

RBI's National Strategy for Financial Education

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The Reserve Bank of India released a national strategy for financial education to be implemented in the next five years. The central bank said the multi-stakeholder led approach is aimed at creating a **financially aware and empowered India**. The RBI has suggested inculcating financial literacy concepts among the various sections of the population including school and college-going students, through financial education to make it an important life skill.

National Strategy for Financial Education

The strategy will focus on several areas including **imparting knowledge about rights, duties and avenues for grievance redressal, improve research and evaluation methods to assess progress in financial education** among others. It also looks at **standardising the content for financial literacy** for school children (including curriculum and co-scholastic), teachers, young adults, women, new entrants at the workplace, entrepreneurs (MSMEs), senior citizens, persons with disabilities, illiterate people, etc.

With efforts underway for integrating financial education modules in the school curriculum across the country, it is also essential to complement the course curriculum through co-scholastic approaches wherein the children are encouraged to learn financial literacy concepts through relevant activities which have the ability to result in better engagement and superior retention. All financial education initiatives targeting students would include practical aspects through iterations to ensure retention of the various concepts.

It also aims at integrating financial education dissemination as part of various on-going programmes. Streamline efforts of

other stakeholders for financial literacy including financial awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being. **Besides encouraging active savings behaviour, it will encourage participation in financial markets to meet financial goals and objectives.**

The strategy will also **develop credit discipline and encourage availing credit from formal financial institutions** as per requirement. Besides, it will improve usage of digital financial services in a safe and secure manner. It will also improve **research and evaluation methods to assess progress in financial education.**

To achieve these strategic objectives, the document recommends adoption of a '5 C' approach for dissemination of financial education through emphasis on development of **relevant Content** (including curriculum in schools, colleges and training establishments), **developing Capacity among the intermediaries involved in providing financial services, leveraging on the positive effect of Community led model** for financial literacy through appropriate communication strategy, and lastly, **enhancing Collaboration among various stakeholders.**