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Banking on Literacy: Canadians Need Better Financial Skills

Ottawa – A new study by CPRN for the Financial Consumer Agency of Canada (FCAC) finds that difficulties with financial literacy – the ability to understand, analyze, and use information about financial decisions in day-to-day life – affect Canadians at all income levels.

In *Financial Literacy: Lessons from International Experience*, author Larry Orton calls for greater efforts to improve the financial skills of Canadians. Orton points out that the penalty for financial illiteracy can be severe, especially for low-income families that stand to lose the most proportionally from poor financial decisions.

“The world of financial services has grown more complex,” says Orton. “Consumers are at risk from their own financial ignorance.”

The report examines efforts to improve financial literacy in the United Kingdom, the United States, Australia and New Zealand, as well as research by the Organisation for Economic Co-operation and Development (OECD). Orton identifies several steps that could improve financial literacy in Canada, including improving access to and awareness of information on financial decision-making, developing model curricula for financial education that can be used in the schools and in workplaces, and taking a closer look at other countries’ best practices.

“Canada needs to concentrate resources on public awareness and education programs to ensure that consumer information is used, especially by clients of alternative financial services such as retail cheque cashing outlets,” says Orton.

FCAC asked CPRN to conduct the study as part of its mandate to develop a financial literacy program for youth.

To download a copy of *Financial Literacy: Lessons from International Experience*, please go to www.cprn.org.

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