



Press release 2018-017

*Experts highlight role of central banks in financial education*

## **Financial Education and Market Resilience**

**WILLEMSTAD** – Financial education is an increasingly relevant topic, especially as financial products and services become more and more complex. Two specialists on the subject, Diego Rodríguez Pinilla, an economist from the Banco de la República (Central Bank of Colombia), and Errol Cova, who is the head of the Investment Institutions and Trust Supervision Department at the *Centrale Bank van Curaçao en Sint Maarten*, gave presentations on the topic of financial education at the 2nd Central Banking Conference recently held at the CBCS’ headquarters in Curaçao. Financial education is a natural fit for the conference’s theme of “Addressing challenges to achieve a higher growth path in small open economies.” Rodríguez Pinilla’s presentation focused on financial education programs at Latin American and Caribbean (LAC) central banks, while Cova gave an overview of the evolving role of central banks in financial education and market resiliency.

Rodríguez Pinilla explained that the Central Bank of Colombia and the Center for Latin American Monetary Studies (CEMLA) invited LAC central banks to respond to two surveys between 2011 and 2013 on their role in financial education and inclusion programs. Many regional central banks and regulatory institutions responded to the survey. In the LAC region, central banks are the principal promoters of financial education programs and their communication or institutional relations departments are at the head of these programs, he said. So far, Surinam is the only country whose central bank programs mostly contained financial education, while the Eastern Caribbean Central Bank (ECCB) has a wider scope of improving the stability of and confidence in the financial sector and reaching welfare and growth of the economy as a whole.

Most of these central banks work in a coordinated way with other institutions, mainly with ministries of education, Rodríguez Pinilla pointed out. The ECCB, for example, coordinates with local public and private institutions, including universities, state schools, financial institutions, ministries of education, and the media. The main target audiences of the programs are children and young people, especially in high schools, among which are economic and financial education workshops, teacher training, and courses for students. The Trinidad & Tobago central bank also offers booklets to the general public on money management, home budgeting, insurance, and consumer protection services. The objectives of these programs are primarily to improve the effectiveness of monetary

policy, the management of household finances, social equity, and the knowledge of rights and responsibilities, Rodríguez Pinilla said, and that despite the obstacles and weaknesses of some programs, the achievements are immense.

Cova began his presentation by saying that financial literacy is more than an educational priority; it is the ultimate investment in the future. It is quickly becoming rooted in the agendas of policymakers, financial regulators, and central banks and an integral part of the agenda of global standard setting bodies, organizations and leading authorities. As financial services and products expand and become more complex, financial education can help prevent future financial crises, Cova said. It is fundamental for financial stability and economic growth, he added.

Traditionally, central banks were engaged in financial education, and while money museums are great, history alone does not grow economies and protect consumers, Cova warned. The enhancement of financial skills should be part of central bank strategies aimed at maintaining financial stability, he continued. Cova highlighted financial education efforts in Curaçao and Sint Maarten where the Bank is busy establishing a broader financial education program by continuing to build sustained partnerships with both the public and private sector, promoting the development of tailor-made investor literacy programs for targeted audiences, and by issuing investment warnings and guidance notes for stronger consumer protection. Cova also mentioned the recent modernization of supervision legislation or the so-called Harmonization Law that also contributes to better consumer protection.

For the full presentations of Diego Rodríguez Pinilla and Errol Cova on financial education, please visit the Bank's website at [www.centralbank.cw](http://www.centralbank.cw) and click on *Seminars & conferences* under the *Publications & Research* section. It should be noted that the views expressed in the presentations were of Mr. Rodríguez Pinilla and Mr. Cova and do not necessarily represent the views of the Banco de la República or the *Centrale Bank van Curaçao en Sint Maarten*.

CENTRALE BANK VAN CURACAO EN SINT MAARTEN  
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