

INDONESIAN NATIONAL STRATEGY FOR FINANCIAL LITERACY

Prepared by

Financial Services Authority of the Republic of Indonesia

(OJK) – 2013

Gedung Sumitro Djojohadikusumo

JL. Lapangan Banteng Timur No. 2 – 4

Jakarta 10710

www.ojk.go.id

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PREFACE

In addition to improving the livelihood of the people, the ongoing economic development is also aimed at creating intellectual and visionary Indonesians. Therefore, economic development is not merely implemented through physical infrastructures that are instantly tangible to the general public, but also through developing the thinking capacity of the Indonesian people. One effort to improve thinking capacity is by developing people's capacity to better manage their finances. Consequently, a Financial Literacy program is required in order to improve the literacy of the Indonesian people in financial management. In this regard, Indonesians are expected to possess a wide range of knowledge on financial institutions as well as financial products and services, the skills to assess risks and benefits of financial products and services, and have confidence in financial institutions, products, and services.

Furthermore, the Financial Services Authority believes that Financial Literacy should become a strategic nation-wide program. This is in line with one of the objectives of Financial Services Authority as stipulated in the Financial Services Authority Act No. 21 of 2011 on Financial Services Authority, which is to implement consumer and public education and protection. Through a directed and measured Financial Literacy program, the public is expected to not only be well literate in financial matters, but also to leverage various financial products and services in order to fulfill their financial needs.

Aware of the need to develop better-literate Indonesians, Financial Services Authority decides to incorporate the Financial Literacy Program into a Blueprint of National Strategy for Financial Literacy. The blueprint would also act as a guideline for the financial services sector in implementing Financial Literacy programs. Through this blueprint, it is expected that all Financial Literacy programs be consolidated into a comprehensive and measurable national instrument.

The formulation and development of the blueprint are conducted by involving all stakeholders in the financial services sector. Collaboration between the Financial Services Authority with financial services and the financial services industry association has successfully resulted in the finalization of the Blueprint of Indonesian National Strategy for Financial Literacy. In the future, the blueprint is expected to transform Indonesians by improving their financial management capacity towards prosperity.

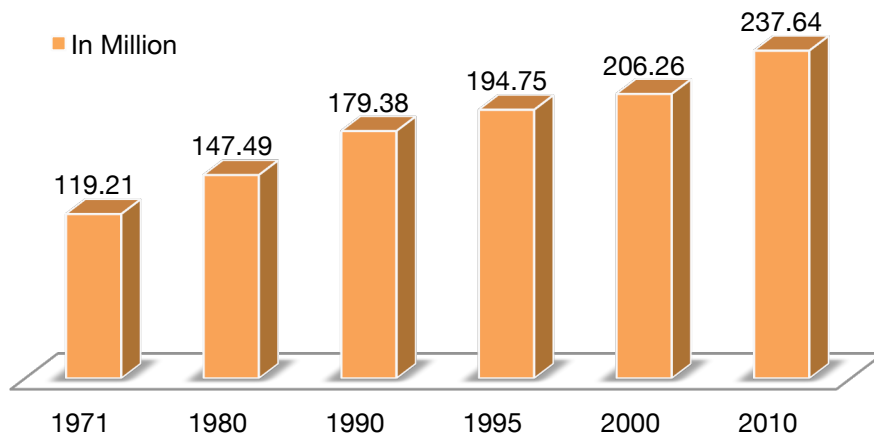
Jakarta, November 19 2013

CHAPTER I: THE INDONESIAN CONDITION TODAY

1.1. Indonesia's Population Trends 1971 – 2010

Within a period starting from the year 1971 to 2010, Indonesia's population has shown a relatively high growth, averaging annually at 1.78%, compared to the global growth rate of 1.61%. In 2010, the total population has reached 237,64 million. With this high population growth, public demand for financial products and services is expected to continue to increase year after year.

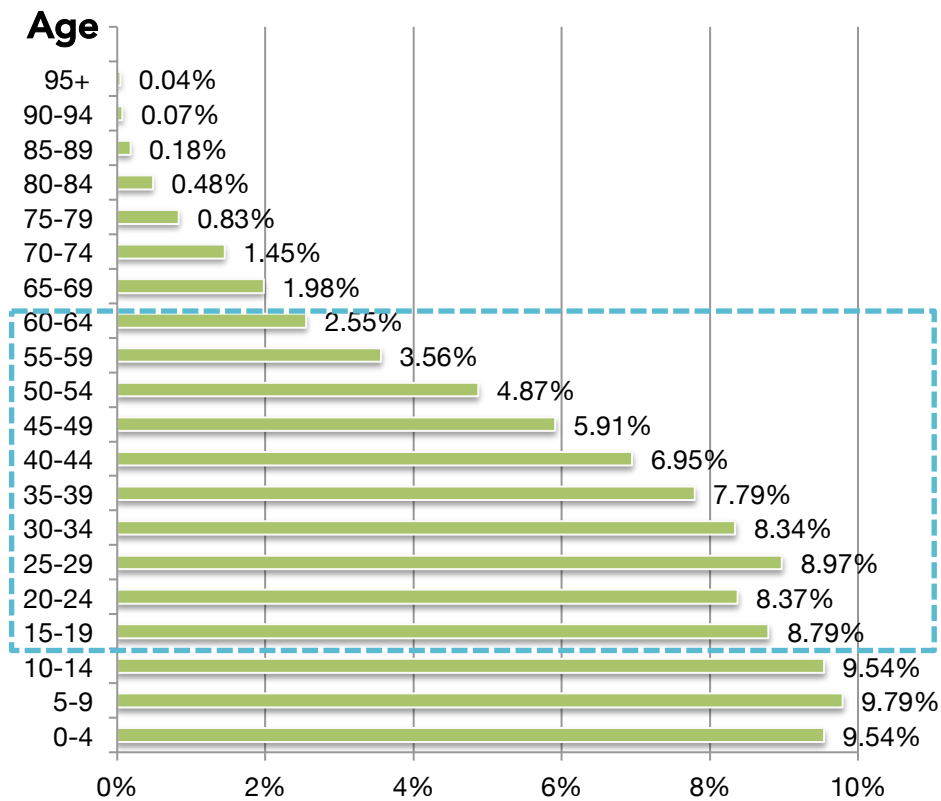
Graph 1
Population Growth in Indonesia



Source: BPS (Central Statistics Bureau)

In Graph 2, where population composition is illustrated, the number of people at productive age (15 – 64 years old) reaches 66.04% of the population, or 157 million people. This population group is a potential market segment for financial services to offer their products and services.

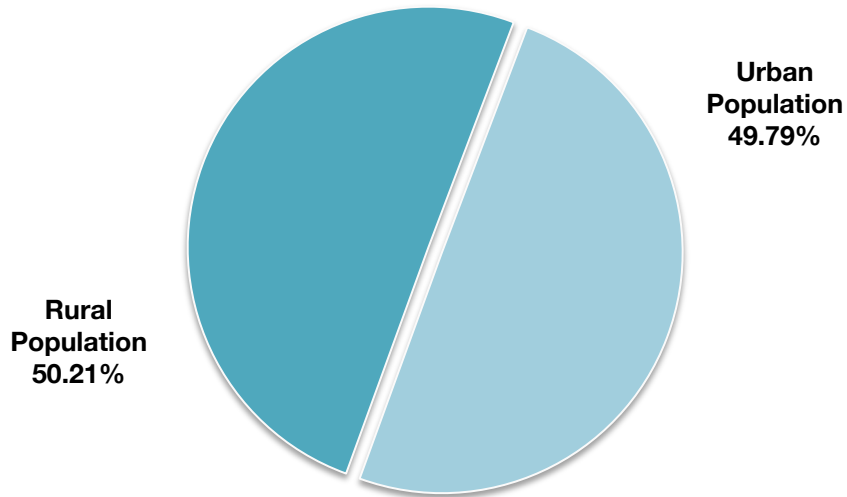
Graph 2
Population Composition Based on Age



Source: BPS (Central Statistics Bureau)

Of the total population of Indonesia, which reached 237.64 million in 2010, approximately 119.32 million or 50.21% are living in rural areas. This relatively equal distribution of populations living in rural and urban areas shows that potential utility of financial products and services across both areas are also equal. Therefore, financial services must come up with innovations in their products and services in order to cater to the needs of their potential customers, especially those living in rural areas.

Graph 3
Composition of Urban and Rural Populations

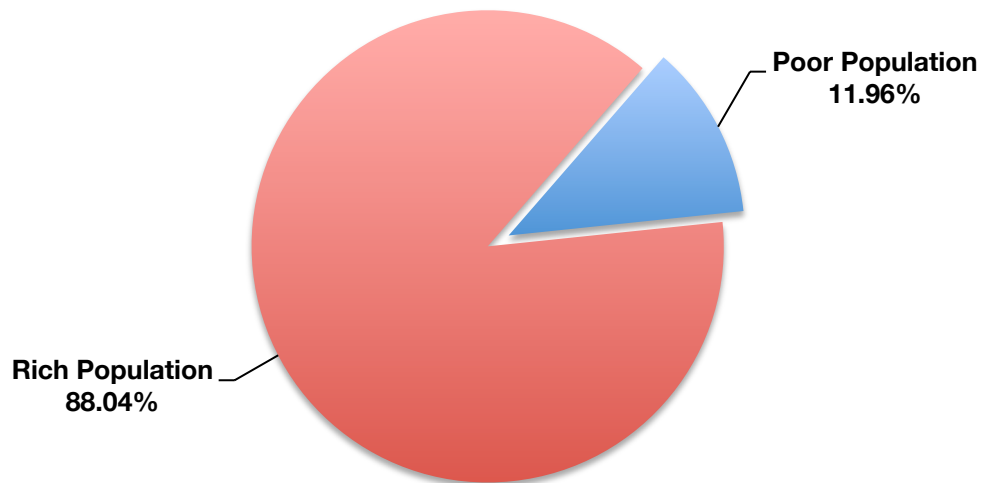


Source: BPS (Central Statistics Bureau)

1.2. Population and Economic Growth

Economic growth has been relatively stable for the past decade, averaging at 5% annually. This contributes to a decline in poor population. It could also be taken to mean that livelihood of the general public has been improving over time. With livelihood being improved, public demand for financial products and services is also expected to increase, both in volume and variety.

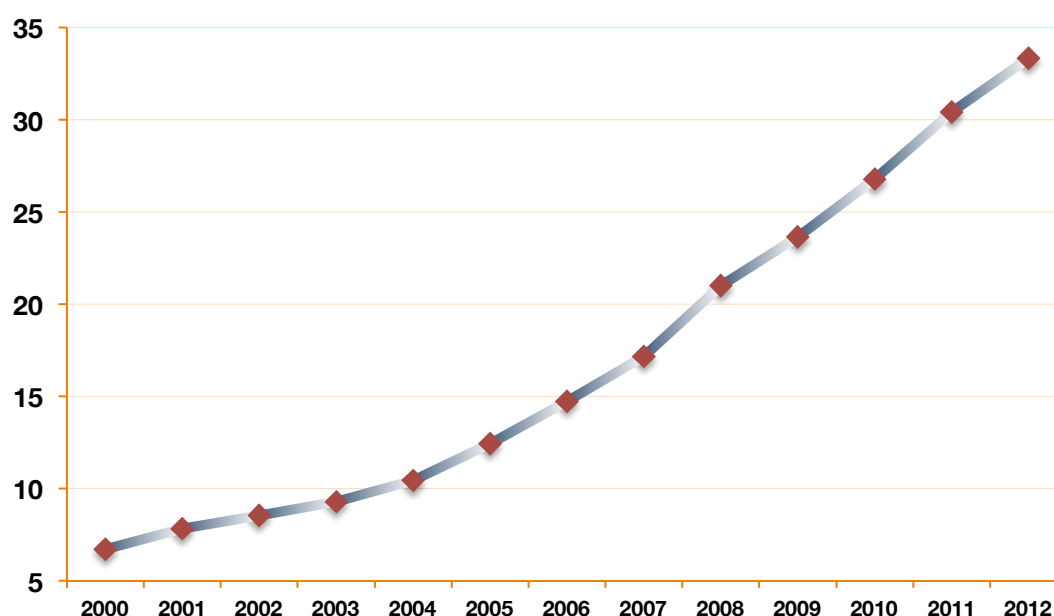
Graph 4
Composition of Poor and Rich Populations



Source: Central Statistics Bureau

The potential for Indonesians to utilize financial products and services in the future is expected to continue to increase, considering that the Gross Domestic Product per capita has grown from IDR 6.72 million in 2000 to IDR 33.34 million in 2012. This rise in per capita income also encouraged the financial service sector to create and develop more variety in financial products and services in order to accommodate the growing demand.

Graph 5
GDP per capita Income Growth
in Million IDR



Source: BPS (Central Statistics Bureau)

The growth of GDP in Indonesia as illustrated above is due in large part to the contribution and role of the country's financial services sector through its financial intermediary role. Table 1 below shows that up to December 2012, disbursement of bank loans reached a total of IDR 2,926.55 in stock market capitalization – IDR 4,127.00 Trillion in stock, IDR 179.21 trillion in corporate bond capitalization, and capital disbursement by financing institutions totaling IDR 302.05 trillion.

Table 1
The Role of Financial Industry in Indonesia

1	Disbursement of Bank Loans	IDR 2,926.55 Trillion
2	Stock Market Capitalization	IDR 4,127.00 Trillion
3	Issuance of Corporate Bonds	IDR 179,21 Trillion
4	Disbursement of Financing by Financing Institutions	IDR 302.05 Trillion

Source: OJK (Financial Services Authority)

Despite having achieved IDR 7,534.81 trillion in financial intermediations in December 2012, the role of financial service sector in Indonesia as a whole is still less than optimum compared to neighboring countries in the Southeast Asia region. This situation is best reflected in Table 2, where it is shown that the market share for bank loans only comprises 35.53% of GDP, whereas the capital market reaches 50.10%, corporate bonds only 2.18%, and financing makes up 3.67% of GDP.

Table 2

Market Share of the Financial Industry in Indonesia against GDP

1	Bank Loans	35.53% from GDP
2	Stock-Capital Market	50.10% from GDP
3	Corporate Bonds	2.18% from GDP
4	Multifinance Funding	3.67% from GDP

Source: OJK (Financial Services Authority) and BI (Indonesian Central Bank)

Today, the financial services sector, especially the Capital Market and Non-Banking Financial Industry, is not equally dispersed across regions, mainly due to the fact that:

- a. Financial services institutions tend to establish representative offices in regions with high economic potentials; and
- b. The unequal state of infrastructure across all regions in Indonesia, making financial services institutions less attracted to establish representative offices in some parts of the country.

In addition, not all population groups, specifically the low-income group, can utilize financial products and services. This is mainly due to the fact that the general public:

- a. Still holds the perception that financial services providers impose complicated requirements to obtain financial products and services;
- b. Has lack of awareness on the benefits of financial products and services due to their low education level;
- c. Does not have the capacity to afford financial products and services, especially for the lower income group; and
- d. Has limited access to financial products and services due to limited infrastructure and facilities.

1.3. The Need for A National Strategy for Financial Literacy

Against the backdrop of the challenges above, the role of Financial Services Authority and financial services institutions together with the financial services industry association in increasing knowledge, understanding, and utilization of financial products and services by the public is crucial. Therefore, the Financial Services Authority deems it critical to develop a comprehensive **Blueprint of the National Strategy for Financial Literacy** to be used as a guideline by all financial services institutions and stakeholders in order to optimize their involvement in improving the livelihood of the people.

Indonesia is not the first country to come up with a national strategy for financial literacy. Other countries that have developed their own strategies, are:

a.	United Kingdom	<i>Towards A National Strategy for Financial Capability</i>
b.	United States	<i>Promoting Financial Success in the United States: National Strategy for Financial</i>

		<i>Literacy</i>
c.	Australia	<i>National Financial Literacy Strategy</i>
d.	New Zealand	<i>National Strategy for Financial Literacy</i>
e.	India	<i>National Strategy for Financial Education</i>
f.	Canada	<i>Canadians and Their Money: Building A Brighter Financial Future</i>

These countries consider Financial Literacy to be a strategic program that is just as much a priority as any other national program, and therefore Financial Literacy is a priority program for these countries and becomes a national long-term program that involves various stakeholders in its implementation.

The objective of national strategy for financial literacy in these countries is to expand and improve awareness and involvement of the public in utilizing financial products and services. Financial Literacy in these countries is not only important to increase public awareness, but also to change the people's mindset and behavior to better manage their finances.

Through Financial Literacy, the public is expected to gain understanding on financial services and the products and services that they offer, including features, benefits, and risks, as well as the rights and responsibilities of stakeholders. In addition, the people is expected to gain more skills in utilizing financial products and services. Furthermore, increased utilization of financial products and services according to individual needs is expected. This condition will in turn encourage and motivate the financial service sector to educate and to develop financial products and services that are tailored to the needs of the various population groups.

In 2013, Authority established Financial Literacy as one of its strategic programs, which manifested in the Blueprint of Indonesian National Strategy for Financial Literacy. In developing the blueprint, the Financial Services Authority involved financial services institutions as well as the financial

services industry association. The involvement of these major actors is critical to streamline literacy and education programs to become the goal of all actors in the financial services industry.

CHAPTER II: NATIONAL SURVEY ON FINANCIAL LITERACY

2.1. Objectives of the Survey

Prior to developing the Blueprint of Indonesian National Strategy for Financial Literacy, the Financial Services Authority conducted a national survey on the level of Financial Literacy of the Indonesian people. It is the first complete and comprehensive nation-wide survey measuring the citizen's financial literacy rate.

The objectives of the National Survey on Financial Literacy are:

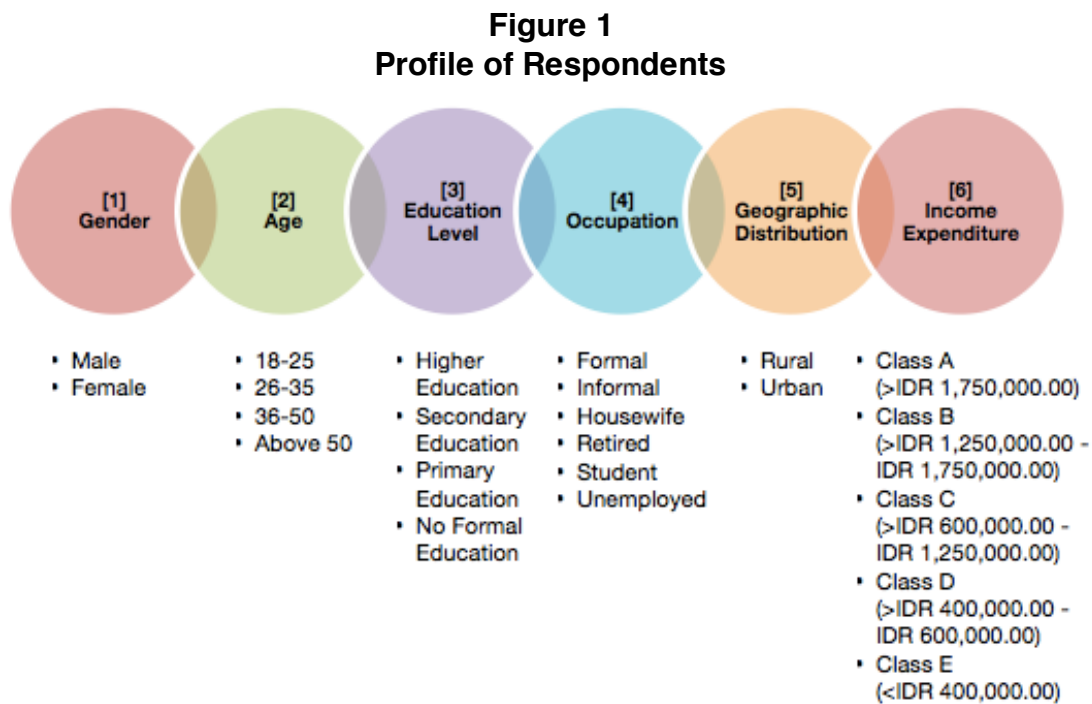
a.	To map the latest literacy rate of all population groups in Indonesia;
b.	To prepare materials for the Blueprint of Indonesian National Strategy for Financial Literacy;
c.	To measure the effectiveness of financial education programs aimed for the Indonesian public; and
d.	To encourage financial services institutions to develop products and services that are catered to public needs.

2.2. Implementation of the Survey

The National Survey on Financial Literacy was launched in the first semester of 2013 across 20 provinces, by involving 8,000 respondents that were chosen using the stratified random sampling method.

2.3. Profile of Respondents

The respondents of the National Survey on Financial Literacy are categorized based on the following criteria.



2.4. Classification of Survey Results

Based on the results of the National Survey on Financial Literacy, the financial literacy rate of the public is classified into four levels:

a. Well Literate

Having the knowledge of and confidence in financial services and their products and services, including the features, benefits and risks, as well as the rights and responsibilities with regards to financial products and services, and having the skills in utilizing financial products and services.

b. Sufficient Literate

Having the knowledge of and confidence in financial services institutions and their products and services, including the features, benefits and risks, as well as the rights and responsibilities with regards to financial products and services.

c. Less Literate

Only having knowledge of financial services institutions, as well as some knowledge of financial products and services.

d. Not Literate

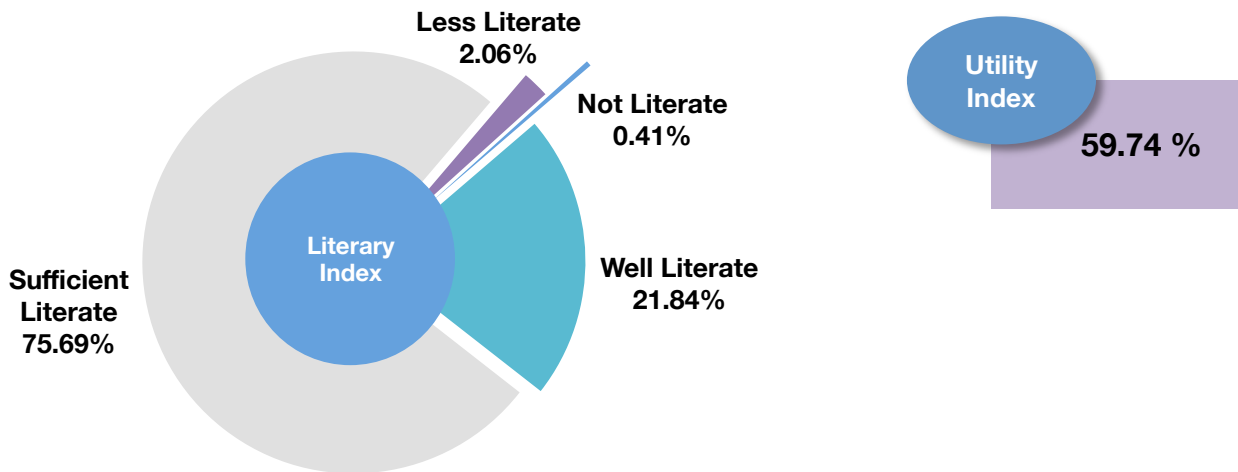
Not having the knowledge of and confidence in financial services institutions and their products and services, as well as not having the skills to utilize financial products and services.

2.5. Financial Literacy Index and Financial Products and Services Utility Index

The Financial Literacy Index is a parameter or indicator that shows the level of knowledge, skills, and confidence of the public with regards to financial services institutions and their products and services. Moreover, the Financial Literacy Index also provides information on the level of public awareness on features, benefits and risks, and their rights and responsibilities as users of financial products and services. Based on the National Survey on Financial Literacy which was administered to 8,000 respondents, it was revealed that only 21.84% of Indonesian citizens were classified as Well Literate.

The Financial Products and Services Utility Index is a parameter or indicator that is used to measure the extent of Indonesians utilizing financial products and services. The National Survey on Financial Literacy shows that the Financial Products and Services Utility Index in Indonesia was 59.74%. However, the utility is not equal across all sectors in financial services.

Graph 6
Financial Literacy Index and Financial Products and Services Utility
Index in Indonesia



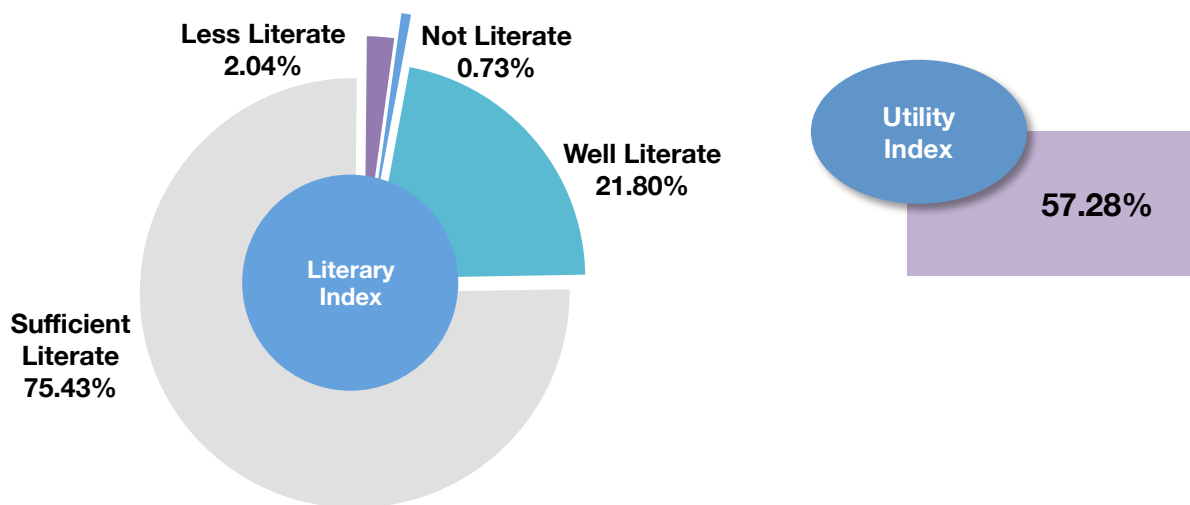
2.5.1. Banking

Based on the National Survey on Financial Literacy, Indonesian citizens that are classified as Well Literate on the Banking industry comprise 21.80% of the population. This means that for every 100 people, 22 have the knowledge of and confidence in banking institutions, banking products and services, as well as having the skills in utilizing those products and services.

Comparing the Literacy Index with the Banking Products and Services Utility Index reveals an interesting phenomenon, which is the fact that Banking Products and Services Utility Index has reached 57.28%. This means that for every 100 people, 58 of them have utilized banking products and services.

In other words, the survey suggests that most Indonesians utilize banking products and services without having sufficient knowledge or understanding on the subject.

Graph 7
Financial Literacy Index and Banking Products and Services Utility Index

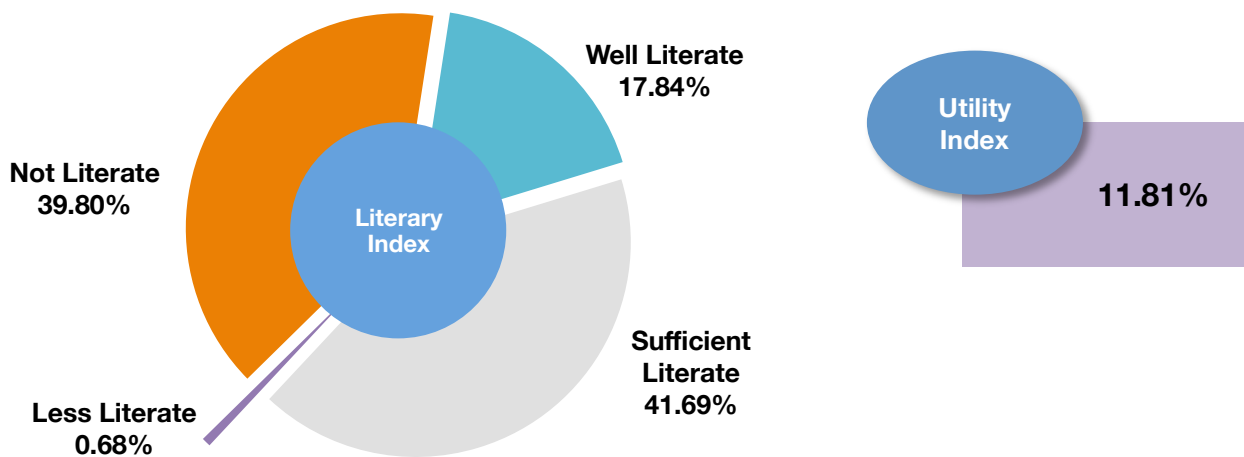


2.5.2. Insurance

The Insurance Literacy Index shows that Indonesians who are well literate in the insurance industry only accounts for 17.84% of the population. This means that for every 100 people, only 18 people understand insurance.

The low Insurance Literacy rate contributes to low insurance products and services utility, which is only 11.81%. This means that for every 100 people, only 12 people utilize insurance products and services.

Graph 8
Financial Literacy Index and Insurance Products and Services Utility Index

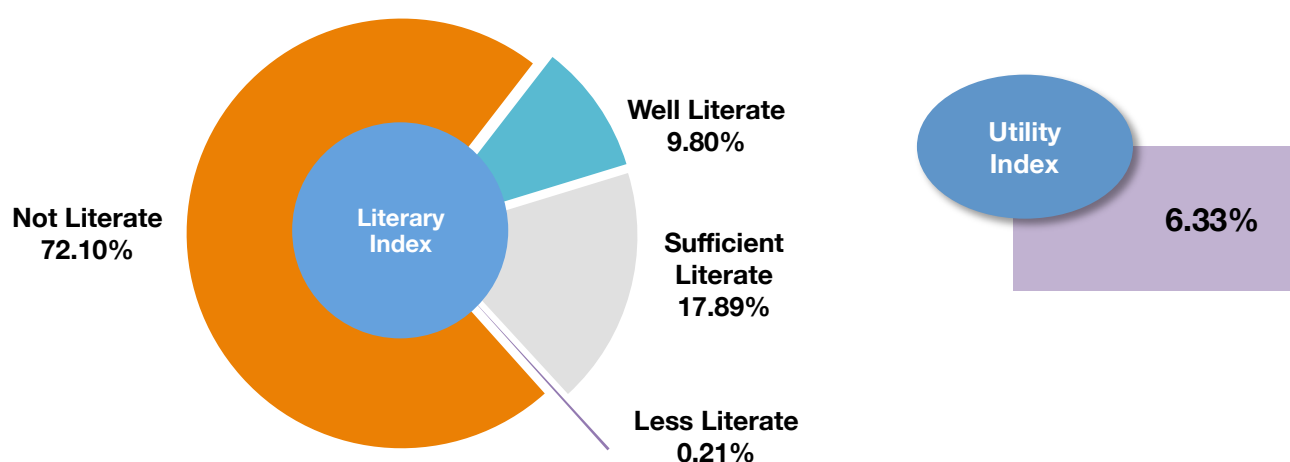


2.5.3. Financing Institutions

The result of the National Survey on Financial Literacy suggests that many Indonesians (72.10%) do not have the knowledge of the financing industry. The survey also shows that only 9.80% are classified as well literate. This means that for every 100 people, only 10 people have the knowledge of and confidence in financing institutions, banking products and services, as well as having the skills in utilizing those products and services.

The low Literacy Index contributes to low Utility Index, in which the public does not maximize the utilization of financing products and services. Financing Products and Services Utility Index is very low at 6.33%.

Graph 9
Financial Literacy Index and Financing Institutions Products and Services Utility Index



2.5.4. Pension Funds

Most Indonesians are not familiar with pension funds, according to the National Survey on Financial Literacy, which shows that for every 100 people, 81 of them do not know about pension funds (81.03%). Only a small portion of the population, 7.13%, is well literate on the subject.

Furthermore, the Pension Funds Products and Services Utility Index is only 1.53%, which means that for every 100 people, only 2 people utilize pension funds products and services.

Graph 10

Financial Literacy Index and Pension Funds Products and Services Utility

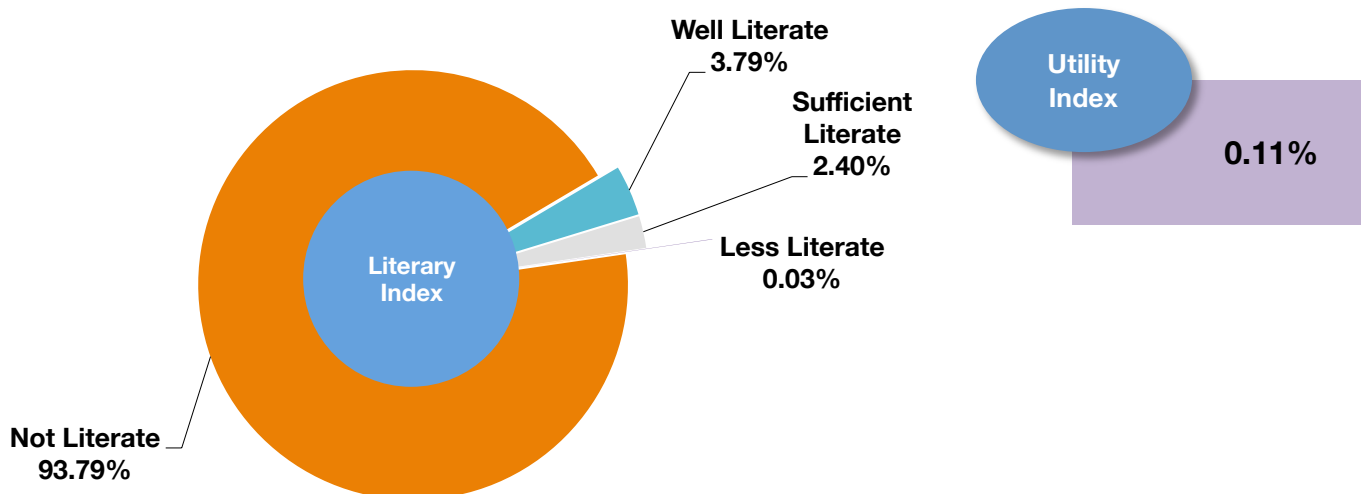
2.5.5. Capital Market

Despite currently being one of the most rapidly growing sectors in financial services, the National Survey on Financial Literacy shows that only 3.79% of Indonesians are well literate in the capital market. On the other hand, 93.79% are classified as not literate, meaning that for every 100 people, 94 are not familiar with the capital market.

This low literacy is also followed by low utility in capital market products and services. Only 1 out of 1000 people utilizes the products and services of the capital market.

Graph 11

Financial Literacy Index and the Capital Market Products and Services Utility Index



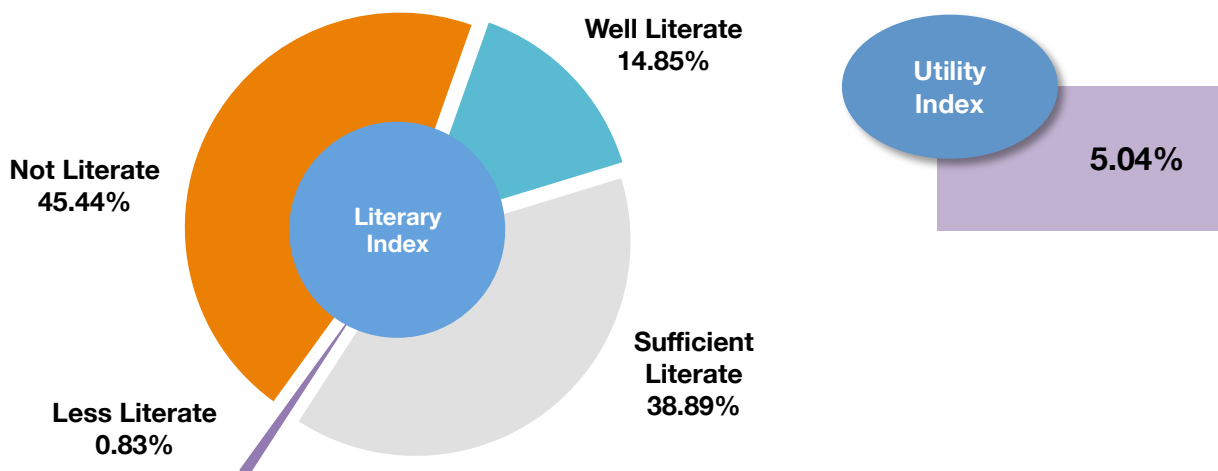
2.5.6. Fiduciary Services

Fiduciary services have long been known and utilized by many Indonesians. However, according to the National Survey on Financial Literacy, only 14.85% Indonesians are well literate on the subject. This means that only 15 out of 100 people are familiar with and understand fiduciary services.

In terms of utility, the survey also shows that there is still very few people utilize fiduciary services, which is recorded at 5 out of 1000.

Graph 12

Financial Literacy Index and Fiduciary Products and Services Utility Index



2.6. The Financial Literacy Index According to Education Level, Income Expenditure, and Age Group

2.6.1. Education Level

The National Survey on Financial Literacy suggests that the higher the level of education that someone attains, the higher they will score on the Literacy Index. Table 3 shows that a person with no formal schooling scores the lowest in the Financial Literacy Index at 16.3%, compared to someone with educational background. Those with a higher education degree score the highest at 56.4%. This could be a challenge for the implementation of the National Strategy for Financial Literacy to improve the financial literacy rate of those with low education level.

Table 3

Financial Literacy Index based on Education Level

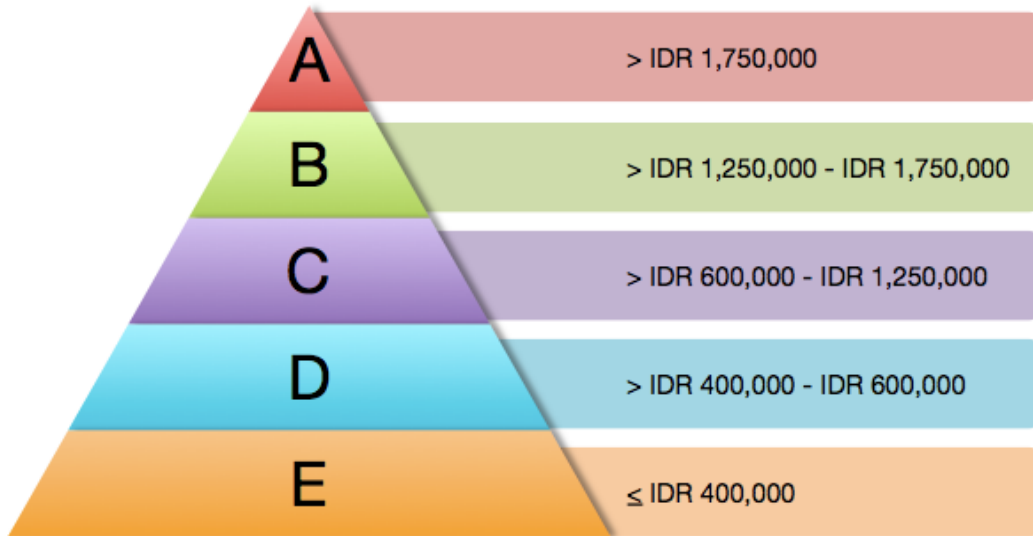
EDUCATION LEVEL	FINANCIAL LITERACY INDEX
Higher Education	56.4%
Secondary Education	35.7%
Primary Education	24.6%
No Formal Education	16.3%

2.6.2. Income Expenditure

Respondents of the National Survey on Financial Literacy are classified into 5 groups based on their monthly per capita income expenditure as illustrated in Figure 2 below.

Figure 2

Classification Based on Income Expenditure



The survey suggests that the higher the income expenditure, the higher the literacy. Table 4 shows that Group A, with the highest income expenditure, also score highest on the Financial Literacy Index at 51.6%

Table 4
Financial Literacy Index Based on Income Expenditure

INCOME EXPENDITURE	FINANCIAL LITERACY INDEX
A	51.6%
B	42.9%
C	36.7%
D	31.2%
E	28.4%

2.6.3. Age Group

The National Survey on Financial Literacy also measures financial literacy based on age group. Table 5 shows that literacy rate is relatively equal across all age groups.

Table 5
Financial Literacy Index Based on Age Group

AGE GROUP	FINANCIAL LITERACY INDEX
18-25 years old	35.5%
26-35 years old	37.4%
36-50 years old	36.0%
>50 years old	31.7%

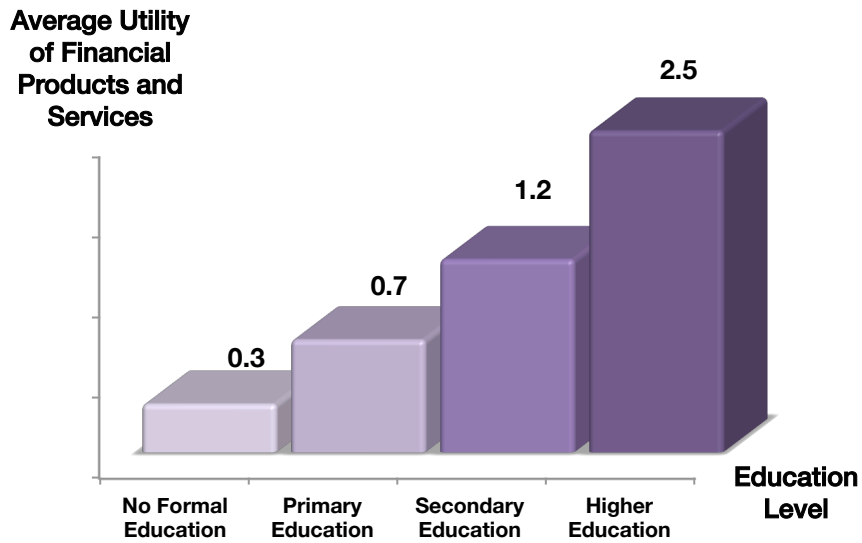
2.7. Financial Products and Services Utility Index based on Education Level, Income Expenditure, and Age Groups

2.7.1. Education Level

Financial products and services utility correlates positively with a person's level of education. Graph 12 shows that on average, those with no formal education only utilizes 0.3% financial products and services. On the other hand, those with higher education degree on average utilize 2 to 3 financial products and/or services (for example: having 1 type of banking product and 1 insurance product).

Graph 13

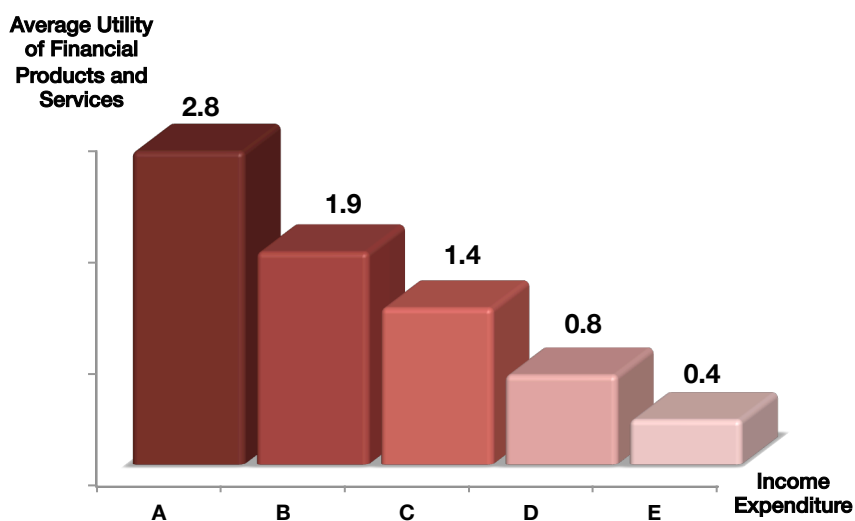
Average Utility of Financial Products and Services Based on Education Level



2.7.2. Income Expenditure

Income expenditure shows a positive correlation with financial products and services utility as illustrated in Graph 14. On average, Social Group A utilizes up to 3 types of financial products and services (for example, 1 banking product, 1 insurance product, and 1 capital market product).

Graph 14
Average Utility of Financial Products and Services Based on Income Expenditure

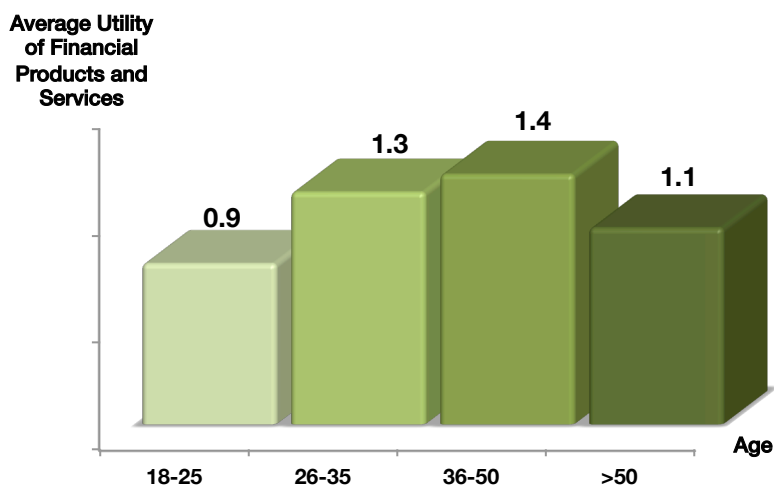


2.7.3. Age Group

According to the survey, financial products and services utility is essentially equal across all age groups as shown in Graph 15. However, the 35-50 year-old age group has a relatively higher level of financial products and services utility compared to other age groups.

Graph 15

Financial Products and Services Utility Rate Based on Age Group

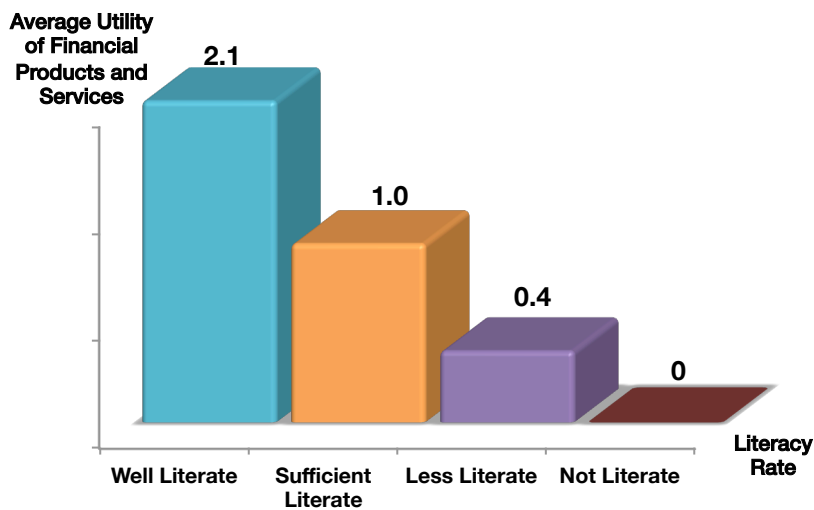


2.8. Relationship Between Financial Literacy Index with Financial Products and Services Utility Index

The level of financial literacy positively correlates with a person's financial products and services utility, which means that the higher someone scores on literacy rate, the higher they would utilize financial products and services. Graph 16 shows that someone who is classified as Well Literate on the survey would use on average 2 financial products and services, whereas someone who is Not Literate would not utilize any financial products and services at all.

Graph 16

Relationship Between Financial Literacy Index with Financial Products and Services Utility



2.9. The Most Attractive Financial Products and Services

There are currently relatively many financial services institutions existing in the country, offering a wide range of types of products and services. The survey shows that Indonesians' level of familiarity with financial services institutions are varied as illustrated in Table 6 below.

Table 6
Public Familiarity with Financial Services Institutions

Financial Services Institutions	Percentage
Banking	37.22%
Insurance	22.52%
Fiduciary and Pawning	20.41%
Financing Institutions	10.44%
Pension Funds	7.10%
Capital Market	2.32%
	100.00%

Public familiarity with financial services institutions is also in line with financial products and services utility as shown in Table 7. Of the various types of financial products and services provided by financial services institutions, savings is the most commonly utilized financial product by the public, and this is in line with the public's familiarity with banking institutions.

Insurance products and the wide range of product types offered are still not quite utilized by the public. Insurance is an important financial instrument because it could safeguard and protect a person, family, and/or property from potential risks.

Financing and fiduciary products and services also have relatively low utility, although the two types of financial services are quite well-known by the general public and are present across the archipelago. Similarly, although bracing for

life after retirement requires early planning, very few people utilize products and services in pension funds.

Capital market products are not highly utilized by the public. This is due to the public perception that capital products have high risk and are relatively not affordable, both in terms of availability and price, especially for the lower middle income class. Therefore, there is a big opportunity to increase users of capital market products and services, considering the ever increasing growth of the Indonesian middle class.

Table 7
Financial Products and Services Utility

Financial Products and Services	Percentage
BANKING	75.98%
Savings	45.27%
Transfer	21.21%
Bank Loan	8.44%
Deposit	0.92%
Giro	0.14%
INSURANCE	13.17%
Health Insurance	5.26%
Life Insurance	4.06%
Vehicle Insurance	1.87%
Education Insurance	1.87%
Property Insurance	0.04%
Unit Link	0.06%
FINANCING INSTITUTIONS	5.30%
Consumer Financing	3.65%
Leasing	1.65%
FIDUCIARY AND PAWNING SERVICES	4.18%
Fiduciary Services	4.15%

Pawning Services	0.03%
PENSION FUNDS	1.26%
Defined Benefit	1.02%
Defined Contribution	0.24%
CAPITAL MARKET	0.10%
Stock	0.09%
Mutual Funds	0.01%
	100%

CHAPTER III: NATIONAL STRATEGY FOR FINANCIAL LITERACY

3.1. DEFINITION OF FINANCIAL LITERACY

There is no standard or universal definition of Financial Literacy, as it is usually defined by various literatures and expert opinions. However, one may identify some common properties based on these various definitions, and therefore the Financial Services Authority has concluded that Financial Literacy is defined as:

“a series of processes or activities in order to improve:

- Knowledge;
- Confidence; and
- Skill;

of consumers and the general public in order to be able to better manage their finances.”

This definition could be taken to mean that consumers of financial products and services as well as the general public are expected to not only know and

understand financial services institutions and the products and services they offer, but also to change their behavior in financial management in order to improve their livelihood.

3.2. The Goals of Financial Literacy

Financial Literacy has long-term goals for all elements of the society, and they are:

- a. To improve the level of literacy, such as from less literate or not literate to well literate; and
- b. To increase the number of users of financial products and services.

Financial Literacy is important for consumers and the general public to be able to determine the financial products and services that are suitable to their needs, to understand correctly the benefits and risks, rights and responsibilities, as well as to have the confidence in the financial products and services that they have chosen to improve their livelihood.

Nevertheless, the goals of Financial Literacy would not be achievable without the support of other external factors. The external factors that could potentially affect the success of Financial Literacy include:

- a. Economic growth;
- b. Per capita income;
- c. Income distribution;
- d. Poverty rate;
- e. Education level;
- f. Productive age group of the population; and
- g. Utilization of information technology.

3.3. Benefits of Financial Literacy

Financial Literacy is a strategic program that is part of public and government efforts implemented in many countries. Lessons learned from these countries

have proven that Financial Literacy is an essential national program to improve the welfare and livelihood of the society due to the many benefits that Financial Literacy brings.

3.3.1. Benefits to the Public

Financial Literacy brings a huge benefit to the general public as a whole, considering that with Financial Literacy, the public:

- a. Would be able to determine and utilize financial products and services that are suitable to their needs;
- b. Would have the capacity to conduct better financial planning;
- c. Would avoid shady and illegitimate investment activities and financial instruments;
- d. Would gain understanding on the benefits and risks of financial products and services.

3.3.2. Benefits to the Financial Industry

Considering that the public are users of financial products and services, Financial Literacy also brings benefits to the financial services sector. There is an interdependency between financial services institutions and the public, and therefore the higher the public's Financial Literacy, the more people would utilize financial products and services. Consequently, financial services institutions stand to gain more potential profit.

In addition, Financial Literacy also encourages financial services institutions to continue to develop and create more varieties of financial products and services and that are more affordable in order to cater to the needs of all levels of the society. Financial services institutions would also be able to identify and develop financial products and services that are commercially viable while simultaneously providing benefits to certain groups within the society that are currently unable to utilize and access financial products and services.

3.3.3. Macroeconomic Benefits

From a macroeconomic perspective, Financial Literacy can provide the following benefits:

- a. The more financially well literate the society is, the more people would utilize financial products and services, which would in turn contribute to welfare equality;
- b. The more people save and invest, the more they would contribute to financing the development process; and
- c. The more people utilize the funds in financial services institutions, intermediation in the financial sector would increase.

3.4. Vision, Missions, and Principles of Financial Literacy

3.4.1. Vision

The Blueprint of the Indonesian National Strategy for Financial Literacy adopts the following vision:

Establish an Indonesian society with high financial literacy (Well Literate), such that Indonesians will have the capacity or confidence to determine and utilize financial products and services in order to improve their livelihood.

3.4.2. Mission

The missions of the the Blueprint of the Indonesian National Strategy for Financial Literacy are:

- a. To educate the Indonesian people in financial matters in order to be able to better manage their finances;

- b. To improve access to information and utilization of financial products and services by developing necessary infrastructure to support financial literacy.

3.4.3. Principles

In order to properly and effectively implement efforts to improve the public's Financial Literacy, any Financial Literacy Program must adopt the following principles:

- a. **Inclusive**
Financial Literacy Programs must be able to include and reach all levels of society.
- b. **Systematic and Measurable**
Financial Literacy Programs are delivered in a planned, systematic, understandable, and simple manner, where achievements and progress must be measurable.
- c. **Accessible**
Any service and information regarding Financial Literacy must be available and accessible across the archipelago.
- d. **Collaboration**
Financial Literacy programs must involve the collaboration of all stakeholders both in planning and implementation.

3.5. National Strategy Basic Framework

The National Survey on Financial Literacy, which was conducted in the first semester of 2013, shows that Indonesians score low on the Financial Literacy Index, as illustrated in Table 8. Furthermore, in certain financial services sector, the Financial Literacy Index shows that very few Indonesians are classified as well literate.

Table 8
Financial Literacy Index Across All Sectors in Financial Services

	Banking	Insurance	Financing Institutions	Pension Funds	Capital Market	Fiduciary
Well Literate	21.80%	17.84%	9.80%	7.13%	3.79%	14.85%
Sufficient Literate	75.44%	41.69%	17.89%	11.74%	2.40%	38.89%
Less Literate	2.04%	0.68%	0.21%	0.11%	0.03%	0.83%
Not Literate	0.73%	39.80%	72.10%	81.03%	93.79%	45.44%

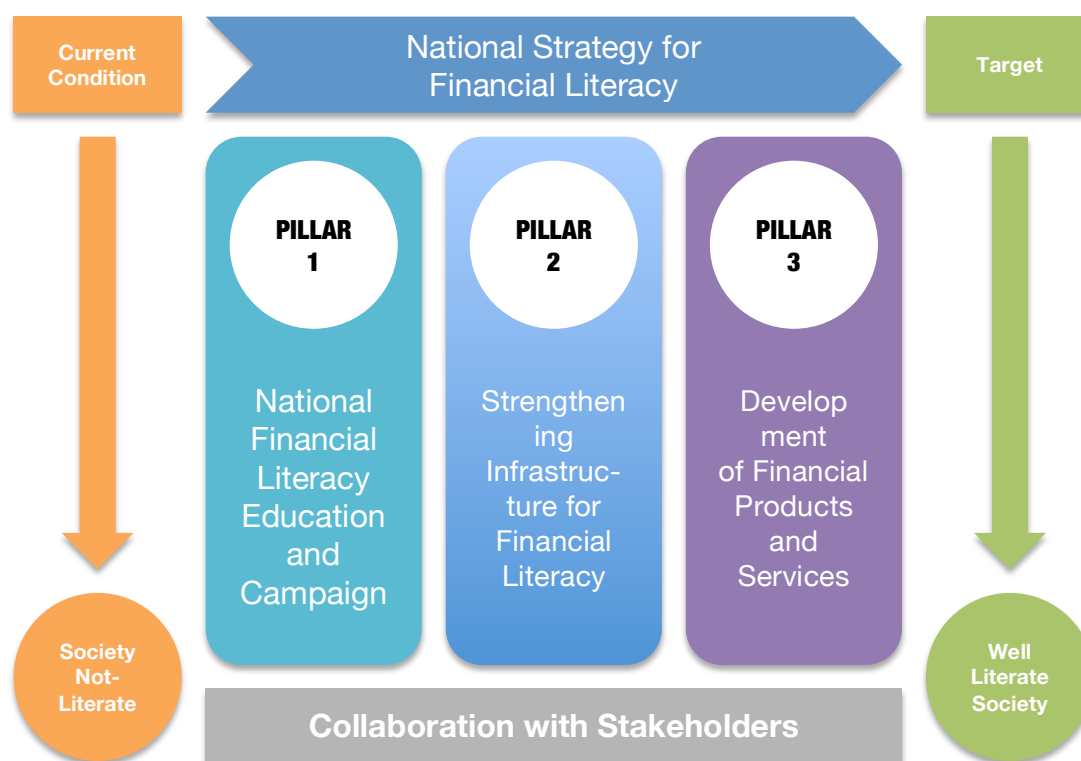
The survey also shows that Indonesians' low level of financial literacy is followed by low utilization of financial products and services. This is illustrated in Table 9, which shows that Financial Products and Services Utility in almost all sectors in financial services is still relatively low, with the exception of Banking Products and Services Utility Index which is comparatively higher than other sectors.

Table 9
Products and Services Utility Index Across All Sectors in Financial Services

	Banking	Insurance	Financing Institutions	Pension Funds	Capital Market	Fiduciary
Utility	57.28%	11.81%%	6.33%	1.53%	0.11%	5.04%

With this condition in mind, it is acknowledged that in general, Financial Literacy Index and Financial Products and Services Utility Index of the Indonesian people are still low (Not/Less Literate). Therefore, comprehensive and systematic efforts are required in order to improve Financial Literacy Index as well as Financial Products and Services Utility Index. A basic framework is needed that would support the implementation of the Indonesian National Strategy for Financial Literacy, which would in turn help propel Indonesians towards a higher level of Literacy Index (Well Literate) as illustrated in Figure 3 below.

Figure 3



3.5.1. Objectives of the Basic Framework for the Indonesian National Strategy for Financial Literacy

The National Strategy for Financial Literacy is comprised of 3 main pillars, which are the basic frameworks to establish a well literate Indonesian society.

Each of the 3 pillars has the following objectives:

a.	Pillar 1	National Financial Literacy Education and Campaign
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1. To improve public awareness, knowledge, and skills on financial products and services
2. To change public financial mindset and behavior; and
3. To increase the number of financial products and services users.

b.	Pillar 2	Strengthening Infrastructure for Financial Literacy
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1. Improve and support national Financial Literacy education and campaign;
2. Expand and ease access to information on Financial Literacy; and
3. Ensure the sustainability of the Financial Literacy program.

c.	Pillar 3	Development of Financial Products and Services
1.	Encourage financial services institutions to develop financial products and services that would cater to public needs;	
2.	Encourage financial services institutions to improve the quality of financial products and services.	
3.	Encourage financial services and institutions to expand reach and delivery coverage of financial services.	

3.5.2. Strategic Programs and Initiative Programs of the National Strategy for Financial Literacy

To assist in implementation, the three pillars mentioned above elaborated into 5 Strategic Programs. Each Strategic Program are then divided into 16 Initiative Programs as illustrated in Figure 4.


Figure 4
Basic Frameworks of Financial Literacy

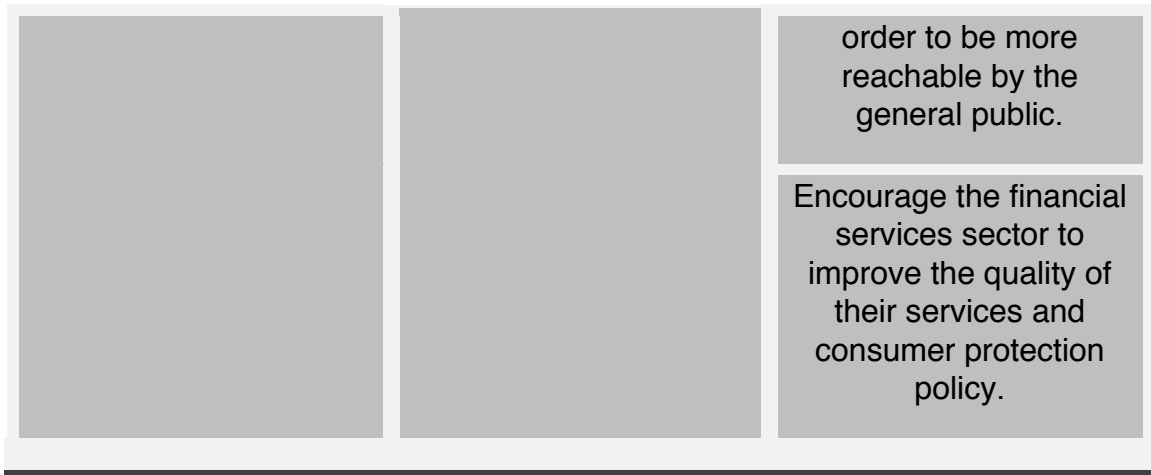
PILLAR	STRATEGIC PROGRAM	INITIATIVE PROGRAM
<div style="text-align: center;">  <p>PILLAR 1</p> </div>	Develop the National Financial Literacy Education and Campaign Program	Develop Financial Literacy materials covering the entire financial services sector for all levels in formal education in order to improve understanding on financial products and services.
		Develop education materials for the general public that are adjusted to individual communities and professions in order to improve public knowledge and confidence on financial services institutions, financial products and services, including features, benefits and

National Financial Literacy Education and Campaign		risks, rights and responsibilities, as well as the necessary skills in utilizing financial products and services
		Develop the National Financial Literacy campaign materials in order to improve financial products and services utility.
Implement the National Financial Literacy Education and Campaign Program		Conduct Financial Literacy education and campaign covering the entire financial services sector for all levels of formal education across the regions in Indonesia.
		Conduct Financial Literacy education and campaign targeted at the general public in various communities and professions in various regions in Indonesia
		Deliver a national campaign on Financial Literacy to improve financial products and services utility in various regions in the country.

PILLAR	STRATEGIC PROGRAM	INITIATIVE PROGRAM
<p style="text-align: center;">PILLAR 2</p> <p>Strengthening Infrastructure for</p>	<p>Develop Database of Materials and Information System for Financial Literacy</p>	<p>Develop database of education materials and other supporting materials to improve the effectiveness of national Financial Literacy education and campaign.</p> <p>Develop Financial Literacy media channels in order to ease and accelerate access to information on financial literacy</p> <p>Prepare human resources to execute the national Financial Literacy education and campaign in order to implement programs in an effective, efficient, optimum, and sustainable manner</p>

Financial Literacy	Prepare Other Supporting Infrastructures for Financial Literacy	Establish collaboration with other stakeholders in order to support the implementation of Financial Literacy education.
		Establish the organizational instruments to implement Financial Literacy programs.
		Encourage the establishment of communities that are concerned about Financial Literacy.

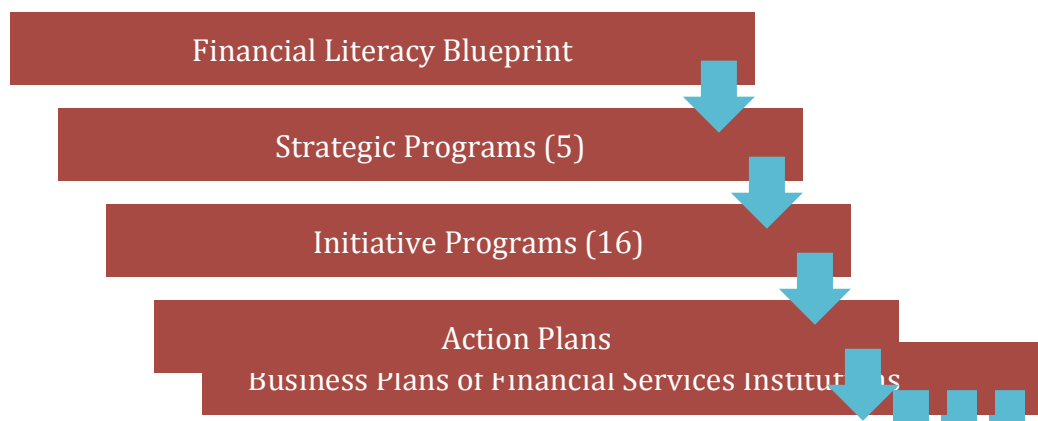
PILLAR	STRATEGIC PROGRAM	INITIATIVE PROGRAM
<div style="text-align: center;">  <p>PILLAR 3</p> </div> <p>Development of Financial Products and Services</p>	<p>Develop and market Financial Products and Services that are catered to public needs in:</p> <ul style="list-style-type: none"> • Banking; • Insurance; • Financing Institutions; • Pension Funds; • Capital Market; and • Pawning and Fiduciary Services. <p>sgdkja jagdjkas asdh:</p>	<p>Encourage the financial services sector to create financial products and services that are affordable to the general public.</p> <p>Encourage the financial services sector to create a bundling package of financial products and services (integrating various financial products and services across the sector), in order to improve financial products and services utility.</p> <p>Encourage and facilitate the financial services sector to expand the accessibility of their products and services in</p>



The Initiative Programs above are to be used by the Financial Services Authority, financial services institutions, as well as the financial services industry association as a reference for developing the action plan for Financial Literacy. In other words, the Blueprint of the National Strategy for Financial Literacy would become a guideline for Financial Literacy programs that will be implemented by the Financial Services Authority or individual financial services institutions or financial services industry association.

Overall, the implementation process of Financial Literacy, which begins in the Blueprint of the National Strategy for Financial Literacy up to the evaluation and development stage can be seen in Figure 5 below:

Figure 5
Implementation Process of Financial Literacy



POJK
No.1/POJK.
07/2013

In order to consolidate the commitment in implementing Financial Literacy, Article 14 of the Regulation of Financial Services Authority No. 1 / POJK.07 / 2013 on Consumer Protection in Financial Services Sector stipulates that financial services institutions must conduct education activities to improve Financial Literacy to Consumers and/or the general public. The planning of education programs by financial services institutions must be incorporated into an annual program which would be reported to the Financial Services Authority.

In developing the Financial Literacy activities stipulated by Financial Services Authority, financial services institutions must take into account the priorities of targets and activities as seen in Table 10 below:

Table 10
Financial Literacy Targets and Activities Priorities

PRIORITIES	2014	2015	2016	2017	2018
TARGET	Housewives	Students	Employees	Housewives	Students
	SMEs	College students	Retirees	SMEs	College students
		Professionals			Professionals
ACTIVITIES	Conduct Financial Literacy education / campaign activities	Conduct Financial Literacy education / campaign activities	Conduct Financial Literacy education / campaign activities	Conduct Financial Literacy education / campaign activities	Conduct Financial Literacy education / campaign activities

			Strengthen Financial Literacy infrastructure		
	Build Education Infrastructure	Build Education Infrastructure	Conduct National Survey on Financial Literacy		
			Conduct Evaluation of Financial Literacy Programs		

CHAPTER IV: TOWARDS A SOCIETY OF WELL LITERATE INDONESIANS

As elaborated in previous chapters, Indonesians still have relatively low literacy rate across all sectors in financial literacy. In addition, very few Indonesians utilize financial products and services accordingly.

Through the implementation of the Blueprint of the Indonesian National Strategy for Financial Literacy, Financial Literacy Index and Financial Products and Services Utility are expected to gradually increase in the long term. The goal of achieving a society of financially well literate Indonesians must be achieved through a sectorial approach, considering that the literacy and utility rate of individual sectors in financial services vary from one another.

4.1. Projected Increase of Literacy Index and Banking Products and Services Utility Index

In order to support the achievement of more well literate Indonesians in the banking sector, various programs are needed to support the implementation of the Blueprint of the Indonesian National Strategy for Financial Literacy. The program is expected to support the achievement of the projected increase in Banking Literacy Index and Banking Products and Services Utility Index as illustrated in Graph 16.

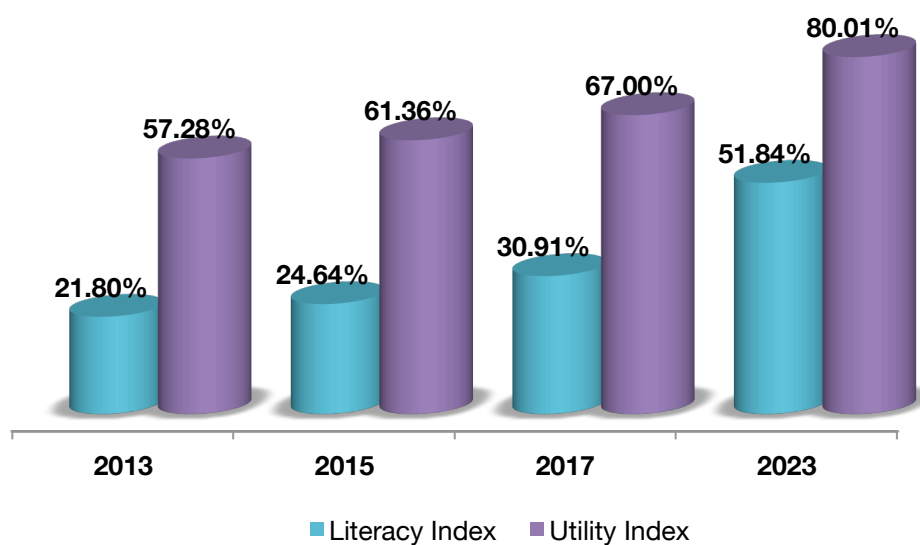
Through various Financial Literacy programs implemented by the banking industry, the Banking Literacy Index, which in 2013 is recorded at 21.80%, is expected to grow to 24.64% in 2015. The Figures are projected to continue to rise into 30.91% in 2017 and achieve 51.84% by 2023.

By developing more variety in banking products and services, as well as with the expansion of banking services network, it is projected that Banking Products and Services Utility Index would increase from 57.28% in 2013 to 61.36% by 2015. The Figures are projected to continue to rise in the coming years such that by 2023, Banking Products and Services Utility Index would be 80.01%.

Nevertheless, the increase in Literacy Index and Banking Products and Services Utility must be balanced with efforts to improve knowledge of the users of banking products and services such that they would have better understanding of banking products and services, including features, benefits and risks, rights and responsibilities, as well as having the skills in utilizing banking products and services in a comprehensive manner.

Graph 17

Projection of Banking Literacy Index and Banking Products and Services Utility Index



4.2. Efforts to Increase Insurance Literacy Index and Insurance Products and Services Utility Index

Efforts to increase Insurance Literacy Index and Insurance Products and Services Utility Index would be no easy feat, considering that only 18 of 100 Indonesians are well literate in insurance, and only 12 out of 100 utilize insurance products and services.

In order to overcome the low literacy and utility rates, Financial Literacy programs and activities are needed that would make people better understand and utilize insurance products and services. Financial Services Authority along with the insurance industry conduct various programs and activities that are systematic, thoroughly planned, and sustainable, delivered to all levels of society. One effort to increase Insurance Products and Services Utility is to develop a scheme of insurance products that are affordable to low-income groups, such as micro-insurance products.

With these efforts, it is expected that Insurance Literacy Index and Insurance Products and Services Utility Index would gradually increase over the years.

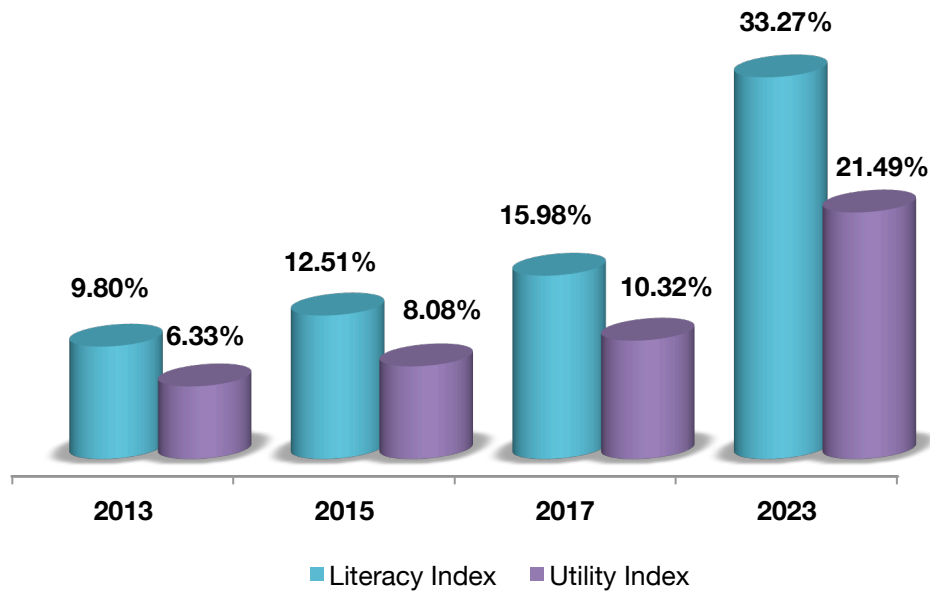
4.3. Projected Increase of Financing Institutions Literacy Index and Financing Products and Services Utility Index

Financing Institutions are not very well-known among Indonesians, as shown in the survey that only 10 out of 100 people are well literate in the subject. Moreover, only 6 out of 100 people utilize financing products and services.

The Financial Services Authority, along with financing institutions, will conduct various Financial Literacy programs and activities to improve Literacy Index and Financing Products and Services. It is expected that with these programs and activities, Financing Institutions Literacy Index which in 2013 was rated 9.80% would increase to 12.51% by 2015 and would continue to increase into 33.27% by 2023. Meanwhile, Financing Products and Services Utility Index, 6.33% in 2013, is projected to grow to 8.08% in 2015 and 21.49% by 2023.

Graph 18

Projected Increase of Financing Institutions Literacy Index and Financing Products and Services Utility Index



4.4. Projected Increase of Pension Funds Literacy Index and Pension Funds Products and Services Utility Index

Although pension funds are an important financial instrument that would bring benefits after retirement, apparently not many people are aware of and utilize this instrument to prepare for life in old age. The low Literacy Index and Pension Funds Products and Services Index are due to several factors, including:

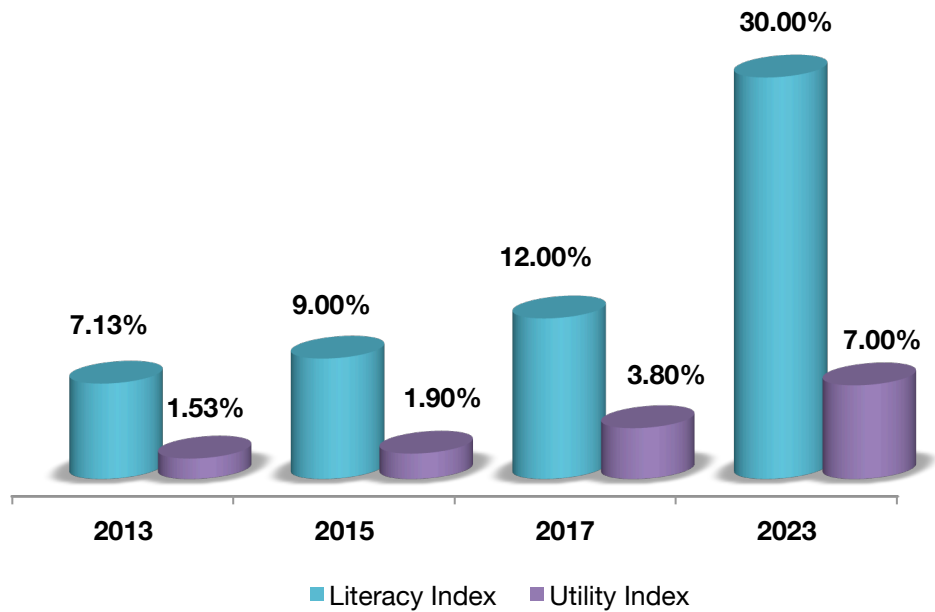
- a. There is no compulsory regulation for companies or institutions to provide Pension Funds for employees, therefore not many companies and institutions have employee retirement programs.
- b. Lack of proactive campaigns and promotions by *Dana Pensiun Lembaga Keuangan* (Pension Funds by Financial Institutions)
- c. Companies and institutions tend to not establish pension funds programs or register their employees in Pension Funds by Financial Institutions to avoid the burden of financial commitments, although

providing pension benefits can motivate employees and contribute to their productivity; and

- d. Public awareness, especially employees and independent workers, to prepare early for life after retirement is still lacking. The public are not proactively seeking information on financial planning for retirement.

Therefore, efforts are needed to increase Pension Funds Literacy Index and Pension Funds Products and Services Utility through various programs, both education and campaign, on the importance of having pension funds early on. Therefore, Pension Funds Literacy Index and Pension Funds Products and Services Utility Index are projected to increase from 7.13% and 1.53% in 2013 to 9% and 1.90% respectively by 2015. With the various programs implemented and promoted by Pension Funds by Financial Institutions by 2015, Literacy Index and Pension Funds Products and Services Utility are projected to grow into 12% and 3.80% by 2017 respectively, which would gradually grow into 30% and 7% by 2023.

Graph 19
Pension Funds Literacy Index and Pension Funds Products and Services Utility



4.5. Efforts to Increase Capital Market Literacy Index and Capital Market Products and Services Utility

Although capital market capitalization by June 30 2013 has reached 4,739 Trillion Rupiah, the fact remains that the number of Indonesians who contribute as capital providers is still relatively low. Lack of understanding and utilization of capital market products and services are arguably due to several factors, including:

- a. Lack of sufficient understanding on how to conduct transaction in the capital market.
- b. The existing general public perception that the capital market bears extremely high risk; and
- c. Most products and services in the capital market are only utilized exclusively by the upper-middle class group.

In order to improve Capital Market Literacy and Capital Market Products and Services Utility, Financial Services Authority along with the capital market industry conduct various literacy and education programs aiming to:

- a. Promote the correct knowledge and perception to the general public on the capital market;
- b. Improve public and investor awareness and confidence on the capital market industry, including its products and services, features, benefits and risks, rights and responsibilities, as well as the required skills in utilizing capital market products and services; and
- c. Expand the market segment of capital market products and services.

In the long term, the capital market industry aims to provide and promote capital market products and services that are affordable to all income groups in an effort to increase capital market products and services utility.

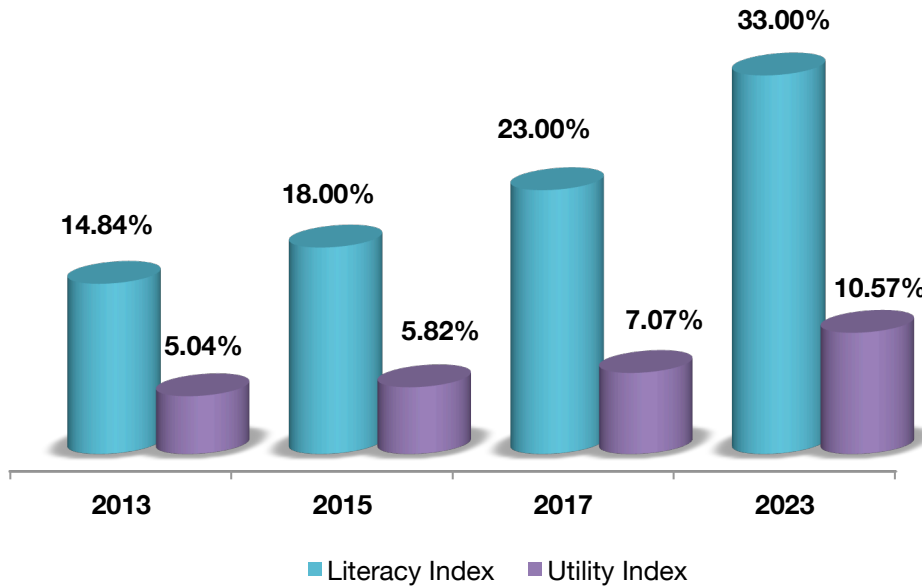
4.6. Projected Increase in Pawning and Fiduciary Services Literacy Index and Pawning and Fiduciary Products and Services Utility Index

In order to increase Pawning and Fiduciary Services Literacy Index and Pawning and Fiduciary Products and Services Utility Index, various literacy programs and activities are implemented with the objective of not only improving public literacy rate on pawning and fiduciary services, but also increasing utility in pawning and fiduciary products and services. Consequently, efforts are concentrated into changing the public mindset on pawning and fiduciary services providers that not only provide pawning and fiduciary services, but also institutions that house other forms of financial transactions, such as multipayment method, wire transfer services, and gold investments.

With various comprehensive and sustainable financial literacy programs, it is projected that Literacy Index and Fiduciary and Pawning Products and Services would increase from 14.84% and 5.04% respectively in 2013 into 18% and 5.82% by 2015. The Figures are expected to continue to grow into 23% and 7.07% respectively by 2017, reaching 33% and 10.57% by 2023.

Graph 20

Projected Increase in Pawning and Fiduciary Literacy Index and Pawning and Fiduciary Products and Services Literacy Index



4.7. Measuring the Success of Financial Literacy

The success of Financial Literacy can be assessed using various measurement methods. Financial Literacy Programs in Indonesia will be measured through the National Survey on Financial Literacy administered once every three years. The National Survey on Financial Literacy measures Financial Literacy Index covering at least the Banking Industry, Insurance Industry, Financing Institutions, Pension Funds, Capital Market, and Pawning and Fiduciary Services. The survey measures not only the increase of the number of Indonesians classified as Well Literate, but also those who have upgraded from Not Literate to Less Literate, from Less Literate to Sufficient Literate, as well as from Sufficient Literate to Well Literate.

In addition to measuring the Financial Literacy Index, the National Survey on Financial Literacy also measures Financial Products and Services Utility in

order to identify people who have utilized financial products and services. Furthermore, one indicator of utility is the increase in the number of customer accounts managed by financial services institutions.

CHAPTER V: ACTION PLANS

For implementation purposes, each of the 3 Pillars in the Blueprint of the National Strategy for Financial Literacy is elaborated into Strategic Programs. Strategic Programs are then further elaborated into Initiative Programs, which are the basis of reference for Financial Services Authority as well as financial services institutions and financial services industry association to develop action plans for the next 5 years.

5.1. Pillar 1: National Financial Literacy Education and Campaign

Strategic Program 1.1.

Develop the National Financial Literacy Education and Campaign Program.

Initiative Program 1.1.1.

Develop Financial Literacy materials covering the entire financial services sector for all levels in formal education in order to improve understanding on financial products and services.

YEAR	ACTION PLANS
2014 – 2015	Develop Financial Literacy materials covering the entire financial services sector for all levels in formal education – primary education, secondary education, and/or higher education.
2017 –	Evaluate and improve Financial Literacy materials covering the

2018	entire financial services sector for all levels in formal education – primary education, secondary education, and/or higher education.
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Initiative Program 1.1.2.

Develop education materials for the general public that are adjusted to individual communities and professions in order to improve public knowledge and confidence on financial services institutions, financial products and services, including features, benefits and risks, rights and responsibilities, as well as the necessary skills in utilizing financial products and services.

YEAR	ACTION PLANS
2014	Develop Financial Literacy materials covering the entire financial services sector, prioritizing housewives and Micro, Small, and Medium Enterprises (MSMEs).
2015	Develop Financial Literacy materials covering the entire financial services sector, prioritizing employees and retirees.
2016	Develop Financial Literacy materials covering the entire financial services sector, prioritizing communities and professionals.
2017 – 2018	Evaluate and improve Financial Literacy materials covering the entire financial services sector for certain community/professional groups.

Initiative Program 1.1.3.

Develop the National Financial Literacy campaign materials in order to improve financial products and services utility.

YEAR	ACTION PLAN
2014 – 2018	Develop and evaluate integrated Public Service Announcements (PSAs) on the financial services sector covering the entire financial services sector.

Strategic Program 1.2.

Conduct National Financial Literacy Education and Campaign Program.

Initiative Program 1.2.1.

Conduct Financial Literacy education and campaign covering the entire financial services sector for all levels of formal education across the regions in Indonesia.

YEAR	ACTION PLANS
2014	Conduct Financial Literacy education and campaign covering the entire financial services sector targeting academic professionals in at least 24 cities.
2015 – 2016	<ol style="list-style-type: none"> 1. Launch the pilot project of Financial Literacy education covering the entire financial services sector at all levels of formal education – Primary Education, Secondary Education, and/or Higher Education. 2. Deliver Financial Literacy materials covering the entire financial services sector to all levels of formal education – Primary Education, Secondary Education, and/or Higher Education. 3. Conduct Financial Literacy education and campaign covering the entire financial services sector targeting academic professionals in at least 24 cities.
2017 – 2018	Conduct Financial Literacy education and campaign covering the entire financial services sector targeting academic professionals in at least 30 cities.

Initiative Program 1.2.2.

Conduct Financial Literacy education and campaign targeted at the general public in various communities and professions in various regions in Indonesia.

YEAR	ACTION PLANS
2014	1. Conduct Financial Literacy education and campaign covering the entire financial services sector in at least 24 cities, targeting housewives and MSMEs.

	2. Conduct 2 outreach program activities for certain communities/professions.
2015	1. Conduct Financial Literacy education and campaign covering the entire financial services sector in at least 24 cities, targeting certain communities/professions. 2. Conduct at least 4 outreach program activities for certain communities/professions.
2016	1. Conduct Financial Literacy education and campaign covering the entire financial services sector in at least 24 cities, targeting employees and retirees. 2. Conduct at least 6 outreach program activities for certain communities/professions.
2017	1. Conduct Financial Literacy education and campaign covering the entire financial services sector in at least 24 cities, targeting housewives and MSMEs. 2. Conduct at least 8 outreach program activities for certain communities/professions.
2018	1. Conduct Financial Literacy education and campaign covering the entire financial services sector in at least 30 cities, targeting certain communities/professions. 2. Conduct at least 10 outreach program activities for certain communities/professions.

Initiative Program. 1.2.3.

Deliver a national campaign on Financial Literacy to improve financial products and services utility in various regions in the country.

YEAR	ACTION PLANS
2014 – 2018	1. Deliver a national campaign on Financial Literacy through various activities including: <ul style="list-style-type: none"> a. Indonesia Financial Literacy Expo (INFINEX); b. National/International Seminar on Financial Literacy; c. Research and studies on financial literacy;

	<p>d. Academic paper competitions on financial literacy;</p> <p>e. Speech/caricature/poster contests on expressing the voice of the consumers.</p> <p>2. Promote the utilization of affordable financial products and services through MSMEs in at least 20 cities outside of the Capital Province.</p> <p>3. Support education and campaign activities on financial products and services conducted by financial services industry association.</p>
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5.2. Pillar 2: Strengthening Financial Literacy Infrastructure

Strategic Program 2.1.

Develop Financial Literacy database of materials and information system.

Initiative Program 2.1.1.

Develop database of education materials and other supporting materials to improve the effectiveness of national Financial Literacy education and campaign.

YEAR	ACTION PLANS
2014	Prepare and develop database system of Financial Literacy materials and other supporting materials covering the entire financial services sector.
2015 – 108	Provide and develop database system of Financial Literacy materials and other supporting materials covering the entire financial services sector.

Initiative Program 2.1.2.

Develop Financial Literacy media channels in order to ease and accelerate access to information on financial literacy.

YEAR	ACTION PLANS
2014	Develop Financial Literacy website containing financial information and education materials.
2015 – 2016	Provide and develop Financial Literacy website containing financial information and education materials.
2017 – 2018	Develop and evaluate Financial Literacy website containing financial information and education materials.

Initiative Program 2.1.3.

Prepare human resources to execute the national Financial Literacy education and campaign in order to implement programs in an effective, efficient, optimum, and sustainable manner.

YEAR	ACTION PLANS
2014 – 2018	<ol style="list-style-type: none"> 1. Conduct training of trainers for teachers and lecturers in all stages of formal education – Primary Education, Secondary Education, and/or Higher Education. 2. Conduct training of trainers for certain communities/professions.

Strategic Program 2.2

Prepare other supporting infrastructures for financial literacy.

Initiative Program 2.2.1.

Establish collaboration with other stakeholders in order to support the implementation of Financial Literacy education.

YEAR	ACTION PLANS
2014 – 2015	<ol style="list-style-type: none"> 1. Establish collaboration with line ministries/government institutions on financial literacy activities. 2. Establish collaboration with several education institutions to prepare the pilot project of Financial Literacy education covering the entire financial services sector for all stages of formal education – Primary Education, Secondary Education, and/or Higher Education.

	3. Establish collaboration with Private Organizations, International Organizations, Higher Education Institutions, and Civil Society Groups to conduct studies and research on Financial Literacy.
2016 – 2017	1. Establish collaboration with line ministries/government institutions on financial literacy activities. 2. Establish collaboration with Private Organizations, International Organizations, Higher Education Institutions, and Civil Society Groups to conduct studies and research on Financial Literacy.
2018	Establish and strengthen collaboration with line ministries/government institutions on financial literacy activities.

Initiative Program 2.2.2.

Establish the organizational instruments to implement Financial Literacy programs.

YEAR	ACTION PLANS
2014 – 2016	1. Establish the Financial Literacy organization within the Financial Services Authority. 2. Establish the financial education and information structure within the regional representative offices of the Financial Services Authority. 3. Establish the National Council on Financial Literacy and the National Working Group on Financial Literacy. 4. Encourage financial services industry association as well as financial services institution to establish a Committee on Financial Literacy.

Initiative Program 2.2.3.

Encourage the establishment of communities that are concerned about Financial Literacy.

YEAR	ACTION PLANS
2014 –	1. Create and develop Financial Literacy social media channels

2018	(Twitter, Facebook, YouTube, Path, Instagram) which would contain and promote information and communication to improve the public's financial literacy. 2. Encourage communities to establish organizations or associations of citizens concerned with Financial Literacy.
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5.3. Pillar 3: Development of Financial Products and Services

Strategic Program 3.1.

Develop and market Financial Products and Services that are catered to public needs in:

- Banking;
- Insurance;
- Financing Institutions;
- Pension Funds;
- Capital Market; and
- Pawning and Fiduciary Services.

Initiative Program 3.1.1.

Encourage the financial services sector to create financial products and services that are affordable to the general public.

YEAR	ACTION PLANS
2014 – 2018	Encourage and facilitate the financial services sector to develop financial products and services that are affordable to the general public.

Initiative Program 3.1.2.

Encourage the financial services sector to create a bundling package of financial products and services (integrating various financial products and services across the sector), in order to improve financial products and services utility.

YEAR	ACTION PLANS
2014 – 2018	Encourage the financial services sector to create a bundling package of financial products and services (integrating various financial products and services across the sector).

Initiative Program 3.1.3.

Encourage and facilitate the financial services sector to expand the accessibility of their products and services in order to be more reachable by the general public.

YEAR	ACTION PLANS
2014 – 2018	Encourage and facilitate the financial services sector to develop a network of distribution (delivery channel) for their products and services to be more easily accessible by the public.

Initiative Program 3.1.4.

Encourage the financial services sector to improve the quality of their services and consumer protection policy.

YEAR	ACTION PLANS
2014 – 2018	<ol style="list-style-type: none"> 1. Encourage the financial services sector to improve the quality of their services and consumer protection policy. 2. Encourage the financial services sector to improve consumer protection aspects in marketing their financial products and services as well as in handling grievances and disputes.