenting oneself prior to signing a contract
- Consulting experts
- Saver and consumer protection

Knowing how to use technology and new digital tools

(FinTech, DigiTech, InsurTech)

- Digital banking and financial instruments
- Cyber risk
- Digitised insurance instruments (InsurTech)

Knowing how to spot a scam and how to defend oneself

- Financial scams and abuses
- False shortcuts to wealth: gambling, investment in high-risk financial activities, the deceptions of the mind (heuristics and behavioural traps)
- Insurance scams
- Data protection and other regulatory obligations

3. The design and implementation of financial education initiatives

Instructions and advice for promoters of financial education initiatives

The Committee hopes that promoters of financial education programmes will draw inspiration from these guidelines in order to promote initiatives consistent with the competency framework identified. For each reference objective, initiatives should be aimed at developing a range of skills as articulated as possible that are useful for meeting the main needs of the target audience; such needs are also identified through the implementation of a structured plan of interventions to be developed over time.

The Committee deems it necessary that the initiatives do not pursue promotional or commercial purposes.

The speakers/trainers/teachers involved in the initiatives must:

- have proven and adequate knowledge of the topics covered;
- have teaching skills adequate to address the target audience;
- in the case of initiatives carried out in cooperation with schools¹⁶, work under the supervision of teaching staff, also in the case of online events.

Dissemination/educational material: no specific material is featured, but it is possible to make use of what is already available on the www.quellocheconta.gov.it portal and the material available on the websites of the institutions participating in the Committee¹⁷. With reference to the Committee's portal, the individual sections can be consulted (in addition to the sections already mentioned – ‘Moments that count’ and ‘Knowledge that counts’ - see also the [‘7 things to know’](#), the [‘5 tips’](#), [‘what it is important to know in an emergency’](#), the [‘banking and financial instruments’](#), the [‘insurance instruments’](#), the [‘instruments’](#), the [‘glossary’](#) and the [‘guides’](#)).

Further material must be developed in the exclusive interest of the recipients and must therefore be:

- provided to participants, as a rule, free of charge;
- adapted to the social, economic, cultural context in which it will be deployed and to the needs of specific segments of the population (e.g., initiatives targeting specific groups, such as women, workers, the elderly, migrants, the visually impaired);
- appropriate to the recipients' level of knowledge;
- accurate and up-to-date;
- easily accessible to the recipients.

The process: Financial-, insurance- and pension-related education programmes/initiatives should be structured in such a way that the following steps are included (points A to E).

- A. Survey of the training needs of the target group at which the initiative is aimed
- B. Content definition based on:
 - i. the cognitive objectives identified by these guidelines, as remodelled according to the specific target audience and the increasing levels of complexity of the topics covered (as identified in the detailed competency framework in the following paragraph)
 - ii. the space-time context in which the initiative is launched

¹⁶ Reference is made in particular to the training activities carried out by the Provincial Centres for Adult Education (CPIA), which constitute a type of autonomous school education aimed at adults with their own staff as well as a specific teaching and organisational structure: <https://www.miur.gov.it/i-centri-provinciali-per-l-istruzione-degli-adulti>

¹⁷In particular, please refer to the following sites: <https://economiepertutti.bancaditalia.it/>; <http://www.consob.it/web/investor-education>; <http://www.educazioneassicurativa.it/>; <https://www.covip.it/>

- iii. the surveys mentioned under letter A. and/or publicly available surveys on the level of financial, insurance and pension literacy of Italian citizens¹⁸

The Committee recommends offering programmes to groups of learners who are homogeneous with respect to specific characteristics (such as age range, economic status and, where appropriate, level of digital skills and gender) and needs (specific training needs). In fact, in order to be effective, training interventions should be designed according to the different needs and conditions of the recipients, both in terms of content and of delivery methods and timing; in some cases, they should take into account the economic-financial conditions and the external context of reference at the time the initiatives are implemented, as well as the changes taking place also as a consequence of technological developments. In particular, it may also be useful to reach out to individuals through associations (e.g., consumer associations) at the time and in the places where they need it (e.g., at their place of work, in their municipality of residence, at chambers of commerce)

- C. Customisation of training activities through the recognition and enhancement of people's cultural and professional heritage
- D. Identification of the most appropriate channels and modes of interaction for the target audience; though initiatives may take place online or face-to-face, the greatest possible interaction with learners should be promoted, including through the use of innovative and interactive communication tools suited to the target population. If the course targets an audience with low initial competencies, it is also worth reflecting on the best ways to attract the target audience to participate in the initiative, since convincing them to participate is a precondition for training them, and lower competence on financial, insurance and pension issues may also be associated with lower interest on the part of the individual, which must therefore be reactivated beforehand
- E. Survey of the initial level of knowledge and skills, ex-post satisfaction with the initiative and the results achieved (more details in the next section)

Other practical tips for promoters of financial education initiatives are contained in Appendix 2.

4. The evaluation of financial education initiatives

The importance of evaluating initiatives

In line with international best practice, the evaluation phase should be an integral part of the design of any financial education initiative, also for the indications that can be derived from it for possible adaptation and integration of subsequent programmes.

In acknowledging the difficulties involved in assessing the effectiveness of financial education initiatives and the chosen teaching method, the Committee suggests at least assessing the difference in knowledge and skills possessed before and after training. To this end, it is useful to envisage, for example, the use of a test at two separate times: *before the* start of the initiative (entry test) and at the *end of* the initiative (evaluation test)¹⁹; it will thus be possible to ascertain the level of knowledge and skills before the training intervention and that actually achieved at the end of it. Both tests should be constructed on the basis of the specific contents of the individual initiatives. It is important to decide from the outset what to assess and how. A further important improvement, if possible, is to compare the results obtained with those of a control sample that (temporarily) does not take part in the initiative. The control sample should have similar characteristics to those of the learners, in order to more clearly identify the effects attributable to the initiative²⁰.

¹⁸ See footnote 8 above

¹⁹ It might also be useful to have an 'end-of-intervention questionnaire' on the enjoyment of the initiative

²⁰ For example, for a workplace initiative, one can imagine immediately involving a first target group and postponing the involvement of the second group chosen as a control group until the following period

Where possible, it would be desirable to test again the same individuals sometime after the initial training experience to verify the permanence of the transmitted contents over time and, if possible, to assess whether the transmitted contents generated changes in the behaviour of the individuals participating in the initiative.

The importance of assessing the interest and involvement of participants

It is also useful to detect interest and aptitude towards financial subjects and identify the value system in which a learner places financial, insurance and pension education.

The evaluation questionnaire could therefore also be used, if deemed appropriate, as an instrument for surveying the initial propensities and aptitudes and those developed as a result of the initiative. For example, the following could be recorded: interest in the subject matter of the initiative, the reasons behind participation, the importance attached to the subject matter by family members/friends/acquaintances whose judgement is important to the learner (to detect whether so-called 'social pressure' may stimulate or discourage the learner's interest), so-called 'financial anxiety' (i.e., feeling uneasy about managing one's finances). Should the trainer have the skills and the possibility to detect, evaluate and use information on other individual traits of the learners, it is suggested to also detect procrastination propensity (i.e., the propensity to postpone financial decisions, such as joining a pension plan), self-discipline and impulsivity (which may influence consumption and saving behaviour) and optimism (which may influence insurance and investment choices)²¹.

²¹ For other examples of individual traits and attitudes that may influence the propensity to learn financial subjects, please refer to the Report on investment choices of Italian households (CONSOB, various years), available at: <http://www.consob.it/web/area-pubblica/report-famiglie>

5. Detailed framework of competencies

In the following framework, each topic of the different competence areas is assigned a level according to the following taxonomy:

- Column A contains the basic topics considered indispensable
- Column B contains the complementary or otherwise related topics to the previous ones, which can also be acquired at a later stage
- Column C contains in-depth studies on important topics, complementary or otherwise related to the previous ones, but more complex

COMPETENCIES	1. Knowing how to manage liquidity and payment instruments		
CONTENTS	Levels of deepening		
	A	B	C
Currency and the value of goods	<p>Knowing the concepts of legal tender and bank money.</p> <p>Understanding how the value of an asset is determined</p> <p>Knowing how to compare the value of goods and services.</p>	<p>Understanding what the exchange rate is between different currencies and being able to compare prices expressed in different currencies.</p> <p>Understanding the law of supply-demand for the pricing of goods and services.</p> <p>Knowing that prices can vary significantly in space (e.g., between points and sales channels) and in time (e.g., seasonal effects and inflation).</p> <p>Knowing how to compare prices in relation to the quantitative and qualitative characteristics of goods and services (in time and space).</p> <p>Understanding that the price we are willing to pay for a good also depends on factors both subjective and social.</p>	<p>Understanding the characteristics of virtual currencies.</p> <p>Understanding the risks and possible advantages of virtual currencies.</p> <p>Being aware of the link between the work of a central bank (acting through monetary policy instruments) and the value of the currency.</p>
Inflation and the macroeconomic context	<p>Understanding the concepts of inflation and deflation and the impact on purchasing power.</p> <p>Knowing how to consider, in making economic-financial choices, changes in the purchase power of the currency.</p> <p>Understanding the concept of a price basket (ISTAT CPI).</p>	<p>Knowing the effects of inflation and deflation on purchasing power, savings and interest rates (difference between nominal and real interest rate), and on the economy as a whole.</p>	<p>Understanding the characteristics of virtual currencies.</p> <p>Understanding the risks and possible advantages of virtual currencies.</p> <p>Being aware of the link between the work of a central bank (acting through monetary policy instruments) and the value of the currency.</p>
Payment instruments	<p>Understanding the functions of payment and account cards.</p> <p>Understanding the characteristics of the main payment instruments (debit, credit and prepaid cards, credit transfers and direct debits) and the different modes of use.</p>	<p>Understanding the main contractual aspects of accounts and related reporting documentation.</p> <p>Knowing how to choose specific payment instruments with appropriate weighting of risks, costs and benefits.</p> <p>Understanding the possible limitations, general or personal, to the use of payment instruments, including the role of databases (such as the CAI – <i>Centrale di Allarme Interbancaria</i>) and the thresholds on the use of cash.</p>	<p>Understanding the difference between payment and banking money (deposits in current accounts).</p> <p>Understanding the structure of payments.</p> <p>Knowing how to safely use the electronic online payment instruments.</p>

COMPETENCIES	2. Knowing how to manage the family budget and planning		
CONTENTS	Levels of deepening		
	A	B	C
Sources of income	<p>Identifying the sources of income and the main factors determining it.</p> <p>Understanding that the level of education is positively correlated with the wages and that education, including in financial knowledge, is an investment in skills that will help to better cope with any economic scenario.</p>	<p>Understanding the importance of and differences between income, wealth/assets.</p> <p>Knowing the sources of income other than labour income (e.g., financial income and rent).</p> <p>Consciously planning one's training (human capital investment) and career (also entrepreneurial) choices according to one's character throughout the life cycle.</p> <p>Broadly recognising the basic elements of a pay slip (including severance pay).</p> <p>Understanding the existence of taxation (levies) and in particular income tax.</p>	<p>Understanding the role of the state in income redistribution.</p> <p>Understanding the purpose of levies (taxes, fees and contributions) and how public debt originates and is financed.</p> <p>Understanding the characteristics of different welfare state systems.</p> <p>Understanding tax deductions and allowances.</p>
Managing the family budget	<p>Defining one's hierarchy of needs and desires and appropriately weighing consumption and saving choices.</p> <p>Being able to assess available resources and, depending on the life stage, deciding whether to postpone minor expenses or take out a loan.</p> <p>Being aware that an income and expenditure plan helps to know when certain purchases will be made and not to be found unprepared (without resources) to face unforeseen events.</p> <p>Learning to prepare a family budget forecast at least monthly by identifying certain and uncertain income, certain and non-avoidable expenses, and discretionary expenses.</p> <p>Planning current expenditure in relation to income (short and long term) and one's own needs, also considering those that may arise over time.</p> <p>Learning how to prepare a budget forecast with even a minimum savings target on a monthly basis.</p> <p>Monitoring actual current income and expenditure and assessing their sustainability for possible rescheduling.</p> <p>Learning to keep track of monthly income and expenditure retrospectively, classifying them by main categories and identifying possible room for improvement in the family budget for the future.</p>	<p>Weighing up consumption choices in both the short and medium to long term based on multiple factors (personal utility, family needs, contingencies, income and wealth).</p> <p>Understanding that income changes over the course of the life cycle.</p> <p>Planning and monitoring short and medium to long-term income and expenditure based on multiple factors (personal and family needs, unforeseen events, income).</p> <p>Knowing how to draw up a personal and family budget forecast, monitoring it on a monthly basis, and analysing it afterwards.</p>	<p>Knowing how financial instruments work to redistribute consumption over time.</p>

<p>Financial planning</p>	<p>Understanding the benefits of financial planning in the medium-to-long term and identifying in good time the milestones that may require planning.</p> <p>Learning how to identify possible major expenses that might occur in the medium term, and which one must prepare for in time.</p> <p>Understanding the need to regularly compare forecasts and actual trends in income and expenditure; forecasts can turn out to be wrong, either because of the occurrence of unforeseen events or because of a subjective tendency to overestimate revenue forecasts and underestimate future expenditure.</p> <p>Therefore, realising that, in financial planning, caution must be exercised and deviations from forecasts must be checked frequently.</p> <p>Providing for a buffer for unforeseen expenses.</p>	<p>Recognising the importance of holding liquid resources and not fully utilising available resources so as to be able to meet any unforeseen needs.</p> <p>Knowing the difference between durable and non-durable assets and to be able to take into account their impact when planning income and expenditure.</p>	<p>Understanding the concept of scarcity and that age, income and circumstances affect financial choices.</p>
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COMPETENCIES	3. Knowing how to save		
CONTENTS	Levels of deepening		
	A	B	C
Saving	<p>Understanding the importance of saving, in terms of giving up current consumption in favour of future consumption.</p> <p>Being able to distinguish between:</p> <ul style="list-style-type: none"> - saving for precautionary purposes: understanding that the availability of savings makes it possible to meet unforeseen expenses related to negative events; - saving for investment purposes: understanding that investing one's savings properly increases future consumption. <p>Knowing the relationship between saving and life cycle: understanding that saving serves to limit fluctuations in consumption over one's lifetime. For example, one saves when young in order to ensure a not too low income when old.</p> <p>Savings and changes in purchasing power: understanding the difference between nominal and real interest rates.</p> <p>Understanding that not all typically used forms of investment protect against the effects of inflation.</p>	<p>Understanding that saving comes from the choices of how one's income is used, which is partly set aside for future consumption.</p> <p>Being aware of the advantages, costs and risks of depositing money with a bank.</p> <p>Knowing that there are many types of bank accounts with different costs and services associated with them and each of which is suited to the depositor's particular needs.</p> <p>Knowing the conditions and limits within which bank deposits are insured.</p>	<p>Assessing the resilience to financial crises that savings can provide.</p> <p>Knowing how different forms of savings are taxed.</p>
Sustainable consumption	<p>Understanding the link between savings and sustainable consumption understood as consumption choices that are environmentally friendly (less CO2 emissions, recycling, careful use of scarce resources, etc.) and which indirectly create savings.</p> <p>Knowing how to make conscious consumption choices in relation to the entire life cycle.</p> <p>Knowing that virtuous consumption behaviour (e.g., recycling, use of scarce resources, etc.) has implications for personal and collective well-being.</p>	<p>Understanding that our consumption choices produce effects on the community in terms of environmental protection, reduction of pollution also through recycling and reuse of goods (in line with Agenda 2030).</p>	<p>Understanding the relationship between externalities and collective well-being.</p> <p>Understanding the relationship between sustainability and individual financial choices.</p>

COMPETENCIES	4. Knowing how to invest		
CONTENTS	Levels of deepening		
	A	B	C
Investments	<p>Being aware of the functions of financial planning and knowing that one has to assess one's future financial needs after having questioned one's life goals and priorities.</p> <p>Knowing the importance of time in financial choices.</p> <p>Knowing that there are various forms of using savings, with different risks and rewards, and understanding that there is generally a positive relationship between expected return and risk.</p> <p>Being aware of the basic information to be acquired and evaluated when comparing different investment options.</p> <p>Being aware of the need to acquire information on investment costs.</p> <p>Understanding the concept of simple and compound interest and knowing how to calculate a principal and interest.</p>	<p>Understanding the characteristics of various forms of investment: financial instruments, real assets, safe haven assets, human capital.</p> <p>Knowing that one can invest in order to have an income or to increase one's assets which become a store of value.</p>	<p>Knowing the concept of present value, net present value and internal rate of return.</p> <p>Knowing the difference between immediate value and expected value at maturity.</p> <p>Learning about the different tax treatment of financial instruments, stamp duty on securities deposits and capital gains, and other forms of taxation on investments.</p> <p>Knowing how to plan one's investments also in consideration of the tax effects i.e., income and wealth taxes.</p> <p>Knowing how to assess the intergenerational transfer of family wealth.</p>
Financial markets and investment instruments	<p>Knowing the main financial instruments (shares, bonds, government bonds, mutual funds, SICAVs, ETFs, etc.) and the main markets where they are traded.</p> <p>Knowing the concept of return and financial risk.</p> <p>Being aware of the positive relationship between risk and return and being able to understand the hierarchy in terms of expected return and risk between simple products such as a current account, a single bond or a single share.</p> <p>Knowing about the existence of market volatility, uncertainty and possible negative effects on one's investments.</p> <p>Understanding which financial products represent diversified portfolios.</p> <p>Being aware of the risks involved in buying particularly complex or risky financial instruments.</p> <p>Knowing that diversification reduces the overall risk of the investment portfolio.</p> <p>Being aware of the existence of socially responsible investment products.</p>	<p>Knowing how the value of government bonds, stocks and bonds is determined.</p> <p>Being aware of the main risk factors that may characterise a financial investment.</p> <p>Knowing the difference between individual and collective forms of investment of savings.</p> <p>Knowing how to compare different financial instruments (in terms of risk, return, cost, tax treatment) and knowing how to choose between them.</p> <p>Knowing how to understand the different cost components of forms of collective investment of savings (e.g., management fees, entry/exit fees, performance).</p> <p>Being aware of the need to assess one's investment time horizon, objectives, financial capacity to sustain losses and emotional ability to bear investment risks.</p> <p>Being aware of the effects of time horizon in relation to the risk one can take (e.g., analysing frequency and magnitude of negative performance on equity investment over short - 2 years - and long - 10, 15 years - time horizons).</p>	<p>Knowing the characteristics of the main financial services and the safeguards that the legal system puts in place to protect investors (MiFID regulations, client profiling, appropriateness and suitability assessment).</p> <p>Knowing in greater detail the characteristics of the main investment instruments.</p> <p>Knowing the concept of strategic and tactical asset allocation.</p> <p>Having financial knowledge of the concepts of volatility and duration.</p> <p>Knowing what summary information documents are provided for each investment product (so-called key documents).</p> <p>Knowing the main categories of complex financial instruments (derivative products) and particularly risky ones (contract for difference, rolling spot forex and binary options).</p>

		<p>Being aware of the main errors of assessment and behaviour that can be made when investing and of the risks of overestimating one's own skills or trying to predict market trends in the short term, especially in the absence of professional expertise.</p> <p>Knowing how to recognise the difference between certain losses and potential losses that are only realised when disinvesting.</p> <p>Knowing how to deal with volatility, changes in the value of one's investments and one's own emotionality.</p>	
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COMPETENCIES	5. Knowing how to apply for a loan and manage one's debts		
CONTENTS	Levels of deepening		
	A	B	C
Applying for a loan	<p>Understanding the desirability of taking out a loan, when income constraints exist, to be able to anticipate major purchases or investments.</p> <p>Understanding the correct relationship between the duration of financing and the type of expenditure (purchase or investment).</p> <p>Knowing the main forms of financing: loan, mortgage, consumer credit, employee loans, etc.</p> <p>Understanding that indebtedness is linked to consumption choices, multi-year (house, car) and non (travel, medical expenses), extraordinary and ordinary.</p> <p>Understanding the importance of seeking financing from authorised intermediaries.</p>	<p>Understanding the difference between short-, medium- and long-term financing.</p> <p>Understanding the effect of longer maturities, for the same amount of debt incurred, on the amount of the instalment and the total interest paid.</p> <p>Understanding the difference between fixed and variable interest rates and the implications when assessing the sustainability of current and prospective debt for the household budget.</p> <p>Understanding the principle of the amortisation plan (series of payments, interest and principal, that repay an initial loan).</p> <p>Identifying and correctly interpreting the cost of a loan (implicit interest, TAN and APR).</p> <p>Properly assessing the overall cost of a loan, also from a forward-looking perspective, taking into account ancillary costs and interest rate trends over time</p> <p>Understanding that financing is offered on a competitive market and it is necessary to gather information and compare different offers, both at the time of taking out the loan and during the course of the relationship in order to assess possible renegotiations.</p>	<p>Knowing the features of the main credit products, including repayment plans and amortisation schedules.</p> <p>'Hidden' loans: understanding that a loan is embedded in the commercial offer of many products (e.g., car, TV, mobile phone), as well as in some payment instruments (instalment credit cards, revolving cards).</p> <p>Knowing that a loan can be renegotiated when market conditions change.</p> <p>Knowing the possibility of mortgage portability through subrogation (transferring from one bank to another).</p> <p>Learning about the tax deductibility of interest on loans.</p>
Managing one's debts	<p>Understanding that the amount of debts incurred must have a specific purpose (e.g., car purchase, children's education, etc.) and that they must be constantly monitored.</p> <p>Understanding that debt must on the whole be sustainable over time, i.e., always consistent with one's income and assets.</p> <p>Understanding the importance of verifying also through a household budget the size of the periodic debt repayments that are sustainable for the household, also considering possible unforeseen future expenses.</p>	<p>Knowing the main consequences of paying late or not repaying one's debts.</p> <p>Understanding what over-indebtedness means and the risks involved.</p>	

<p>Creditworthiness</p>	<p>Understanding that the bank or other financial intermediary is granting the credit by considering how likely it is to repossess the sums granted.</p> <p>Understanding who to turn to and what documentation to produce in order to obtain financing.</p> <p>Understanding that it is more difficult to obtain a loan if past non-payments are detected.</p>	<p>Understanding that the bank or other financial intermediary takes two aspects into account when deciding whether to grant credit: the likelihood that the loan repayment will be regular (function of future income, income and expenditure management, links with other positions, overall asset and debt situation) and the possibility of recourse against assets or other parties (understand the differences between personal guarantees and collateral).</p> <p>Knowing the role of the Central Risk Centre – and other Credit Information Systems (CISs) – in reducing asymmetries about a person's overall indebtedness.</p>	<p>Understanding that the interest rate at which the bank or other financial intermediary grants credit depends, among other things, on the risk profile of the applicant.</p> <p>Knowing that in order to know one's debt position reported in the system (even in the case of erroneous reporting) in the CR or CIS, one must contact the Bank of Italy or the CIS (also online).</p>
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COMPETENCIES	6. Coping with retirement using pension instruments		
CONTENTS	Levels of deepening		
	A	B	C
The pension system	<p>Understanding longevity risk and the effect of longer life expectancy (higher for women) on personal savings choices.</p> <p>Knowing that the basic pension system is managed by INPS for the employed, the self-employed and some forms of atypical work and by various privatised funds for the different categories of self-employed people.</p> <p>Knowing that the pension from employment depends on the amount of contributions paid, the length of working life, but also on the economic growth of Italy.</p> <p>Understanding the financing system in basic versus supplementary pensions.</p> <p>Understanding the concept of replacement rate (the ratio between the first instalment to be collected at retirement and the last earned income) and the existence of a gap to be filled at the end of working life.</p> <p>Understanding that investing in pension products can allow one to 'hedge' longevity risk.</p>	<p>Understanding the factors that may affect the balance of the basic pension system (e.g., ageing population, possibility of early retirement).</p> <p>Understanding the effects of major pension reforms (e.g., the extension of working life and the revision of the pension calculation system) on pension levels.</p> <p>Knowing that pension funds exist and that they aim to supplement the basic compulsory pension.</p> <p>Knowing how one can estimate what pension one will receive on retirement from the compulsory and supplementary pension systems.</p>	<p>Understanding the concept of 'pension gap'.</p> <p>Understanding the implications of the changing economic and financial environment on pension provision.</p>
Planning for retirement savings	<p>Understanding the importance of planning early to set aside adequate savings for oneself and one's family members for retirement purposes.</p> <p>Understanding that the time factor plays in one's favour and that even modest investments made early in one's working life can have a significant impact due to the effect of time.</p> <p>Knowing what the severance pay fund is and the choice of its destination when entering the labour market.</p>	<p>Estimating the compulsory pension that you will receive (using the INPS simulator or by consulting patronages, or CAFs or professional funds)</p> <p>Estimating the ratio between the first instalment you will receive on retirement and your last earned income (replacement rate).</p> <p>Deciding whether and how much to set aside of one's savings for personal and family pension purposes.</p> <p>Knowing that retirement saving choices are often 'procrastinated'.</p>	<p>Understanding how to choose a pension suitable for personal and family needs.</p> <p>Understanding the importance of monitoring the investment over time.</p> <p>Understanding the effect of inflation over the long term.</p> <p>Understanding that pension planning needs to be reviewed periodically, in relation to changes and new personal and family needs that may arise over time.</p>
Forms of supplementary pension provision	<p>Knowing what pension funds (financial instruments for retirement purposes) are and how they work.</p> <p>Understanding that the benefits one will receive at retirement will depend on the contributions made, the time of participation and the returns realised over time.</p> <p>Knowing the advantages of these instruments compared to other financial instruments (e.g.,</p>	<p>Knowing that pension funds are authorised and supervised by COVIP.</p> <p>Understanding that the Register of Pension Funds is published on the COVIP website.</p> <p>Understanding how to choose a pension form suited to one's needs.</p> <p>Understanding how to compare the cost of different pension forms and where information on costs can be found.</p>	<p>Understanding how to choose the investment line offered by the pension fund (in terms of equity exposure or the presence of a guarantee) that suits your needs (including the years remaining until retirement and your risk appetite).</p> <p>Understanding which benefits you can claim at retirement and which is best suited to your needs.</p>

	<p>the possibility of receiving an employer's contribution, the existence of tax benefits, the possibility of advances, etc.). Knowing that savings set aside in pension funds are invested in the financial markets in a diversified way.</p>	<p>Understanding, at least in broad terms, the main tax advantages associated with investing in supplementary pension forms compared to non-pension forms of investment.</p> <p>Understanding how to define the amount to be set aside bearing in mind the effect on the final benefit of the employer's contribution and tax benefits.</p> <p>Understanding the importance of choosing carefully the investment line of the pension fund if different investment lines/sub-funds exist.</p> <p>Knowing that savings accumulated before retirement can be accessed in case of personal and family difficulties. At the same time, understanding the long-term purpose of one's retirement savings that should be maintained and preserved over time in the absence of sufficiently important or unavoidable spending or investment needs.</p>	
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COMPETENCIES	7. Recognising life's risks and insuring oneself		
CONTENTS	Levels of deepening		
	A	B	C
<p>Identifying lifetime risks and insurance</p>	<p>Being aware that human activity is characterised by uncertainty and that many future and uncertain (but nevertheless predictable) events may have negative consequences on health, property and loved ones. Being able to understand the concept of 'insurance risk' and distinguish it from financial risk.</p> <p>Understanding that insurance is an important instrument for protecting against risks and its social function. Understanding the purpose of insurance, the mechanism for the transfer of risk and the concept of mutuality.</p> <p>Being aware of the existence of non-life insurances (providing compensation/indemnity) and life insurances with different purposes (protection, investment and savings).</p> <p>Knowing that before taking out a policy it is necessary to be aware of one's coverage needs.</p>	<p>Knowing the main insurance products protecting health, property, civil liability, life, savings and insurance instruments with financial content.</p> <p>Knowing, in detail, that there are insurances against accidents, for hospitalisation and medical expenses, against fire, water damage and for liability towards third parties. Being aware as to what can be insured in order to be able to choose</p> <p>Understanding that it is important to compare insurance products in order to choose those that suit one's needs and to know how to ask for a personalised cost estimate.</p> <p>Knowing how to make a comparative assessment between products of the same type not only based on price but also on quality.</p> <p>Being aware that it is possible to contact an insurance intermediary (e.g., agent, broker, bank, Poste Italiane, etc.) to be assisted in selecting the insurance product best suited to one's needs.</p> <p>Knowing the main questions to ask an intermediary to ensure that the insurance proposal is sound.</p>	<p>Being able to distinguish a financial-insurance instrument from a pure financial instrument in life insurance and understanding its specific features.</p> <p>Understanding the specific feature of the insurance contract that is the production cycle inversion mechanism (advance payment of premium i.e. the cost of insurance and payment/liquidation of the indemnity at a later stage, etc.).</p> <p>Being aware that insurance companies contribute to the economy both by insuring the risks of individuals and enterprises and as institutional investors.</p> <p>Being familiar with segregated funds and PRIIPs.</p> <p>Knowing the more complex insurance products: unit, index-linked and multi-branch policies and knowing how to assess their riskiness or at least knowing the questions to ask to understand their risks.</p> <p>Being aware of what 'dormant' life insurance policies are.</p> <p>Being aware of the existence of products that cover against the risk of loss of self-sufficiency (LTC policies) and of the more specialised products such as cyber-risk, legal protection, products to protect professional activities.</p> <p>Knowing the tax benefits, as well as the legal and inheritance regulations of insurance products for savings and investment purposes</p>
<p>The essential features of an insurance contract</p>	<p>Knowing that the transfer of risk is the core element of the insurance contract.</p> <p>Being aware that events that have already occurred or manifested are not insurable.</p> <p>Understanding which obligations are assumed by the insurer in an insurance contract (performance) and which are borne by the insured (premium, truthful and correct declarations).</p> <p>Understanding why it is essential for the</p>	<p>Knowing that insurance contracts contain deductibles, co-payments, contractual waiting periods and grace periods.</p> <p>Being aware of how and when the right of withdrawal can be exercised.</p> <p>Knowing how and when to request surrender, reduction, reactivation and settlement of a life policy.</p> <p>Being aware of the existence of individual and group policies with different underwriting</p>	<p>Knowing the prescription periods of insurance claims and how to interrupt them.</p> <p>Knowing the nullity and voidability causes of an insurance contract as well as the causes of its termination and distinguishing their effects.</p> <p>Knowing the rules for decreasing and increasing risk during a contract.</p> <p>Knowing the effects of the cessation of risk during the term of a contract.</p>

	<p>policyholder to provide true and correct information when signing the contract.</p> <p>Knowing the cost of the transfer of risk (premium) and the factors that contribute to its determination.</p> <p>Knowing how the premium may be paid and knowing the difference between a single premium and a periodic premium.</p> <p>Understanding the notion of claim, policy limit and the grounds for exclusion and recourse, as well as deductible.</p>	<p>methods.</p> <p>Knowing the different figures that may be involved, in addition to the insurer, in insurance contracts (policyholder, beneficiary and insured).</p> <p>Being able to identify the main cost components of the most relevant insurance contracts.</p>	
<p>The market for insurance products and the rules to follow</p>	<p>Being familiar with the main sales channels for insurance products (direct sales, internet, intermediaries, banks or stock brokerage firms).</p> <p>Understanding the purpose of the Pre-contractual Information Document and the Information Set.</p>	<p>Knowing the main rules of conduct that the insurer or insurance intermediary must follow in order to properly sell a product.</p> <p>Knowing how to request, in the case of advised sales, a performance that is compliant with the regulations, in particular an explicit reasoned recommendation provided by the intermediary.</p>	<p>Knowing that there are legal differences between Italian, EU and non-EU insurance intermediaries and insurance companies.</p> <p>Knowing that insurance companies are required to identify for each product the categories of customers to whom it may be sold.</p> <p>Being able to assess whether the company actually exists by accessing the companies' register and to identify the qualification of intermediary by accessing the Single Register of Intermediaries (RUI).</p> <p>Knowing one's rights with regard to complaints.</p>

COMPETENCIES	8. Knowing how to inform oneself		
CONTENTS	Levels of deepening		
	A	B	C
<p>Properly documenting oneself prior to signing a contract</p>	<p>Being aware of what information to provide and what to acquire before signing a contract.</p> <p>Understanding the importance of consulting information sheets, prospectuses (e.g. the key prospectus for the investor, the so-called KID), explanatory notes, etc.</p> <p>Reading carefully and understanding the main features of a contract, checking before signing it.</p> <p>Being aware that it is important to always think before signing a contract and that in case of doubt it is better to avoid signing.</p> <p>Being aware of the rights and obligations involved stemming from the contract, e.g., when the phone contract envisages a commitment period so as to not incur penalties.</p> <p>Being aware that when making a financial decision, one must understand the obligations involved and what it entails not to comply with them (e.g., in the event of non-repayment of a loan).</p> <p>Knowing that contractual documentation (in written form) must always be obtained and stored.</p> <p>Knowing that usually a financial intermediary is not obliged to accept a loan applicant as a client (e.g., no entitlement to receive credit), but that there may be exceptions (e.g., as in the case of signing a third-party car insurance contract where there is a legal obligation to provide a coverage).</p> <p>Understanding that some intermediaries may be obliged to offer certain products, such as the basic current account.</p>	<p>Recognising the difference between what one believed to be buying and what one actually bought and being able to complain when a difference is found.</p> <p>Knowing that even when paying attention, wrong assessments can be made.</p> <p>Recognising when it is appropriate to seek help and the importance of knowing who to seek help from.</p> <p>Being aware of one's comprehension and numeracy skills and behaving accordingly.</p> <p>Recognising unpredictable factors that may affect the outcome and acting accordingly.</p> <p>Making one's choices taking into account the likelihood of negative events.</p> <p>Understanding that not all financial choices are made rationally and that behavioural errors occur.</p> <p>Being aware of the most common cognitive limits and behavioural flaws and acting accordingly</p>	<p>Recognising the difference between institutional and informal or friendly sources of information (e.g. blogs, websites, etc.)</p> <p>Recognising advertising information and understanding how it may affect one's final decision, evaluating it carefully.</p> <p>Knowing how to always consult official sources for reliable information.</p> <p>Being aware that it is important to consult experts or advisors to understand the main features of financial instruments and the content of the contract.</p>
<p>Consulting experts</p>	<p>Knowing that, before purchasing a banking, financial, insurance product or service, it is advisable to seek clarification from a registered professional and/or expert.</p> <p>Being aware that patronages can be contacted to understand the basic pension position, which is important for organising retirement savings.</p>	<p>Understanding the role of intermediaries, employees of banks and post offices, other financial intermediaries and advisers and knowing what functions they have.</p> <p>Being aware of the existence of possible conflicts of interest when coming into contact with financial intermediaries, in particular when</p>	<p>Knowing who independent financial advisors and financial advisors authorised to offer their services via indirect sales channels (financial advisors) registered in the registers allowing them to carry out the reserved activity are.</p> <p>Being familiar with the main features of the activity carried out by: banks, investment</p>

	<p>Understanding how important it is to exchange information between the individual/consumer and the intermediary.</p> <p>Recognising the importance of acquiring as much useful information and advice as possible. Knowing that it is in one's interest to talk constantly with experts but also to monitor one's accounts, cards, savings, investments on a regular basis as well as to understand the importance and function of the reporting documentation that each intermediary sends periodically to its clients.</p> <p>Being aware that one should not sign blank forms.</p>	<p>signing an advisory contract.</p> <p>Being aware of the need, when investing, to provide one's advisor with information regarding: investment experience and knowledge, financial situation (including ability to bear losses), investment objectives (including investment horizon, risk profile and investment purpose).</p> <p>Being aware of one's emotional capacity to bear investment risks and of the importance of assessing in advance the risk one is willing to take, including with regard to the investment horizon.</p>	<p>firms, community investment companies, consultancy firms, asset management companies (<i>Società di Gestione del Risparmio</i>, SGR), equity crowdfunding platforms.</p> <p>Being able to combine financial, insurance and pension planning with tax planning by using, if possible, different specialised and qualified experts.</p> <p>Understanding the consequences of a 'do-it-yourself' investment choice versus an expert-led one.</p> <p>Knowing who independent financial advisors and financial advisors authorised to offer their services via indirect sales channels (financial advisors) are.</p>
<p>Saver and consumer protection</p>	<p>Knowing that every individual is a customer and a consumer with rights and obligations.</p> <p>Knowing the importance of transparency in relationships between individuals and banking and financial intermediaries.</p> <p>Knowing which authorities supervise the banking, financial, insurance and pension sectors (Bank of Italy, CONSOB, IVASS, COVIP and AGCM) to protect savers, investors, policyholders and consumers in general.</p> <p>Being familiar with the functions of the organisations that protect savings, investments and consumption.</p> <p>Knowing who to contact to assert one's rights.</p> <p>Being aware of the existence of new digital channels for accessing self-protection tools: for sending complaints and alerts to supervisory authorities and for submitting appeals to out-of-court dispute resolution bodies.</p>	<p>Knowing that the first step in dealing with irregular or improper behaviour by a person in the banking, financial, insurance and pension fields is to file a complaint with it. Being aware that it is subsequently possible to turn to out-of-court dispute resolution systems and knowing how to use them.</p> <p>Knowing and understanding how the Banking and Financial Ombudsman (<i>Arbitro Bancario Finanziario</i>, ABF), the Financial Dispute Arbitrator (<i>Arbitro per le Controversie Finanziarie</i>, ACF) and the Insurance Arbitrator (<i>Arbitro assicurativo</i>) work, distinguishing them from the reference Authorities (respectively Bank of Italy, CONSOB, IVASS) and from the ordinary Judge.</p>	<p>Being aware of the existence of the Consumer Code.</p> <p>Knowing one's rights as a consumer and being able to assert them, including by formulating complaints and appeals correctly and to the right interlocutor.</p>

COMPETENCIES	9. Knowing how to use technology and new digital tools		
CONTENTS	Levels of deepening		
	A	B	C
Digital banking and financial instruments	<p>Being aware of the increasing use of technology in payments and purchases.</p> <p>Knowing the functions and features of home banking.</p> <p>Knowing the functions and characteristics of payment cards, POS (Point On Sale) machines or ATMs (Automated Teller Machines).</p> <p>Understanding the role and use of e-commerce and the importance of security in online transactions.</p> <p>Being aware of the spread of digital applications (Apps) and mobile banking for mobile phones.</p> <p>Being aware of the risks involved in self-investment and online trading.</p>	<p>Knowing the main features of digital payment services, digitised investment services (such as robo-advising or crowdfunding) and financing services (credit algorithms, and peer-to-peer lending).</p> <p>Understanding how new technologies are used in the sale of financial-, pension- and insurance-related instruments.</p> <p>Knowing that digital contracts are widespread and being familiar with their characteristics.</p> <p>Being aware that a digital contract carries the same obligations as a contract signed in person and provides a series of safeguards for the subscriber.</p>	<p>Broadly understanding the mechanism underlying distributed ledger technology (DLT).</p>
Cyber risk	<p>Being aware that the development of digitisation must go hand in hand with the adoption of appropriate measures to protect against cyber risks (use of anti-malware software and other measures such as passwords and accounts management).</p> <p>Being aware that the use of anti-malware software protects one's devices from known cyber-attacks, but does not completely eliminate any such risks with possible harmful consequences on operations, confidentiality and data integrity.</p>	<p>Being aware that insurance policies against the harmful consequences of cyber risks are becoming increasingly widespread on the market.</p>	<p>Being able to assess the quality of a cyber risk policy in relation to the intended scope of application.</p>
Digitised insurance instruments (InsurTech)	<p>Being aware that digital innovation also has a strong impact on the provision of insurance products.</p> <p>Being aware that products with a smart device component (i.e. interactive portable electronic devices connected to a computer network, e.g. handheld computers, smartphones) are offered in products protecting the 'person', the 'home' and the 'car'.</p>	<p>Being aware that in the field of third-party liability insurance for motor vehicles, it is possible to monitor driving conduct and accidents through the use of the so-called black boxes thus being able to personalise the insurance contract.</p> <p>Being aware that in the field of health insurance, there is a growing diffusion of policies (digital healthy insurance) which, through the use of portable digital devices (e.g., electronic bracelets), provide the insurer with more accurate information on the health condition and behaviour of clients, while at the same time encouraging healthier lifestyles through discounts.</p>	<p>Being aware that so-called 'instant insurances' are low-cost products found on digital platforms that, with just a few clicks, on smartphones or web portals, allow one to obtain cover only for the time needed (a few days, a week or more, a month). Being familiar with the available methods for purchasing insurance products remotely (mobile, app based, push, etc.) and knowing how to assess the methods with which assistance is received throughout the life of the contract and at the time of a claim. Being familiar with peer-to-peer insurances, i.e. web platforms through which one becomes part of a</p>

		<p>Being aware of the privacy protection profiles that must accompany the use of these new tools.</p> <p>Being aware that even in the 'home' insurance sector, due to the diffusion of smart home speakers (smart voice assistants), there are offers integrated with assistance insurance services that can be activated via smartphones. Knowing the consequences in terms of privacy related to the use of such devices.</p> <p>Knowing the main methods for managing claims remotely.</p>	<p>group of users who use the same insurance product (e.g. third-party liability insurance for motor vehicles or home insurance) and shares the risk and benefits that may arise from the group's responsible behaviour. Knowing how to activate the tools to protect one's privacy according to the European regulation (e.g., deletion of data) and how to enforce compliance by operators.</p> <p>Knowing the remote claims management services and how to access them (e.g., help in filling out the accident report, roadside assistance, automatic distress calls, etc.).</p>
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COMPETENCIES	10. Knowing how to spot a scam and how to defend oneself		
CONTENTS	Levels of deepening		
	A	B	C
Financial scams and abuses	<p>Knowing that one must exercise extreme caution (especially the elderly, the most vulnerable and the least digitised) when using electronic and digital devices and/or products and services marketed through digital channels.</p> <p>Being aware that there are subjects authorised to perform intermediation activities for banks, investment companies (SIM), asset management companies (SGR), open-end investment companies (SICAV), closed-ended investment companies (SICAF), payment institutions, electronic money institutions, and financial advisers.</p> <p>Being aware of where to find the right information on the enrolment of intermediaries and operators in specific registers.</p> <p>Being aware that only authorised entities may offer investment services.</p> <p>Knowing what to do to prevent possible fraud and who to turn to.</p> <p>Knowing who are the fraudsters.</p> <p>Know how to recognise the main strategies used by fraudsters and scammers</p>	<p>Recognising the most common fraud mechanisms when using payment and/or financing services (e.g. misleading calls, sending of false text messages, identity theft, card cloning, etc.) and in the financial field (phishing and pyramid schemes).</p> <p>Knowing the psychological levers used by fraudsters and the weak points in one' s decision-making processes.</p> <p>Knowing how to react if faced with fraudulent practices and if already a victim of such practices.</p>	
Insurance scams	<p>Knowing how to recognise a fraudulent insurance provider and where to find information to avoid scams.</p> <p>Being aware that in the case of third-party liability insurance for motor vehicles it is also possible to check the validity of the policy by logging on to the website '<i>Il portale dell'automobilista</i>' (The driver's portal).</p> <p>Knowing which payment instruments can be used to pay insurance premiums.</p> <p>Being aware that premium payments made to rechargeable or prepaid credit cards are irregular, as are payments made to persons or companies not enrolled in the registers kept by IVASS.</p>	<p>Being aware of the existence of fraudulent operators who offer counterfeit policies or present themselves using the name of duly authorised insurance companies or intermediaries.</p> <p>Being aware that it may happen that counterfeit policies are marketed by duly authorised intermediaries who, after collecting the premium, do not activate the cover with the insurance company.</p>	<p>Knowing that in order not to run into insurance scams, it is important to pay attention to details and to check the company data in the policy, including headers and footers, and to pay particular attention to corrections and small differences.</p>

<p>Data protection and other regulatory obligations</p>	<p>Consciously share all required information and personal data. Protecting one's own data and credentials (password and account) especially when accessing and using home banking services, securities accounts, insurances, online electronic payments, mobile phones, applications (apps), etc. Being aware of the risks associated with sharing personal data online</p>	<p>Understanding the implications of the application of privacy, anti-money laundering and anti-terrorism laws and the obligation to identify the beneficial owner.</p>	
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Annex 1: A handbook for financial decision-makers

The following handbook contains some practical advice, useful in short- and long-term choices, which can be distributed to the learners of educational initiatives or discussed during the initiatives themselves. These tips are valid for everyone.

10 useful tips for financial decision-makers:

1. Take care of your money

Spend time and attention on checking your finances, noting income and expenditure, and evaluating purchases. In general, treating this subject with the attention it deserves is a good habit that will give you a greater sense of peace of mind today and may save you problems tomorrow.

2. Start saving as soon as possible and make good use of the time resource (it is scarce)

Even small savings, if made consistently from the very beginning of one's career, can give rise to large capital through the importance of long-term compound interest. Timeliness and consistent provisioning are essential for saving and growing wealth in the long run.

3. Analyse your needs well before making a financial decision

Before making a financial choice (e.g., consuming or saving, how much to save, taking out a loan, which financial instruments to invest your savings in), try to understand what your needs are, consider for example your age (near or far from retirement?), your income profile (fixed or variable), your attitude to risk (degree of risk aversion).

4. Before buying, compare several products to pay less and get better services

Before making purchases, carefully assess the options in front of you, inform yourself about the features of the products and their prices. Also do this every time you look for a financial product: compare it with others, either by doing it yourself or through professionals. Choosing well takes time, but it is worth it!

5. Don't put all your eggs in one basket to avoid losing everything at once

If you put all your eggs in one basket, you will run the risk that they will all break as they fall. The same applies to investments: concentrating them in one instrument exposes you to a higher risk of suffering high losses. To reduce the risk of breaking all the eggs, you have to put them in different baskets. To diversify the risk, you have to invest in different instruments.

6. As prices rise over time, let your savings also grow over time so as not to get impoverished

When saving, consider the level of interest rates, especially low ones, inflation and the risk of keeping all, or most, of your money liquid.

If the prices of goods you normally buy increase over time, your spending capacity decreases. In this case, money left under the mattress loses value. In order to maintain or hopefully increase the purchasing capacity of money over time, if you have savings, you can invest them in financial instruments that have positive interest rates, either by informing yourself appropriately or by consulting an expert.

7. Do not sign anything if you have not understood it: read, understand and only then sign!

Each time you are offered a banking, financial, insurance or pension-related service or product, do not feel you have to sign if there are aspects you do not understand or are not clear: your signature is a value. You may take your time to gather the information you need to better understand before signing.

8. The more you earn, the more you risk

Do not be lured by assumptions of easy gains without thinking it through. Remember that promises of higher interest rates also represent a higher risk. Are you willing to take this risk to earn more?

9. When making a purchase or a transaction, inform yourself of all costs and commissions to be paid

Ask, search and read. These days, it is easier to access all kinds of information. In banking, finance, insurance and pension, one has to look for reliable sources such as institutional and official channels and read contractual documents carefully. And always ask yourself a few more questions: it's better than finding yourself with a little less money!

10. Protect yourself from risks

In life, you are constantly exposed to risks that can affect your health, your assets, your family. With an insurance policy, you can transfer risks to an insurance company for a fee, which is the price of your peace of mind. Remember to always look at the contractual clauses to check which risks are covered and which are excluded from the insurance guarantee.

Annex 2: Other practical tips for promoters of financial-, insurance- and pension-related education initiatives.

The role of individual aptitudes, cognitive limitations and behavioural distortions in the development of educational formats.

Motivation

To be effective, any training aimed at adults must first and foremost be appropriately motivating and closely interconnected with the experience of the person or persons for whom it is intended: in other words, learners must immediately be aware of the usefulness of the information content with respect to their everyday life and the easy applicability of the indications received in the educational phase²².

Interaction

In order to raise learning motivation and maintain learner interest throughout the training initiative, it is considered useful to provide moments of interaction in which learners are called upon to act in the first person. As suggested by scholars of experiential learning techniques and *gamification* research²³, for instance, it could be useful to develop formats based on simulated life experiences and games that stimulate not only the cognitive sphere but also the emotional sphere of learners for an engaging and comprehensive training experience.

Language and terminology

The language used in the training activity must be simple and relevant, i.e., immediately comprehensible, and must be tailored to the specific characteristics of the target group. The terminology used should be careful and technicalities should be avoided unless there are specific needs of the target group being addressed.

Attention to aptitudes and emotionality

It is also recommended to convey useful hints on how to set up the decision-making process taking into account the most common cognitive limitations and behavioural traps that can lead to poor choices. Thanks to sophisticated instruments that monitor brain activity and visualise it during laboratory experiments, neuroscience has revealed that 'there is method in our stupidity'²⁴, the errors we make are pervasive, recurring and predictable; in short, they respond to a systematic logic. That is to say, it is possible to foresee the cognitive traps to which we are particularly vulnerable and thus foresee how our actual judgements and choices will deviate from the optimal (i.e., rational) ones; on the subject of behavioural traps, please refer to the appendix to these guidelines available online on the Committee's portal (<http://www.quellocheconta.gov.it/it/>).

Finally, the Committee would like to see a call to avoid making impulsive financial choices and to take your time to evaluate very well what are the financial resources at your disposal (or seek the help of a reliable advisor), even when you feel intimately confident or optimistic about a spending, saving or investment opportunity.

²² Martelli (2017), 'Increasing financial literacy through neuroscience and experiential learning. Understanding how the brain works to provide more effective solutions' and Alemanni (2017), 'From nudging to awareness in retirement savings decisions', in Linciano, N. and P. Soccorso (2017, eds.), *The challenges of financial education*, CONSOB; Hertwig, R. e T. Grüne-Yanoff (2017), "Nudging and Boosting: Steering or Empowering Good Decisions", *Perspectives on Psychological Science*, Volume: 12 issue: 6, pp. 973-986; Grable, J., Heo, W. e Rabbani A., (2015), "Financial Anxiety, Physiological Arousal, and Planning Intention", *Journal of Financial Therapy*, Volume 5, Issue 2.

²³ Kapp, K.M. (2012), *The gamification of learning and instruction. Game based methods and strategies for training and education*, Pfeiffer.

²⁴ Motterlini M. (2006), *Emotional Economy – What lies behind our daily accounts*.