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Project title: DigiFinEdu - 2021-1-LT01-KA220-SCH-000034366

National Report on Financial Literacy: Spain

1. General aims, period, and scope of the research

In May 2020 PISA 2018 announced its results from the module “Financial literacy”. That was the third time this module has been included and Bulgaria participated for the first time. The results, which check the situation in 20 countries, showed that the level of financial knowledge and literacy in Bulgaria is one of the lowest (16th place). The country was followed only by Brazil, Peru, Georgia and Indonesia. According to PISA 2018 financial literacy is knowing and understanding financial concepts and the related risks, skills, motivation and confidence to apply this knowledge and understanding for the sake of making effective decisions in the context of a wide spectrum of financial concepts for the purpose of improving the financial wellbeing of individual people and society as a whole, as well as for ensuring a more effective participation in the economic life.

The situation with the lack of financial literacy, which this research and the project as a whole is trying to ameliorate, is present not only in Bulgaria, but in Europe in general. Yet, if in Europe around 50% of the adult population has financial skills, in Bulgaria this share is smaller – about 35%.

The educational system in the country at present is not at a level providing adequate skills for adult life, which has to be compensated via extracurricular activities, such as the ones to be proposed by DigiFinEdu. Understanding the needs and the current state of the art in the digital literacy domain is crucial.

Financial literacy means building a proper attitude towards money, i.e. eliminating money taboos and the understanding that money is bad. Children should be taught from as early age as possible that money is just a means and carry no positive or negative energy. Besides the proper attitude towards money, there should also exist basic knowledge about the main financial terms, which are: savings, budgeting, investments (how and why to invest, attitude towards risk, etc.), insurance and others. It is important also not only to receive knowledge, but also to practise what you learn. Additionally, there are a few habits that need to be installed – saving a part of the income and developing a budget and a spending plan, as well as earning more and investing. These habits require time to be adopted and developed. According to research children who are more literate financially, are also more disciplined and responsible. Building money-related habits with children is much easier than developing such habits in a formed adult.

The desk research, the results of which are presented further, took place during the months of April and May and covered documentation and info from existing practices and approaches in the country as well as policy level decisions and strategies for financial literacy improvement.



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2. Country level data on primary and lower secondary education students' financial literacy

About primary students. Mathematics is presented as a direct link to the practice of Financial Education programs. That is why we based our analysis on the contents implemented by textbooks in the earliest ages of primary school in relation to the most basic concepts of Financial Education. Thus, the educational framework in Financial Education for primary school students has established as units of study the analysis the handling of money (recognition of coins and banknotes, use and management, planning and saving), responsible consumption (value of money, priorities in our consumption, consumer rights and responsibilities), risk management (protection and management of emotions in the face of money) and the role that money plays in our lives (state and citizens and money in our society). (Junior Achievement Foundation, Spain, 2017). The analysis is carried out on the exercises contained in primary school textbooks. Thus, the results showed that while 48% of all the exercises were concentrated in 5th and 6th grades of primary school, only 18.2% were in the first grades, the fundamental stage for starting financial education. Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

Considering the results of the analysis of the activities related to Finance Education in Primary Education (in the selected textbooks), the scarcity of activities found suggests a difficulty in the formation of financial attitudes and skills, which could have repercussions on students when facing scenarios where they have to make decisions, generating uncertainty associated with the good practice of financial literacy. The activities present in the textbooks analyzed would not be sufficient to comply with the practice and development of financial elements, necessary for the development in a society that requires people trained in elementary contents for situations involving economic decisions. Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

About secondary students. The PISA report carried out by the OECD measures the academic performance of 15-year-old students (belonging to the last cycle of secondary education, 3rd and 4th ESO) in areas such as mathematics, science and reading. These data are finally used to prepare a report on financial competence, which is published by the Ministry of Education and Vocational Training. It is not only about assessing theoretical knowledge or the ability to perform transactions or payments but In PISA, a high level of financial competence is associated with rational purchasing strategies, with more responsible basic financial behaviors, with a conscious and critical attitude towards the enormous possibilities of economic decisions that, multiplied by the use of digital technology, offers the current world and, with a breadth and variety that we surely still do not imagine, will offer the future society (PISA Report on Financial Competence, 2018). Both in Spain and in the OECD, 15% of students do not reach the basic level of performance in financial competence. However, in Spain we have an educational system based on equity, given that there is no significant difference in the performance of girls and boys, and, as occurs in other international studies and in other competencies, our country is once again the most equitable of the participating countries in financial competence, as it is the one least influenced by the Socio-Economic and Cultural Index (ISEC).

Spain is the most equitable of the OECD countries in financial competence because it is the least influenced by the social, economic and cultural index. Performance in mathematical competence explains 80% of the variance of performance in financial competence, as has been explained throughout this report. The family is the main source of information on finances for Spanish students, being the second internet, and this has a positive impact on student performance.

In Spain, financial education has been developed in the last decade and a half through transversal approaches or as specific subjects within the ESO or Bachillerato curricula. Both with the LOE (Organic Law 2/2006, of May 3, on Education) and the developed curricula of the autonomous communities, as well as with the modification brought about by the LOMCE (Organic Law 8/2013, of December 9, for the Improvement of Educational Quality), economic and financial contents are contemplated in ESO and Baccalaureate subjects, as well as in Vocational Training Cycles. With the new education bill, the Draft Organic Law for the modification of the LOE (LOMLOE), approved by the Council of Ministers on February 15, 2020, the importance of financial education is maintained, both in its cross-cutting approaches and in the maintenance of specific subjects.

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According to the results of the PISA study in 2018, 15% of students do not reach the basic level of financial skills, despite the fact that half of them (52%) have a bank account. Not reaching this basic level prevents them from solving simple home economics issues, such as interpreting a bill or making decisions about their daily expenses.

The conclusions we draw from these analyses are that students are able to apply their knowledge of commonly used financial concepts, terms and products in situations relevant to them. They begin to take into consideration the consequences of financial decisions and are able to make financial plans in familiar contexts. They are able to make simple interpretations of a range of financial documents and know how to apply basic numerical operations, such as calculating percentages. They are able to choose the numerical operation required to solve routine problems in relatively common financial contexts, such as calculating a budget.

Students' Financial Literacy levels in primary and lower secondary education

About primary students. The following tables show the data that supports the conclusions previously exposed.

The following table shows the frequency in percentages of results for the unit of study of money management analysis.

Category	1st grade	2nd grade	3th grade	4th grade	5th grade	6th grade	Total
Coin and banknote recognition	11(47.8)	11(47.8)	18 (40.9)	12(29.3)	21(30)	8(15,7)	81(32.1)
Use and management of money	7(30.4)	8(34.8)	9(20.5)	8(19.5)	20(28.6)	12(23.5)	64(25.4)
Panning	5(21.7)	3(13)	17(38.6)	19(46.3)	24(34.3)	31(60.8)	99(39.3)
Saving	0(0)	1(4.3)	0(0)	2(4.9)	5(7.1)	0(0)	8(3.2)
Total	23(100)	23(100)	44(100)	41(100)	70(100)	51(100)	252(100)

Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

As can be seen, the money planning category appears more frequently in the textbooks (39.3% of activities) while savings is barely present (3.2%).

Frequency (and percentage) of results for the unit of responsible consumption analysis.

Category	1st grade	2nd grade	3th grade	4th grade	5th grade	6th grade	Total
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The value of money	18(78.3)	15(65.2)	23(52.3)	25(61)	40(57.1)	24(47.1)	145(57.5)
Priorities in our consumption	1(4.3)	0(0)	0(0)	7(17)	30(42.9)	27(52.9)	65(25.8)
Consumer rights and responsibilities	4(17.4)	8(34.8)	21(47.7)	9(22)	0(0)	0(0)	42(16.7)
Total	23(100)	23(100)	44(100)	41(100)	70(100)	51(100)	252(100)

Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

In reference to the consumer unit, the results show that greater relevance is given to activities related to the value of money (57.5% of the total) and little importance is given to knowledge about consumer rights and responsibilities (16.7%).

Frequency (and percentage) of results for the unit of risk management analysis.

Category	1st grade	2nd grade	3th grade	4th grade	5th grade	6th grade	Total
Not observed	23(9.1)	23(9.1)	44(17.5)	41(16.3)	70(27.8)	51(20.2)	252(100)
Total	23(100)	23(100)	44(100)	41(100)	70(100)	51(100)	252(100)

Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

It should be noted that the categories of the unit of risk management analysis (protection of money and management of emotions in relation to money) are not present in primary school textbooks.

Frequency (and percentage) of results for the unit of analysis on the role that money plays in our lives.

Category	1st grade	2nd grade	3th grade	4th grade	5th grade	6th grade	Total
Uncategorize	2(8.7)	0(0)	0(0)	0(0)	65(92.9)	46(90.2)	113(44.8)

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State and citizens	21(91.3)	23(100)	44(100)	41(100)	4(5.7)	0(0)	133(52.8)
Money in our societies	0(0)	0(0)	0(0)	0(0)	1(1.4)	5(9.8)	6(2.4)
Total	23(100)	23(100)	44(100)	41(100)	70(100)	51(100)	252(100)

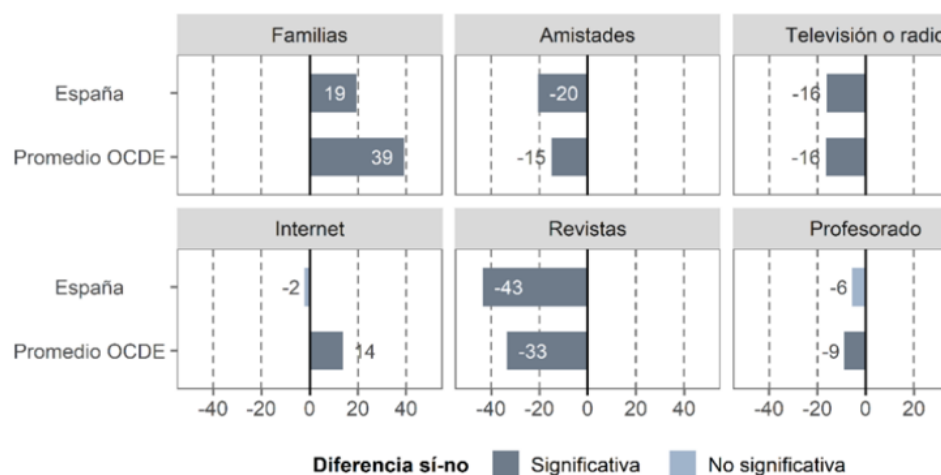
Ferrada, C., Díaz-Levicoy, D., Puraivan, E., & Silva-Díaz, F. (2021).

Finally, 113 activities do not fit the study analysis but do refer to content on financial education and 52.8% refer to the state and citizens regarding the role that money plays in our lives.

In conclusion, from the first year of primary school (6 years old) we only found 9.1% of activities associated with financial education with respect to the 6 primary school years analysed. The vast majority of activities are concentrated in 5th and 6th grades.

About secondary students.

Sources of financial information for students between 15 and 16 years of age. (First line: Family, Friends, Television. Second line: Internet, Magazines, Teachers).

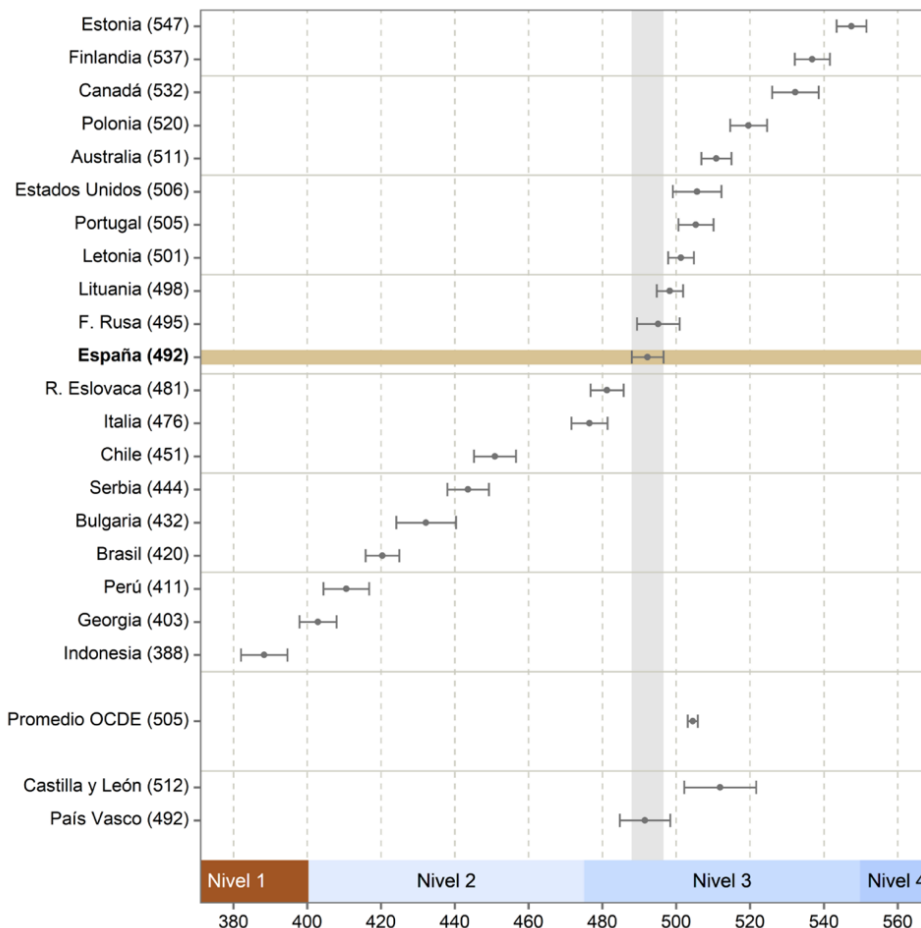


Dark grey: significant Light grey: not significant

(PISA Report on Financial Competence, 2018)

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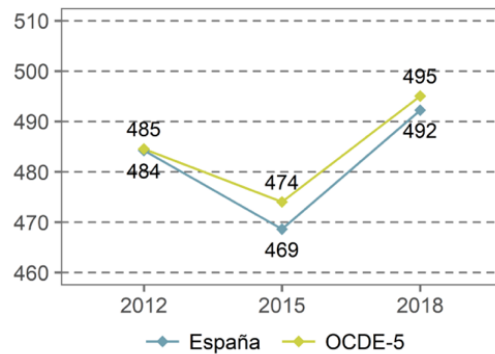
Average performance of participating countries and Spanish Autonomous Communities analyzed in the PISA 2018 report on Financial Competence.



(PISA Report on Financial Competence, 2018)

The figure above shows the average financial literacy performance of the participating countries. Spain's performance stands at 492 points, which leaves it below the average level of the countries belonging to the OECD (505 points). Below we present the evolution between 2012 and 2018 of the average performance in financial competence between Spain and the average of the 5 OECD countries that have participated in the three editions of the report.

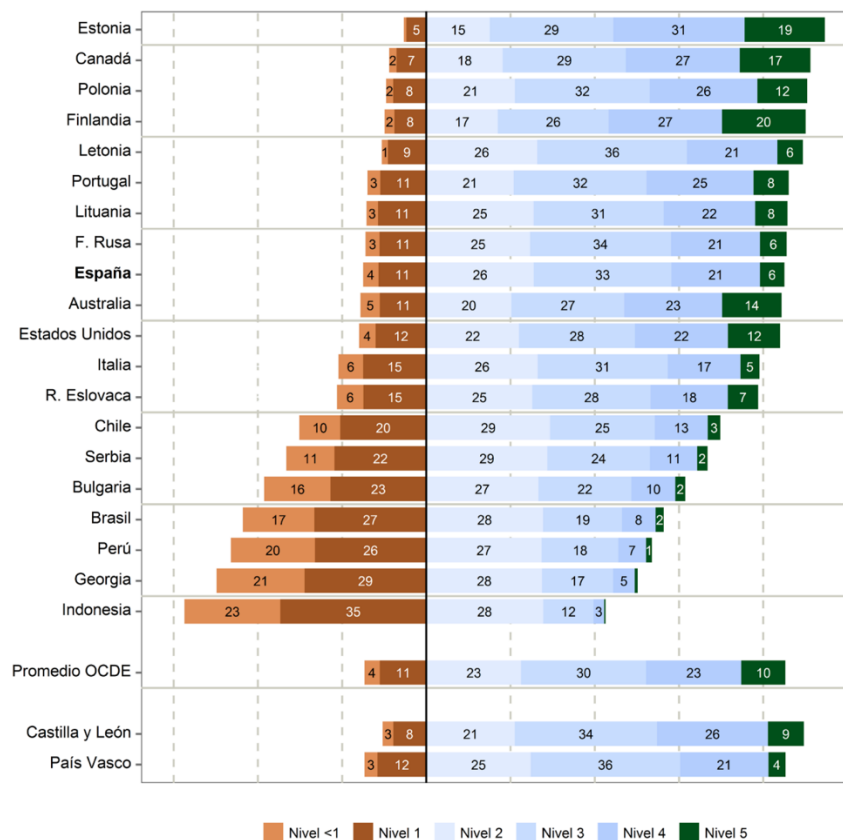
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(PISA Report on Financial Competence, 2018)

It can be seen that, throughout the three editions, average performance in Spain has always been slightly below the OECD-5 average, although in all cases the difference is not statistically significant. This means that the evolution in the case of Spain follows the same pattern as that of the average of the OECD countries that have participated in the three editions.

Distribution of students by performance levels in PISA 2018.





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(PISA Report on Financial Competence, 2018)

That students in Spain reach but do not exceed level 4 performance is interpreted, according to the report analyzed, as students who can apply their knowledge of less common financial concepts and terms in contexts that will be relevant to them as they move into adulthood, and are able to interpret and evaluate a variety of detailed financial documents and explain the operation of uncommon financial products. They can also make financial decisions with long-term consequences in mind, as well as solve routine problems in contexts that may be unfamiliar.

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3. Country's current measures to address the improvement of financial literacy of students in primary and lower secondary education

1. Jointly, the CNMV and the Bank of Spain have been presenting a four-year Financial Education Plan since 2008, with the aim of contributing to the improvement of the financial culture of citizens, providing them with the necessary tools and knowledge to make informed and appropriate financial decisions. This year, the information provided by the last Plan, which was carried out between 2018 and 2021, can be studied; and a new package of measures focused on these results begins to be carried out between 2022 and 2025 (whose objectives include the promotion of Financial Education aimed at schoolchildren). One of the main purposes of this plan is the visibility of financial education, defining it as a key competence and essential instrument for the development of the individual's freedom and the functioning of the financial system. The monitoring of the Financial Education Plan has been carried out by a group made up of representatives of the CNMV and the Bank of Spain, as well as experts from the Dirección General de Seguros y Fondos de Pensiones, as a collaborator of the Plan, and from the General Secretariat of the Treasury and Financial Policy. Regular meetings were held to ensure that the objectives set were met. Among these projects, it is worth highlighting the promotion of Financial Education aimed at schoolchildren. Thus, the implementation and development of the School Financial Education Program in schools has been intensified (specifically, the program is aimed at students between 14 and 18 years of age, thus encompassing the last cycle of secondary education). It is a voluntary, flexible and adaptable program,

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through which registered schools have access to basic teaching material (a manual for the teacher and another for the student divided into 10 topics) that addresses thematic areas related to money and transactions, planning and management of personal finances, risk and profit, and the financial outlook. Everything can be found on the project's website, where you can also find more didactic resources that can be used as support for teachers in their classes.

2. Inclusion of Financial Education in the school curriculum by the Financial Education Plan. The Spanish education system in force until December 2020 was based on Organic Law 8/2013, of December 9, for the improvement of educational quality (LOMCE) and two Royal Decrees of development where Financial Education contents such as those related to savings, money, indebtedness or budgeting among others were included as part of the program of certain subjects.

On December 23, 2020, the Ley Orgánica 3/2020 de 29 de diciembre, was passed, modifying the Ley Orgánica 2/2006, de 3 de mayo, de Educación (LOMLOE). The Law establishes the new regulatory framework applicable to the Spanish Education System. In the period 2022-2025 and under the Collaboration Agreement signed in September 2020 by the CNMV, the Bank of Spain and the Ministry of Education and Vocational Training, which includes the express commitment to increase the presence of Financial Education in the school curriculum, intense work will be done on the inclusion and reinforcement of Financial Education in the school curriculum at the various educational stages. Therefore, during the 2022-2025 stage, the inclusion in the school curriculum of the key areas and competencies included in the document will be ensured. In previous editions of the PEF, action among schoolchildren has focused on secondary and high school students through the School Program. Now, during the period 2022-2025 and under the aforementioned Agreement with the Ministry of Education, we will proceed to develop teaching materials for primary school students. The aim of these materials is therefore to bring students closer to some basic financial concepts for the management of personal finances in a simple way.

There is also a possibility of developing a learning framework for financial education content from primary school to university level that can be used as a basis for the creation of new content organized by educational stages and validated by the Ministry of Education and Vocational Training. The main objective of this framework will be to support the planning, teaching and progression of Financial Education in Spain. To this end, it will establish the competencies and key areas of financial knowledge, skills and attitudes that a student should have at the end of each educational stage. It will serve as a reference for the development of future Financial Education programs, helping to plan and deliver Financial Education effectively.

3. Participation in the Program also allows schools to register for the Financial Literacy Contest. In order to bring Financial Education a little closer to the students of the schools participating in the Financial Education School Program. The Contest consists of a test of questions and answers that has been developed during these years in several online and face-to-face phases. The online phase has been developed through a computer application accessed by the schools registered in the contest, which determines the eight schools that go on to the final on-site phase. This phase consists of a battery of questions in which the number of correct answers in the shortest possible time is rewarded. The on-site phase includes questions and answers of economic and financial content, especially related to the management of personal finances.
4. Signing of the Collaboration Agreement with the Ministry of Education and Vocational Training in September 2020. The commitment of said Ministry, the CNMV and the Bank of Spain to promote Financial Education for schoolchildren. Within the framework of this cooperation with the Ministry of Education and Vocational Training, a proposal has been submitted for the inclusion of financial competence in the next design of the school curriculum to be incorporated in the regulations implementing Organic Law 3/2020, which amends the Organic Law on Education.

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In particular, in primary education, two areas of knowledge have been identified, namely, money and transactions and financial planning and management. The key competencies in these areas are to understand the important role that money plays in a person's life and to manage money appropriately. In secondary education, four areas of knowledge have been identified: money and transactions, financial planning and management, risk and return, and financial outlook. The key competencies in these areas are: handling and monitoring transactions, controlling and managing money appropriately, planning and using income and other resources in the short and long term to improve financial well-being, managing financial risks, and knowing and understanding the financial environment.

5. Among other initiatives of institutions that show the commitment to develop financial education in young people, the Foundation for Education in Accounting and Business Administration stands out, which is aimed at "promoting creativity, entrepreneurship, diversity and ethical and responsible leadership values, with special emphasis on students between 6 and 18 years of age", with the objective of improving communication to citizens about the importance of the social and cultural role of companies, entrepreneurs, organizations and the economy in general.
6. Another interesting example of these collaborations between public institutions and private organizations is the Instituto de Estudios Financieros which, together with the Asociación de Voluntarios de La Caixa, has set up the Finance for Young People project to promote basic financial education in society as a whole and, in particular, among students in the 4th year of ESO throughout Spain. These two entities have signed agreements with the ministries of seven autonomous communities (Aragón, Region of Murcia, Community of Madrid, Castilla y León and Castilla-La Mancha, Andalucía and Cantabria) with the aim of offering basic financial concepts to secondary school students so that they can, in the future, make better financial decisions.
7. It is noteworthy that there are numerous projects focused on Financial Education in grades higher than primary and secondary education. The University of Extremadura and the University of Valencia developed a project in 2019 with the aim of designing an informative program that would allow young university students to cover their deficiencies in financial matters. In 2021, the impact of this program was evaluated through surveys between students who took the course and those who did not, finally indicating that those who took the course showed a higher level of financial knowledge as well as a more appropriate behavior.

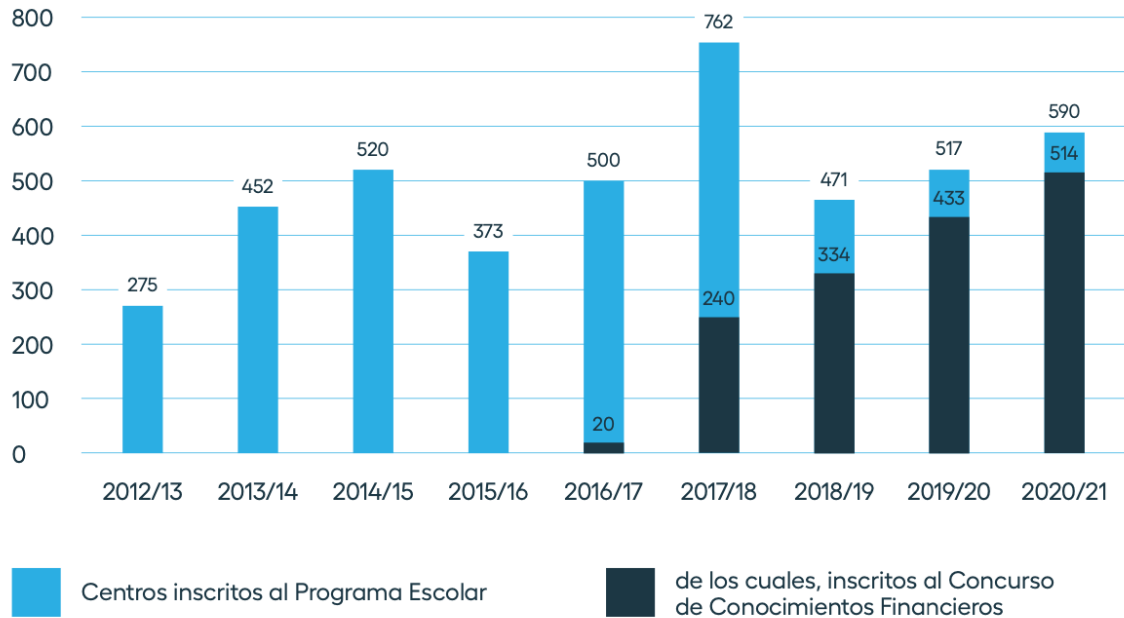
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1. Schools enrolled in the Financial Education Program (in light blue) and Financial Literacy Contest (dark blue).



(Financial Education Plan of the CNMV and the Bank of Spain, 2022)

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