Chapter

The Needs for Financial Literacy in the Fintech Era: Italian Experiences

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Abstract

The issue of financial literacy has been increasingly examined in Italy. It derived from the focus on overindebtedness and the threats posed by loan sharks. As paradoxical as it may seem, the overindebtedness risk is particularly high among the unbanked — households and micro/small businesses—because of their difficulties in having access to formal bank credit. Overindebtedness, usury, and the absence of connections with banks are all symptoms of a difficulty in relating appropriately to the banking system linked in part to inadequate levels of financial literacy. In the same way, the low propensity to insure has probably to do with a low understanding of the insurance process. This makes the unbanked/uninsured households and small enterprises, particularly vulnerable to risk. This paper aims to analyze the current situation of financial literacy in Italy, taking into account the vulnerability of some segments of the population and the inadequacies on the supply side. Surveys over time have shown a low level of financial literacy in Italy compared with advanced economies. A number of initiatives have been taken to attempt to improve financial literacy, especially among the young and more vulnerable. This chapter aims at presenting these initiatives and making a preliminary evaluation of them.

Keywords: financial literacy, household finance, financial constraint, overindebtedness, Italian financial market

1. Introduction

The attention to the issue of financial literacy (FL) has developed in Italy in parallel with the attention paid to the phenomenon of overindebtedness of households and to the risk of falling into the trap of loan sharks. Furthermore, as paradoxical as it may seem, because of the occurrence of unbanked people and of difficulties in accessing bank credit by households, micro, and small businesses.

The phenomena of overindebtedness of households and the absence of banking relations, as well as usury, are all signs of a difficulty in relating appropriately to the banking system and are latent symptoms of an inadequate level of financial literacy.

Financial literacy issues were then increased by the stimulus of the context of what was once the European Economic Community (Commission of European Union).

This awareness then developed both in the academia and in consumer associations and then attract the attention of the supervisory and control bodies on the financial markets and later of financial intermediaries that then guided its promotion with multiple initiatives.

Furthermore, we should mention the low propensity to insurance in the Italian market, which, on the one hand, denotes a lower familiarity with insurance processes and, on the other hand, makes families more vulnerable to the occurrence of unexpected events.

Historically in Italy, such phenomena and their negative consequences are more serious than in other countries. They therefore deserve an in-depth analysis.

The chapter is structured as follows: Section 2 illustrates various phenomena that denote a need for financial literacy, Section 3 analyses the level of financial literacy in Italy that is still low compared to other advanced economies, Section 4 illustrates the main initiatives undertaken to improve financial literacy in the country, and Sections 5 gives final remarks.

2. The framework of financial literacy needs in Italy

As mentioned earlier, there are three main phenomena contributing to awareness of financial literacy's development: overindebtedness, risk of falling into the trap of loan sharks, and risk of being financially excluded.

As far as overindebtedness is concerned, Italy is a country that has historically recorded a high propensity to household savings, with a limited recourse to debt. At national level, household debt has a structurally lower impact on the disposable income than in comparable advanced economies in Europe and the US (**Figure 1** and **Figure 2**).

Households' debt was used, in Italy, almost exclusively for mortgage loans, with very little use of consumer credit, at least until the 1990s. Later, consumer credit has grown at an accelerated pace. However, the percentage of households using it is still lower than in other developed economies as it is less than 15% in recent years. In general, the percentage of households that resort to debt — for mortgages, consumption, or business—is below 30% (**Figure 3**).

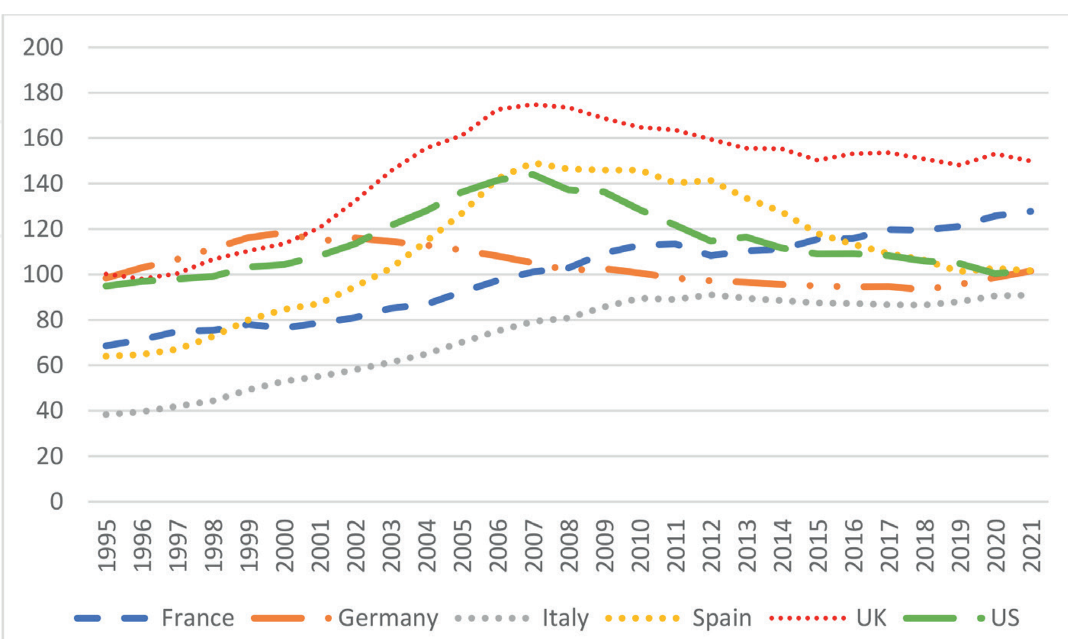


Figure 1.
Households debt on total income %—Source: OECD. https://data.oecd.org/hha/household-debt.html.

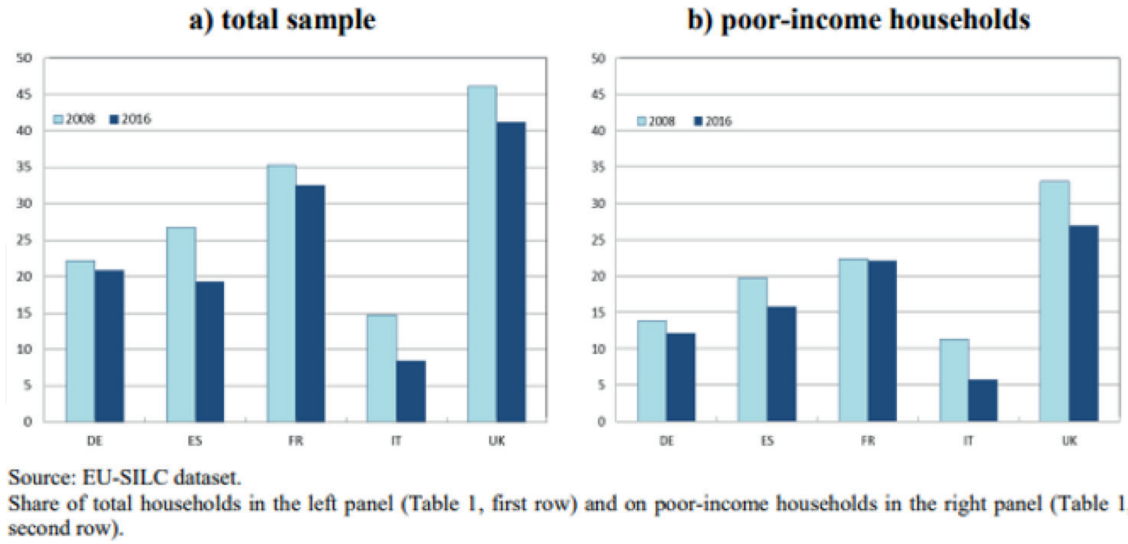


Figure 2.
Households with consumer credit and incidence of poor-income households (percentage). Source: Magri et al. [1] and EU SILC (2008 and 2016).

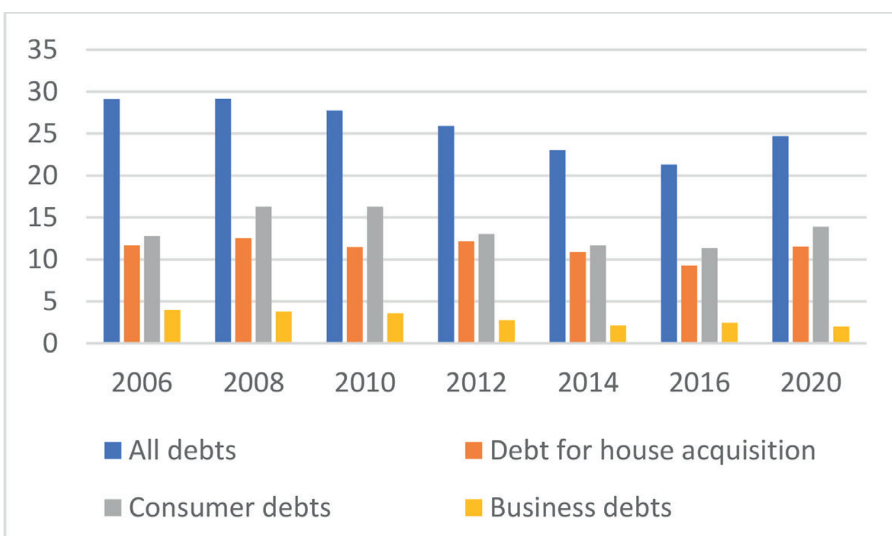
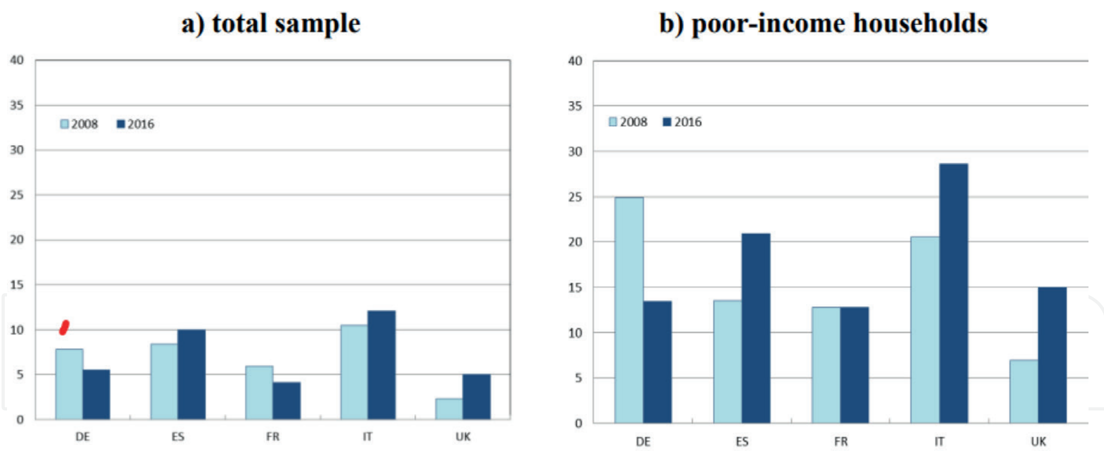


Figure 3.
Proportion of indebted households distinguished reason of indebtedness—Source: Bank of Italy.

However, in Italy, despite a low incidence of indebtedness, there is a segment of the indebted population at risk of contracting debts that it cannot cope with because of low- and uncertain-income flows and also a low level of financial literacy. The latter makes the problems more serious because it makes individuals less aware of the risks of overindebtedness and makes individuals less able to take appropriate and timely action to get out of this situation (**Figure 2**).

According to a study on the definition and measures of overindebtedness of households in Italy, the share of overindebted families — the estimate on 2010 data—would indicate average values ranging from 1.2 to 6.2% of the population, but with 29.8% feeling some economic distress [2]. Obviously, the figures are higher for particular groups: 30–50 years old, self-employed, lowest income quintile, and geographical location (South and Islands).



Source: EU-SILC dataset.
Share of total households in the left panel (Table 2, first row) and on poor-income households in the right panel (Table 2, second row).

Figure 4.
Households in arrears on consumer credit repayments – (percentages of households with consumer credit). Source: Magri et al. [1] and EU SILC (2008 and 2016).

In addition, the aftermath of the crisis and the slower rate of economic recovery have also had a major impact on households' capacity to discharge their obligations. Italy has the highest proportion of households in arrears (12%), especially in the poor-income groups (29%) (**Figure 4**) [1].

The situation is made significantly worse by the lack of accessible support financial and social services to help those affected [3]. Social workers themselves do not have the financial skills to spot and support those in need.

As a sign of the belated perception of the seriousness of household financial vulnerability, the Bank of Italy mentioned the issue for the first time in 2020 in its Annual Report.

From then on, the authorities' concerns have been rising, especially as regards the "Buy Now Pay Later" practice spread, which clearly exposed those most vulnerable tempted by consumer goods to even more overindebtedness[1].

It is well-known that the excessive accumulation of debts together with precarious jobs causes a deterioration in households' social and economic well-being, thus leading in the long run to social exclusion and poverty.

Exclusion from the official credit market due to low creditworthiness or even overindebtedness can push people to find a "solution" to their difficulties by having recourse to usury. The attention to this phenomenon in Italy exploded in 1995 following tragic news events. By its nature usury is hidden. So no statistics are available about how widespread the practice is in the country. Moreover, particularly in Italy, there is a strong connection between usury and criminal activities, such as extortions and racketing.

Only in 1996 in Italy has usury been treated definitely as illegal. Procedures were then introduced to restructure consumer debts[2]. Such procedures aim at making it easier to cope with the situation and avoid entering a dangerous debt spiral [4].

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[1] See Bank of Italy, October 28th, 2022, Communication on "Buy Now Pay Later" schemes "(BNPL)". This form of credit is not specifically regulated and therefore the applicable regulatory framework and associated protections depend on the specific design of the operation.

[2] See Law n. 108/1996 defining the offense of usury and establishing a Fund, through which victims of usury can obtain a loan commensurate with the usurious interests and the damages deriving from them, without interest, to be returned within 10 years.

Since no data are available, a proxi is offered by the data on the contributions to the anti-usury fund provided by the Court of Auditors that document not only a growing fund allocation to deal with the issue but also a growing number of beneficiaries (**Table 1**) [6].

The victims are not always aware that they have fallen into loan sharks' traps. Sometimes, transactions are intrinsically connected to slightly illegal moves (such as tax evasion, involvement of straw men, use of cash in transactions, and so on). This discourages the victims from lodging a complaint and refer to the court.

Regarding the phenomenon of financial exclusion, it should be noted that Italy has in the past recorded a large number of underbanked or unbanked people [7, 8]. The international comparison —- dating back to 2003—reveals the seriousness of the situation (**Figure 5** and **Figure 6**).

Overindebted persons who experienced severe incidents of repayment are often excluded by the official credit markets and payment networks: a complex relationship exists between overindebtedness and financial exclusion [10–12].

Not to forget that the absence of banking relations means the exclusive use of cash as a means of payment and a total lack to financial and experience.

In recent years, the diffusion of accounts operated only by cards—without the possibility to take credit or withdraw sums in excess of available funds and equipped with bank details—has reduced the number of formally unbanked people. But price policies and restrictions on the provision of credit to vulnerable people still make it

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Amount of contributions to the anti-usury Fund (Euro millions)	69.07	23.6	12.86	11.64	6.75	70.00	32.27	21.35	15.44	26.85	18.89	24.24	32.67	30.04
N. of beneficiaries	n.a.	n.a.	4828	3786	3436	2964	2929	2695	2178	2260	2025	1993	1443	n.a.

Table 1.
State contribution to the anti-usury fund—Source: Italian Ministry of Economics and Finance [5].

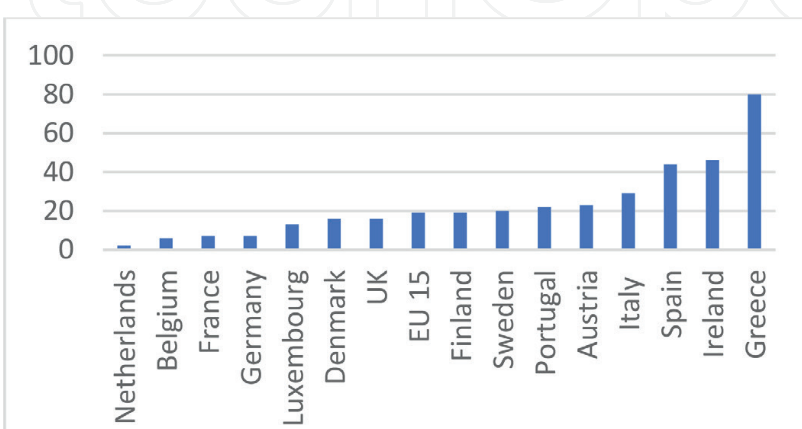

Figure 5.
People without a current account which comes with a payment card or chequebook (%) – Source: Eurobarometer [9].

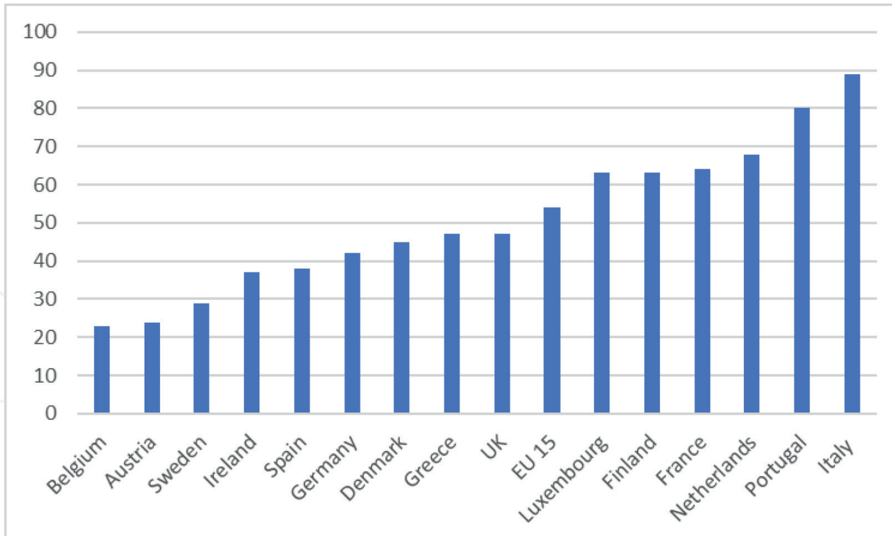

Figure 6.
Persons without a deposit account, which pays interest but has not payment card or chequebook (%)—Source: Eurobarometer [9].

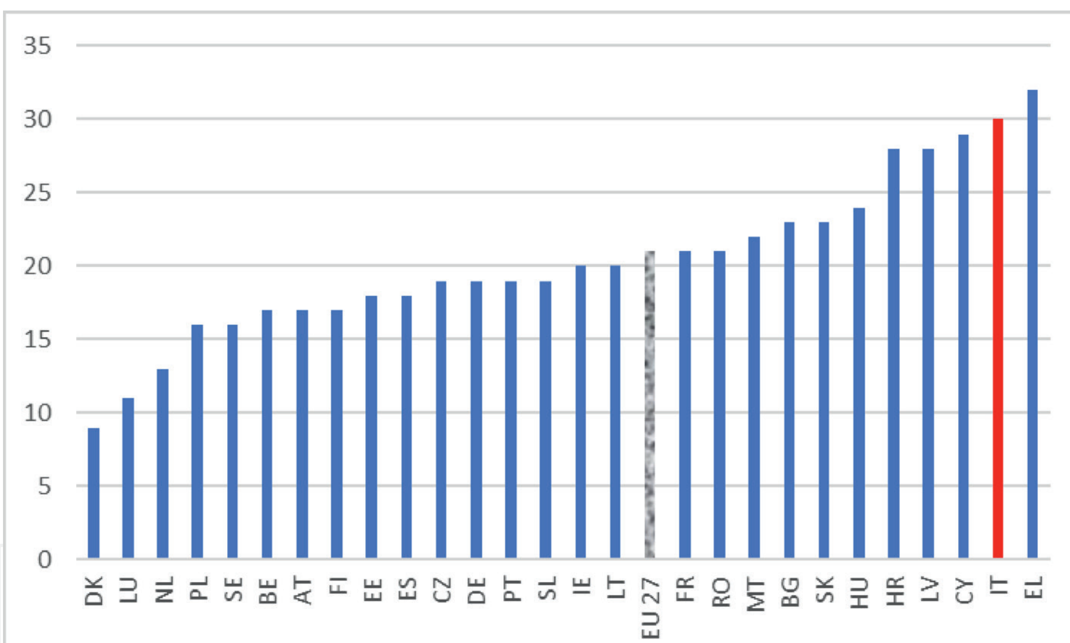

Figure 7.
Use of financial instruments: Lack of possession of financial instruments other than bank accounts or deposits. Source: Eurobarometer [13].

difficult for segments of the population to access banking and financial services that meet their needs.

If enlarging the range of financial products beyond current or savings account, (i.e., private pensions or retirement products, life insurance, nonlife insurance, mortgage or home loan, other consumer loans, investment products, and crypto-securities), Italy still comes last or nearly among the EU 27 countries, just behind Greece, with 21% of the sample not having owned such financial product in the last 2 years (**Figure 7**).

Finally, we should mention as weakness the low insurance coverage of the Italian population in the nonlife sector, although the insurance statistics in Italy are inflated by the obligation of having a motor vehicle liability insurance. Excluding the latter, insurance premiums in Italy as regards health, life, and nonlife represent 1.1% of GDP in Italy versus 3% in France and Belgium, 2% in Spain, and 1.8% in Germany.

The risks associated with sub-insurance are particularly significant when considering, for example, the specific geographical features of the country. Italy is one of the European countries most exposed to seismic and flood risk, and at the same time is a country in which the most important share of wealth is invested in real estate. Nevertheless, only 52% of the houses are covered by fire risk and only 4.9% by catastrophic risk, while about 80% of the housing stock is exposed to both.

A recent survey [14] has shown that, although there is a strong perception and awareness of exposure to risks, not all those who are aware of taking a risk say they want to insure themselves (for various reasons, including other life priorities, or lack of resources). In fact, the data shows that 45% of those who claim to feel exposed, do not have any type of coverage.

All this is symptomatic of poor levels of financial literacy and low experience in the management of sound banking relations [15].

3. The level of financial literacy in Italy

Numerous studies and surveys document over time a low level of financial literacy *in Italy* [16], still currently lower than the European Union average and other advanced countries (**Figure 8**).

The low values of the financial knowledge score contribute to this positioning (**Figure 9**). And, on the front of the financial behavior score, which considers the behaviors while choosing products by keeping track of expenses and striving to achieve financial goals, behaviors are even less virtuous (**Figure 10**).

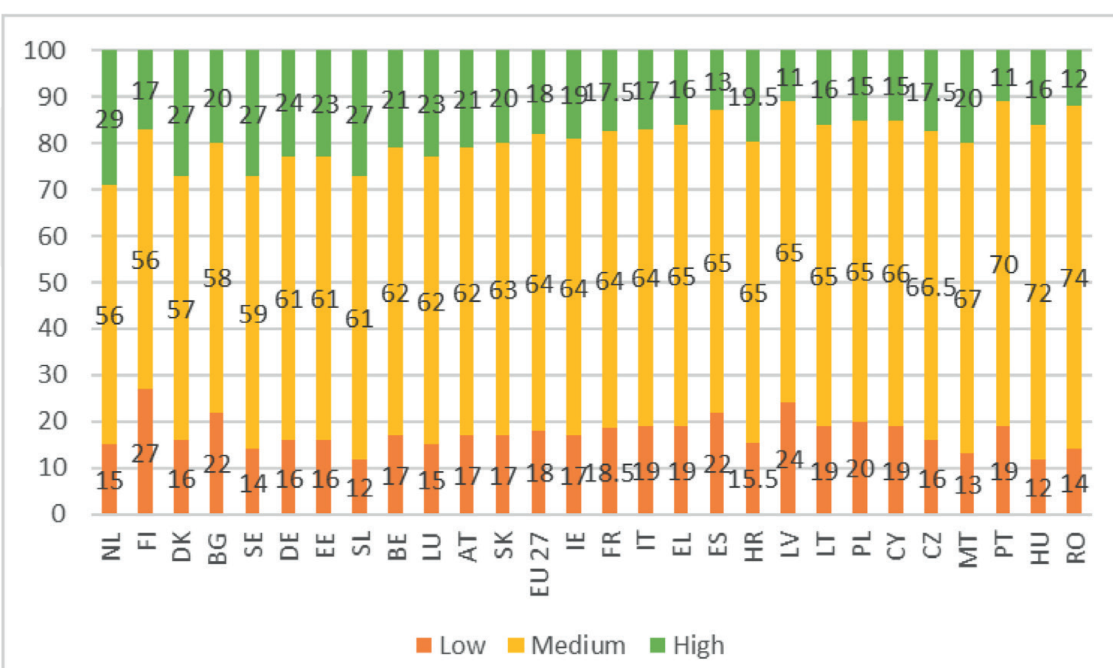

Figure 8.
Overall financial literacy score, distribution % per level—Source: Eurobarometer [17].

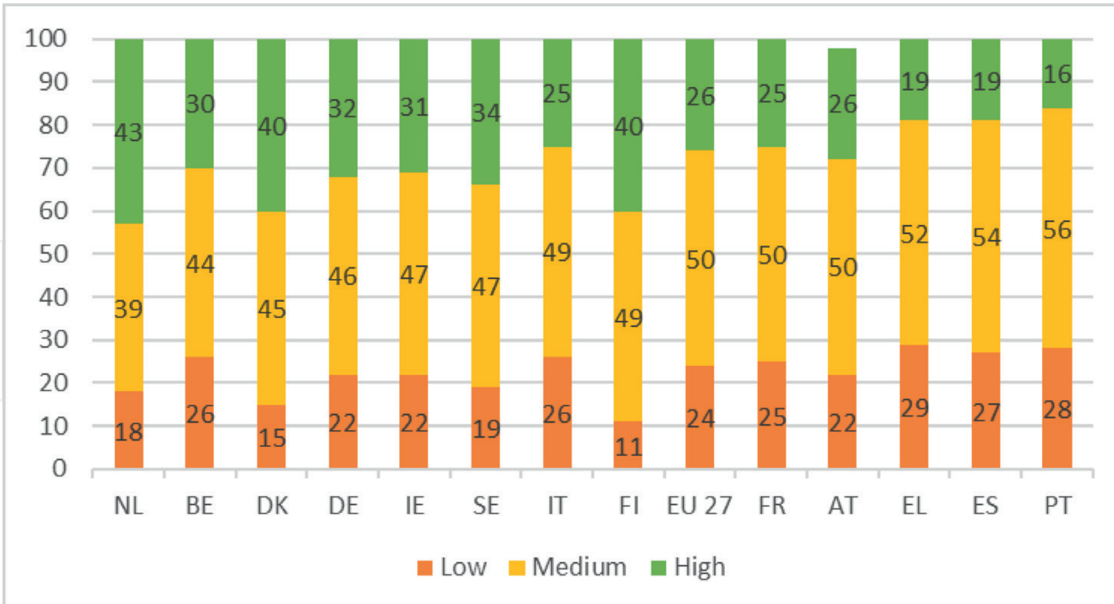

Figure 9.
Financial knowledge score, distribution % per score level—Source: Eurobarometer [17].

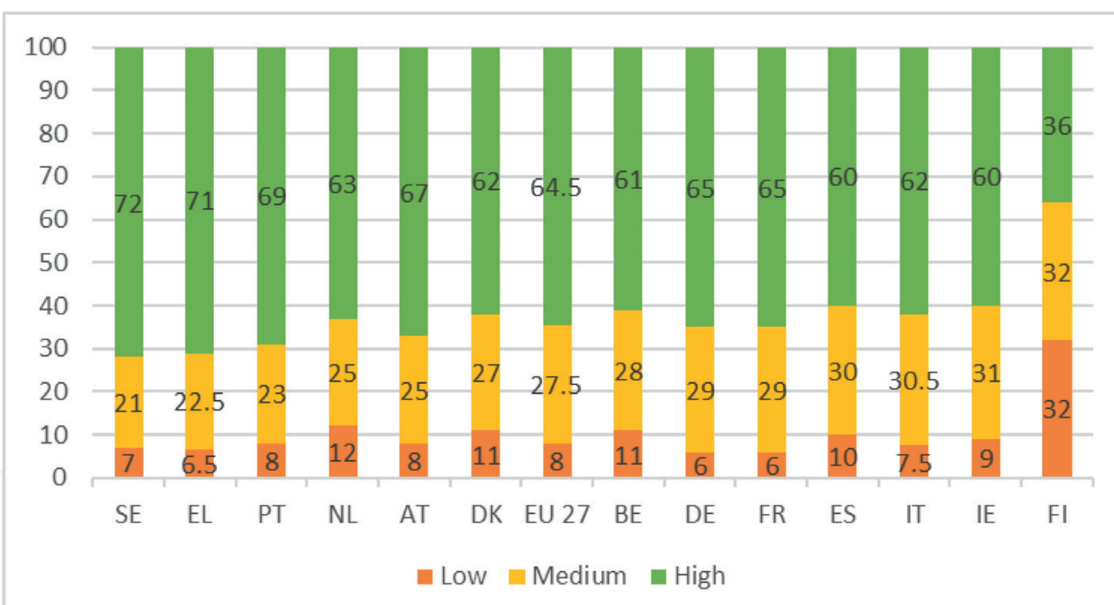

Figure 10.
Financial behavior score, distribuzione % per livelli—Source: Eurobarometer [17].

As for young people, at the international level, the PISA sample survey on financial literacy for 15-year-olds notes that Italian students reach a score of 476[3], which is in the group of countries whose mean scores are above the OECD mean [18–20].

It should be noted that more than 20% of Italian students are at level 1 or below, that is the level in which they display only basic financial literacy skills. Indeed, they can identify common financial products and terms, and interpret information related to basic financial concepts. They can also apply basic single numerical operations,

[3] This score is lower of that of, for example, Portugal and Spain.

such as addition, subtraction, or multiplication, in financial contexts that they are likely to have personally experienced. However, students performing at or below level 1 are not yet able to apply their knowledge to real-life situations involving financial issues and decisions.

Low levels of literacy among the Italian population were also detected by a survey conducted by the Bank of Italy in early 2020 (by Alessio et al. [21])[4] which, on a scale ranging from 1 to 21, gives an average score of 11.2. This value is substantially in line with that observed by a similar survey in 2017 [22]; however, the stability of the literacy index conceals variations in its three components: the level of knowledge is slightly improving (+0.4), while the behavioral and attitude components show −0.2 and −0.1, respectively.

Also, the survey conducted by the Edufin Committee[5] agrees that perceived financial knowledge is—and remains—very low; overall, there are grades below sufficiency, even among those with higher incomes and qualifications [23].

The low level of financial competence also affects those who are self-employed or own or manage entrepreneurial activities; in a country, such as Italy, in which micro- and SMES are the backbone of the economy this raises concerns and highlights the opportunity for improvement.

According to a recent survey, [24] the weighted financial literacy score for micro-entrepreneurs is 2.2 (which corresponds to 70% of the maximum score level); but it should be noted that the share of respondents reaching an adequate level of financial literacy is lower than 40%.

Furthermore, financial literacy shortcomings, in these segments of the population, can only be grasped if we consider that the questions used to define the score are at a very low level of knowledge, behavior, and attitudes.

As we shall see later, there are many initiatives to promote financial literacy that are addressed to this segment of the population, confirming the perceived need for improvement.

Finally, with reference to the different segments mentioned above, adults, young students, self-employed, and small entrepreneurs, the analysis of financial literacy has extended to consider digital literacy. The latter is of increasing importance both in the daily lives of individuals and in the use of financial services because of the growing, and often more convenient, supply of services through digital channels.

4. The initiatives to promote financial literacy in Italy

As noted above, In Italy awareness of financial literacy has been developed behind other advanced economies. As a result, many of the efforts to improve the system have been initiated at a later stage, whereas the shortcomings in financial literacy are more severe.

Banks and consumer associations launched the first initiatives sparingly in conjunction with the introduction of the provisions of banking transparency introduced in Italy in the early 1990s.

Sometimes, these initiatives have also had significant marketing objectives for products and services, as well as promotion of the bank's image.

[4] The survey uses the OECD-INFE methodology.

[5] As to the nature, mission and activity of this committee, see Section 4 below.

From many sides, and especially from the Bank of Italy, the coordination of the various initiatives has been requested to consolidate and increase their impact; the Italian government has supported this request and has taken an institutional role in coordination and promotion.

Below, we illustrate the most important initiatives—inspired also by the OECD guidelines and policies [25–27]—grouping them according to promoter groups, namely the government with different departments, regulation and supervision bodies, and professional and consumer associations, local authorities often coordinate with local agencies, as well as individual financial operators.

4.1 The Italian government and the "Committee for the planning and coordination of financial education activities"

In quite recent times, in 2017, the government with a decree set up a "Committee for the planning and coordination of financial education activities." It received the mission of promoting and coordinating initiatives useful for raising financial, insurance and social security knowledge and skills among the population as to improve everyone's ability to make choices consistent with their own objectives and conditions.

The coordination function is carried out, first of all, through the composition of the 11 members of the committee; they are designated by the competent ministers[6], by the bodies of regulation and supervision over intermediaries and financial markets [7], by the National Council of Consumers and Users (CNCU), and the Supervisory Body and Financial Adviser Register (OCF).

We want to emphasize that the commission's composition is broad and composite to effectively coordinate the activities of all the main players in financial education in the country.

The committee has developed a National Strategy for Financial Education, starting from financial literacy data (in line with what we outlined in the previous section) and from the analysis of the financial educational initiatives so far implemented [28]. The strategy consists of three points: the definition of the vision and mission, the main guidelines for its implementation, and the criteria for the evaluation of the strategy.

The long-term strategy of the nation is very ambitious, creating conditions for everyone to have access to knowledge and financial expertise so that they can build a peaceful and secure future. It considers the need to create an "ecosystem" that promotes coordinated and effective financial, insurance, and social security education initiatives.

Two main lines are used to develop it:

- Large-scale initiatives aimed at a wide audience to promote financial literacy using media and public advertising tools and

- a system of incentives[8] designed to encourage initiatives in specific social groups, coordinated with third parties.

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[6] Minister of Economy and Finance, the Minister of Education, University and Research, the Minister for Economic Development, and the Minister for Labor and Social Policy.

[7] The Bank of Italy, the National Commission for Companies and the Stock Exchange (CONSOB), the Institute for Insurance Supervision (IVASS) and the Supervisory Commission on Pension Funds (COVIP).

[8] Using—as resources—part of the revenue for sanctions imposed by the Competition and Market Authority.

The strategy is based on criteria of excellence, not to disperse resources in initiatives of poor quality and limited impact, which could prove counterproductive and collaboration because only the coordination of initiatives can produce good results, incisive, and lasting. In particular, the committee aims to encourage collaboration with associations and nonprofit organizations that allow to reach widely large segments of the population, particularly those who are most vulnerable.

Moving from strategy to "national plans," these are clearly operational and outline in a concrete way the main initiatives. They were first implemented for the three-year period 2017–2019 and continued until 2020 due to COVID-19, and then declined annually for the three-year period 2021–2023. These were set, considering priorities toward target groups, as follows:

- 2021: Financial and digital literacy and upskilling for women and young people;

- 2022: Financial and e-skills literacy and upskilling for all adults, including the elderly, to be achieved, where possible, also in the workplace;

- 2023: Financial and digital literacy and upskilling for micro and small enterprises.

Among activities, we can mention various coordination tasks and support to international initiatives such as The Month of the Financial Literacy in October, the Global Money Week, promoted by OCSE, the World Investor Week (WIW), promoted by IOSCO, and many others.

As for the assessment, given that the population's knowledge basis changes slowly over time, the achievement of the aforementioned goals will be assessed over a five-year period and will be based on periodic sample surveys.

It is worth mentioning, among the goals, of the period the following:

- Raising awareness of micro and small enterprises regarding specific issues such as new forms of financing and sustainable investments;

- Raising the awareness of micro and small enterprises on specific issues, such as new forms of financing and sustainable investment;

- Combining financial expertise with digital skills, in view of the opportunities and risks of digital finance and the drive for the digital transformation of the country, impressed by the PNRR and digitization in the payments sector. Indeed, these competences constitute an additional factor of social inclusion and a contribution to strengthening financial resilience.

It also positively broadens the educational perspective by including the objective of raising awareness of sustainability among citizens and businesses, spreading knowledge of environmental issues and challenges, educating about financial choices, insurance, and social security inspired by sustainability canons.

Finally, given the mission of the committee, great emphasis is placed on the need to keep up to date the census of financial education initiatives implemented or planned, including those in the digital field, carried out by the members of the committee and the main stakeholders.

The activity of communication, dissemination of information, and training modules takes place through the portal, created and managed by the committee called "What matters"/"What counts"[9].

4.2 Banking, financial, insurance and pension authorities

Bodies of regulation and supervision on financial intermediaries and markets interpret their market surveillance role not only in terms of efficiency and stability but also in terms of inclusiveness and transparency. Within the scope of their supervisory activity, there is a call to bank to provide explicit information.

All these bodies are engaged in various activities of study and investigation on the phenomenon of financial literacy, thus providing an important contribution to the monitoring of the phenomenon and to the development of policies that are tailored to meet the needs that have been identified[10] [29–34].

They also in their websites created specific sections or portal dedicated to "citizens" (both consumers and micro and small business) with the aim to promote financial literacy and providing dissemination materials[11] with fact sheets and glossaries, FAQs, and implementing consumer protection[12]. They also announce and summarize the program of financial literacy initiatives promoted or jointly realized by each body.

4.2.1 Bank of Italy

It seems that the Bank of Italy is the most active and effective. In its organizational structure, it has established a "customer protection and financial education department." It is divided into three services that include financial education beside supervision of the behavior of intermediaries and individual protection of clients. Within the scope of supervision activity, in the provisions on the organization and management of banks, there is a call to provide explicit information to client in order to make sure that they fully understand what they are buying and their obligation and that the choice meets their needs and are compatible with their financial capability.

It realized multiple initiatives aimed at both the adult population (including those who attend the provincial centers for adult education, women, and vulnerable or disadvantaged people), as well as the young and very young and also micro and small businesses. It adopts a "training of trainers" model, which consists in meetings and collaborations with those (teachers, representatives of associations, and trade unions) interested in acquiring the skills to provide financial training.

This approach has a multiplication effect by which a much larger population is reached than that which can be reached directly by Bank of Italy staff. It also enables to integrate financial education into broader education and offers training initiatives in providing the assistance needed to overcome difficulties and vulnerability.

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9 See www.quellocheconta.gov.it

10 See the long list of studies and surveys indicated, in our bibliography.

11 These include brochures, news, videos, calculators, games and infographics that make learning fun and practical together with useful tools for everyday choices.

12 For Bank of Italy see the portal "Economics for everyone" (formerly "What matter") acceding it through the section "Services to the public"; for CONSOB see the section "Financial education"; for IVASS see the section "For Consumers", mainly devoted to consumer protection issues and "#Learn with IVASS", devoted to insurance literacy; and for COVIP see "Social security education".

The Bank of Italy has promoted various initiatives with two target audiences: young people and the adult population.

For young people, the project is named "financial education in schools"[13]. As mentioned above, the Bank of Italy was the first institution, in 2007, to sign a protocol with the Ministry of Education, with the aim of offering schools a structured educational path with economic-financial contents (followed by school projects).

It is worth mentioning that this project is based on the idea of "training the trainers"; the teachers who join the project participate in the training seminars offered by the branches of the Bank of Italy, and subsequently pass the topics on to the students, including them in their own curricular programs or carrying out enhancement projects. Teaching materials are at the teachers' disposal in which the didactic component has been strengthened over time, created with the help of educationalists and teachers, in addition to contents development.

For adult target, Bank of Italy promoted financial education program aimed at small entrepreneurs. It has been realized with the collaboration with two associations of entrepreneurs (Confartigianato and CNA). Overall, around 250 trainers from the two associations were involved who, in turn, reached around 3000 entrepreneurs. Here again, the inspiring idea is that to train the trainers in order to activate a multiplier effect.

4.2.2 CONSOB

Consob offers a wide range of financial education initiatives; it provides training to secondary school teacher who will introduce financial education principles to their pupils. It assists them in choosing resources and tools, as well as in creating assignments and assessments that students will complete. After receiving the necessary training, the teachers will use for their lessons Consob fundamental modules. They cover a variety of subjects with their pupils (links between economics, finance, law, and individual behavior and speculative bubbles and scams that have produced behavioral traps). Additionally, Consob has a comprehensive website devoted to financial education that includes a wealth of information on a variety of topics for both adults (including how to recognize and manage financial scams and financial abusive, information on financial instruments, investment advice, behavioral errors and investments during crises, and the information exchange between client and consultant) and teens (return from planning to savings to investment; sustainable investments, and the digitalization of the investment advice service). It uses several teaching tools, including games, slideshows, brief videos, and financial planner. In addition, it has encouraged discussions and teachings on subjects such as investors' and savers' protection from financial frauds and financial crises through students' dramatic representation of notable financial stories. Consob also organized, with University of Insubria, initiatives of financial education for Italian small and medium-sized enterprises, with the goal to increase understanding of practical instruments and strategies for PMIs' access to quotation on stock markets or with the goal to understand Fintech's opportunities for accessing financial markets.

Furthermore, it yearly publishes a report on the investment choices of Italian households. The 2022 report provides evidence on the financial knowledge, attitudes, and financial choices of Italian investors and also identifies potential alert profiles that may

[13] Since its inception in the 2008–2009 school year, it is estimated that the project has reached over 550,000 students. In the 2021–2022 school year, the project involved around 3000 classes across the country, equal to almost 1 percent of classes in Italy.

emerge to protect them. It has a focus on the impact that current economic dynamics may have on individual financial choices. Among the results of the survey emerges how investors seem increasingly aware of the need to raise their knowledge and skills, and they are ready to examine relevant topics for the most significant financial decisions.

4.2.3 IVASS

In an effort to promote a strong insurance culture throughout Italy and assist its citizens in safeguarding their assets and lives, IVASS has improved its website by adding user-friendly insurance materials devoted both to schools, such as educational and entertaining games, videos, quizzes for learning experiences tailored to every ages, and short video on various insurance subjects (such as health insurance policies, fraudulent online insurance, advanced payments in life policies) useful for adults that have already bought insurance products. Other initiatives devoted to young and adults are IVASS's conference on agricultural and climatic risk, held during the financial education month's initiatives and links, in their institutional webpages, to videos on several digital financial frauds (made by CERTFIN, a public-private cooperative with partners from regulatory authorities, financial associations and banks).

Survey on insurance knowledge and behavior," commissioned from Ivass and conducted by the University of Milan-Bicocca and by Doxa, is the first national effort aimed at measuring Italians' awareness of the necessary safeguards and protective behavior. Ivass will use the findings of the survey to guide initiatives aimed at developing a sustainable insurance culture.

4.2.4 COVIP

COVIP, pursuing the task of disseminating information aimed at improving the knowledge on retirement matters, carried out this activity mainly through its website under the section "for the citizen" and its subsection "social security education" with guides and information sheets.

4.3 Financial intermediaries' associations

The financial intermediaries' associations are not member of the committee for the planning and coordination of financial education activities. The main associations, (mainly ABI representing banks, ASSOFIN for consumer credit and mortgage intermediaries, ANIA for insurance companies, and ASSOFONDIPENSIONI for pension funds' managers) all they participate with initiatives to "The Month of Financial Education" promoted by the committee Edufin and, with greater or lesser emphasis, on their websites deal with financial literacy.

4.3.1 ABI

ABI established FEduF, Foundation for Financial and Savings Education, considered in the broader sense of "education for economic citizenship aware and active, to develop and spread financial and economic knowledge". It is joined by banks (almost all), other associations of banking and financial intermediaries, companies, and nonprofit entities.

It is very active in raising awareness and promoting educational initiatives, as well as designing and implementing innovative tools to disseminate financial education concepts on a large scale (such as educational workshops, theater performances, multimedia, video, and so on). It also represents the member institutions in the dialog and discussion tables on the issue of financial education and promotes the visibility and dissemination of initiatives carried out jointly with the FEduF.

In particular, it collaborates with individual member institutions in order to:

- Create local and national events—dedicated to students, teachers, adults, and businesses—customizable according to the needs of individual banks and institution members;
- Enhance the financial education experience of individual banks in the national and international scenario;
- Intercepts requests for financial education by schools of specific areas to be met by the promotion of initiatives of individual banks operating in the territory.

In catalyzing the initiatives of individual banks and intermediaries, it gives them visibility on its web in the "calendar" section.

The projects are targeted toward both schools (of every order and grade) and adults, promoting a very wide range of initiatives, tailored to the needs of different targets.

4.3.2 ASSOFIN

Assofin in its site within the "consumer" section has a subsection "financial education." The main initiatives implemented are a simulator evaluation of a loan called "Monitorata", the video "the finance precise as at university, easy as on television" and an advertising message "What to do in case of difficulty."

Monitorata is an online service that does not have any commercial intent, but rather offers the essential elements to know and monitor credit capacity through a self-assessment of the financial profile. Its aim is to make it easier to understand whether, given its economic and financial situation, the proportion of funding is sustainable. It aims to familiarize with the elements that contribute to determining the creditworthiness and help to understand the reasons for refusing one or another debt position in a logic of protection from future difficulties and defaults.

The video "Encyclopedia" covers the most common and important terms of use in banking and finance. The videos are simple and concise, with the aim of helping the consumer become aware of the simplest banking and financial transactions.

Finally, "What to do in case of difficulty" is an advertising message created in collaboration with the main consumer associations with the aim of encouraging dialog between intermediaries and customers in difficulty with their financial situation.

4.3.3 ANIA

Through the Ania Consumatori Forum, ANIA has created "IO&irischi," an insurance education initiative aimed at students of Italian schools to promote in the new generations a greater awareness of risk and a culture of its prevention and management.

The initiative aims to develop a more aware approach to risk as an essential factor of life and to make children reflect on the individual and social choices related to it, sensitizing them to the concepts of law, duty, and responsibility.

The project[14] provides an organic kit of free teaching tools easy to use, which allows teachers to develop in the classroom in full autonomy. The course is structured in five modules and offers various teaching tools (teacher guide, didactic-operative cards, set of in-depth focus, tools to involve students in individual and group work, a game magazine with a series of games, tests, and informative pills).

Finally, the material includes an evaluation/certification of skills, prepared on the Oecd-Pisa problem-solving model.

5. Final remarks

The focus on financial literacy in Italy has developed at a slower pace than in other developed economies. In addition, we have highlighted that this is a context where many macroeconomic factors (such as household indebtedness, micro and small business financial fragility, reliance on the usury lending market, presence of un-banked or underbanked and underinsured population) denote poor familiarity with the banking and financial system, and reduced financial literacy among the population.

The adoption of rules on the transparency of banking operations and services in the 1990s was a first stimulus to greater attention by regulatory and supervisory bodies, trade associations, banks, and intermediaries. It also was the trigger for increased awareness among customers about the nature of products and services they were buying, how effective they were in responding to their needs, and whether they were financially and economically compatible with their personal situation. However, despite this delay, there were several follow-up initiatives that had the advantage of being "put into system" involving a plurality of financial institutions, as well as different target segments to create a multiplier effect of the impact. In particular, the government-sponsored Edufin committee, the Bank of Italy, Consob, and ABI have played a significant role in promoting systemic initiatives. Targets were on the one hand students, in cooperation with the Ministry of Education, the school boards, and school managers, and on the other adults, involved through professional associations, nonprofit organizations, and unions. The Bank of Italy's systematic adoption of the "teach to the teacher" model, for instance, has had a positive multiplier effect.

As a weakness, it should be noted that the adult vulnerable population, whose fragility is due to limited literacy in general, to low and stable levels of income—if not even poverty—often associated with social or psychological difficulties, is still not sufficiently involved in financial literacy initiatives, compared to its needs. In order to reach this group with programs cut on their limited basic skills, including their reduced or absent digital literacy, it would be important to promote initiatives of "teach to social workers" so that they could help vulnerable people to cope with economic and financial difficulties and to relate appropriately to financial products and intermediaries.

Another weakness in the Italian system is the lack of awareness and information on social security coverage. As mentioned above, the public pension, historically generous but already decreasing, will barely reach subsistence levels for the future generations, for which, however, it is not just a problem of literacy and awareness: the most pressing issue is the lack of stability in the employment landscape for young

[14] It has been realized with the collaboration of the European Association for Economic Education (AEEE Italy), the involvement of teachers and associations of school heads, as well as scientific advice of the Catholic University of Milan

people entering the workforce. It is hoped that new labor laws will be implemented to provide new generations with more assurance, such as a higher minimum income and other job-related protections such as continuity of working relations, which all leads to the possibility of borrow and plan for retirement.

In conclusion, it should be stressed that financial innovation, technology, and new forms of digitalization are raising the standard of financial expertise that is essential in everyday life.

In addition, there are other literacies complementary to financial literacy from that on basic taxation (in a country where taxation is complex even in very simplified situations) to the digital one that increasingly invests the operation of a simple daily life, to that of cyber security and fraud prevention of various kinds.

It is, therefore, important to note that financial education, in addition to other educations, should be a part of curricular programs at least in the vocational training circuit, where there are multiple criticalities and where curricula and teaching methods need to be thoroughly revised.

The job market of vocational schools is often in craft or commercial self-employment or in microenterprises, and consequently, the development of these skills would also fill those gaps of financial literacy that are observed between micro-entrepreneurs and self-employed. This is especially true for those occupations that may be highly technical but do not lead to the development of other critical skills for a higher social/economic integration.

In addition to the institutional initiatives of financial literacy, it would be beneficial if television and educational programs or investigative journalism could play a more significant role than in the past in promoting financial literacy among the general public.

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