



A Stocktake of Financial Education Initiatives in Hong Kong

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A research study commissioned by the Investor Education Centre
and conducted by Cimigo Limited



Content

Executive summary	P2
Research background and objectives	P4
Methodology	P4
Research findings	P6
A. Overview	
B. Target segments	
C. Organisers	
D. Education themes	
E. Types of initiatives	
F. Evaluation of initiatives	



Executive summary

A stocktaking research on financial education initiatives in Hong Kong conducted in 2018 pointed to an improved financial education landscape compared to a similar exercise in 2015.

The 2018 stocktake, consisting of desk research and a stakeholder survey, looked at the financial education initiatives in the previous three years and three months (January 2015 to March 2018). Results are then compared with the 2015 exercise which studied the three-and-a-half-year period of July 2011 to December 2014.

The comparison showed that the breadth of financial education had been expanded, both in terms of the quantity of financial education initiatives and number of organisations involved. Also, the penetration to more specific population segments improved. And there was a more balanced education theme skewing less towards investment and turning more to retirement planning, MPF and savings & spending.

Key measures of Hong Kong's financial education landscape			
	2015-18	2011-14	Change
No. of financial education initiatives	674	555	+21%
No. of organisations involved	278	201	+28%
Target audience			
General public	48%	61%	-13 percentage points
Specific segments	52%	39%	+13 percentage points
Education theme			
Saving & spending	23%	10%	+13 percentage points
Retirement planning	22%	14%	+8 percentage points

A diversity of organisations has contributed to advancing financial literacy in Hong Kong, with NGOs and Government departments/ public bodies taking the lead and accounting for about half of the recorded financial education initiatives. Financial institutions as a whole also remained a key contributor.

While it is encouraging to see an increase in the number of financial education initiatives and organisations involved, there is still a lack of evidence regarding the impact of these efforts - only 8% of the recorded initiatives saw published evaluation findings.



Going forward, financial education in Hong Kong can be further strengthened along these directions:

- **More financial education initiatives.** Despite the good growth in the quantity of FE initiatives compared to three years ago, the financial literacy levels of Hong Kong people remained stagnant¹. Advancing financial literacy remained a continued challenge and more concerted efforts from different sectors are required.
- **More tailored initiatives to address the specific needs of different target segments,** especially underserved segments such as the young adults, elderly and vulnerable groups like ethnic minorities, new immigrants and people with disabilities.
- **A more even spread of education themes.** While investment is an important area in financial education, the society can benefit from more coverage of other lesser-covered topics like responsible use of credit products, insurance products as a risk management tool, as well as investor/consumer rights and responsibilities.
- **Adoption of an evidence-based approach in financial education.** Incorporating evaluation into financial education initiatives enables practitioners to identify effective and scalable strategies in promoting behavioural change. Further, sharing the evidence in the community contributes to more quality financial education as a whole.

¹ IEC Financial Literacy Monitor 2018
https://www.thechinfofamily.hk/web/common/pdf/about_iec/iec-financial-literacy-monitor-2018.pdf



Research background and objectives

In 2015, we conducted a stocktake of financial education initiatives² to paint a broad picture of the landscape of financial education in Hong Kong.

In 2018, we repeated the stocktake exercise to obtain an update of the financial education sphere and to identify areas for enhancement and collaboration among financial education practitioners.

Methodology

As with the stocktake exercise conducted in 2015, the research consisted of two phases:

1. Desk Research

Information was collected using online search covering:

- Organisations' corporate websites, including annual reports, press releases and publications of organisations identified to have provided financial education initiatives in the 2015 stocktake were covered
- a list of key financial websites were covered
- keyword search via online search engines

2. Stakeholder survey

Survey invites were sent to organisations identified to have provided financial education in the period as well as all supporting organisations of the Hong Kong Strategy for Financial Literacy³.

A total of 181 survey invites were issued with 35 stakeholders responding to the survey, accounting for 278 initiatives (41% of all recorded initiatives).

Definition of financial education initiatives

For this stocktake exercise, "financial education (FE) initiatives" are defined as:

- Any online and offline resources, events, programmes or activities that seek to raise the financial literacy level (i.e. a person's ability to manage personal finance and make informed financial decisions) of the general public or specific demographic segments.
- The initiatives can be on a continuous, regular or one-off basis.
- All initiatives are delivered in Hong Kong.

² The definition of financial education initiatives is re-aligned (and tightened) with the one used for the IEC's Financial Education Champions. Consequently the 2015 stocktake dataset was reviewed to ensure apple-to-apple comparison.

³ The Hong Kong Strategy for Financial Literacy (HKSFL) was launched by the IEC in November 2015 as an effort to enhance cross-sector collaboration in financial education, details can be found at the HKSFL website at <https://www.hksfl.hk/en/>.



This round of stocktake covered a 3.25 year period of January 2015 to March 2018. All findings are compared with the 3.5 year period covered in the 2015 stocktake (July 2011 – December 2014).

Limitations of the research

Despite the efforts in covering as many financial education initiatives as possible, the stocktaking exercise does not represent an exhaustive coverage of financial education initiatives in Hong Kong due to limitations of online search and voluntary responses from organisations.

Also, as the desk research is based on online search, coverage may skew towards online resources.

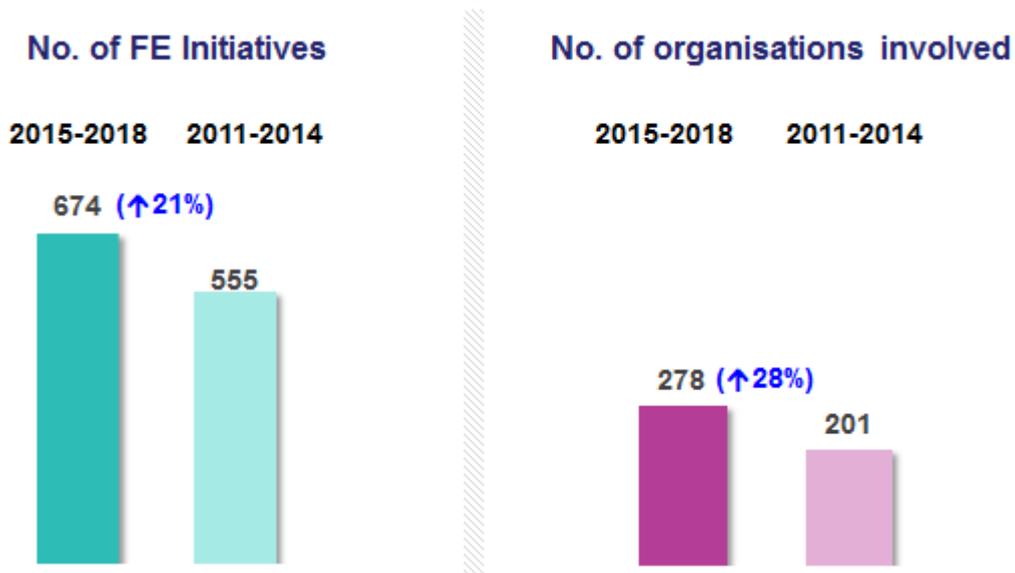


Research findings

A. Overview

Comparing the roughly 3-year period of both stocktakes, the number of financial education initiatives captured increased by 21%, with an even more pronounced increase in the number of organisations involved.

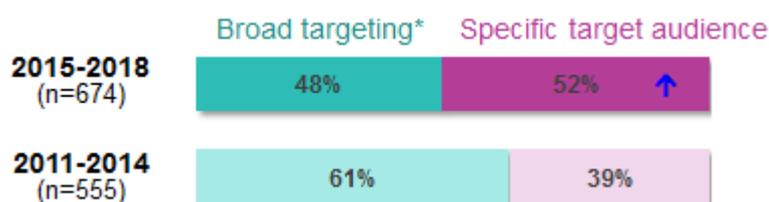
Fig1. Number of FE Initiatives and Number of organisations involved



B. Target segments

More than half of the initiatives targeted specific population segments (e.g. students, the elderly, special need groups) as opposed to the general public, compared to about one third in the 2011-2014 period. This means more specific segments were provided with tailored financial education addressing their needs.

Fig 2. Target audience of financial education initiatives



Remarks:

*Broad targeting refers to the general public or financial consumers

↑/↓ denotes 2015-2018 figures significantly higher/ lower than 2011-2014 ones at 95% confidence interval

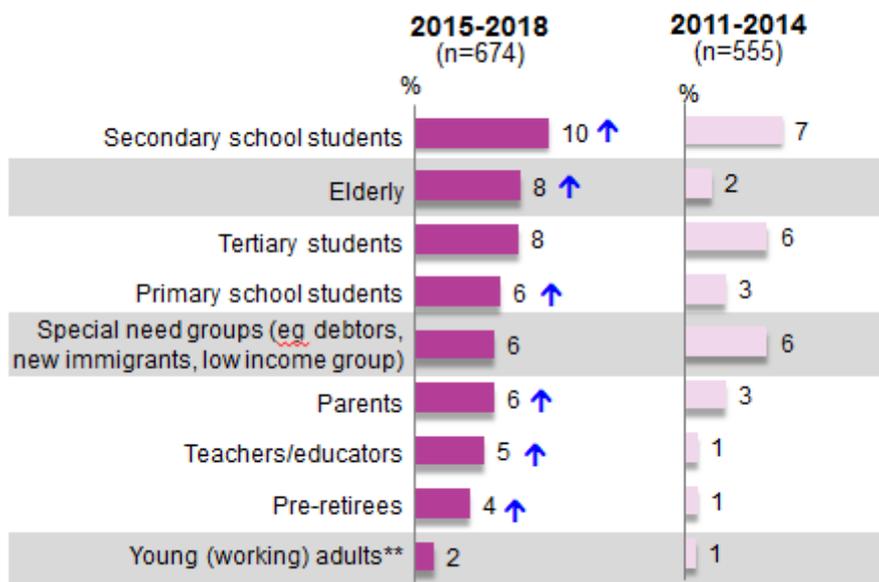


The number of initiatives for primary school, secondary school and tertiary students showed the biggest increase ranging from 6 to 10 percentage points. Pre-retirees, teachers and parents were also provided with more education initiatives (increment ranging from 4 to 6 percentage points).

Nevertheless, only 2% of the education initiatives targeted young adults. Considering that young adults (aged below 30) saw lower levels of financial literacy⁴, this segment may call for more tailored education efforts.

Vulnerable segments like the special need groups and the elderly also deserve more attention, particularly in view of the rapidly ageing society in Hong Kong.

Fig 3. Specific target segments



Remarks:

**Other mentions less than 4% on the total level are not shown

↑/↓ denotes 2015-2018 figures significantly higher/ lower than 2011-2014 ones at 95% confidence interval

C. Types of organisers

A diversity of organisations has contributed to financial education. NGOs and government departments/public bodies were the most active players in financial education, which together accounted for half of the recorded financial education initiatives. Universities/tertiary institutions, banks and financial regulators followed.

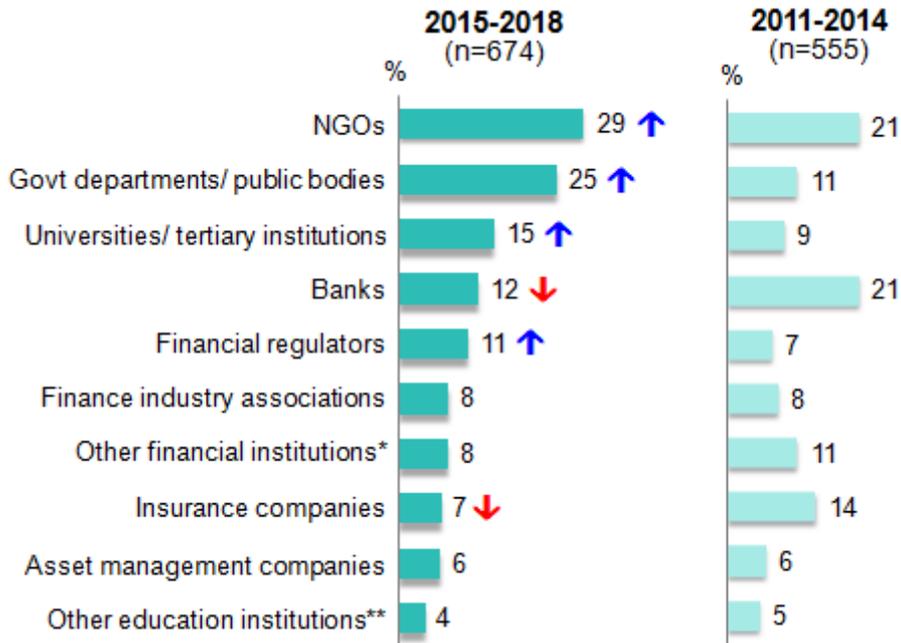
While financial institutions as a whole continued to contribute significantly to financial education, among them banks and insurance companies registered much less direct delivery in this round of stocktake. The drop was mainly the result of reduced informational content on corporate websites, as many had revamped their websites to

⁴ IEC Financial Literacy Monitor 2018
https://www.thechinfamily.hk/web/common/pdf/about_iec/iec-financial-literacy-monitor-2018.pdf



focus on products and services. There were also fewer newsletters to keep customers informed of the market developments. However, many remained important sponsors of education initiatives delivered by NGOs or community groups, which is not fully reflected in this study (note sponsors of initiatives were not counted as organisers in the stocktake).

Fig 4. Type of organisers



Remarks:

* Other financial institutions are those organisations that are not classified as one of the following groups: Banks, Industry associations, Insurance companies, Asset management companies

**Other education institutions are those organisations that are not classified as one of the following groups: Primary/ Secondary schools, Universities/ Tertiary institutions

Other mentions less than 4% on the total level are not shown

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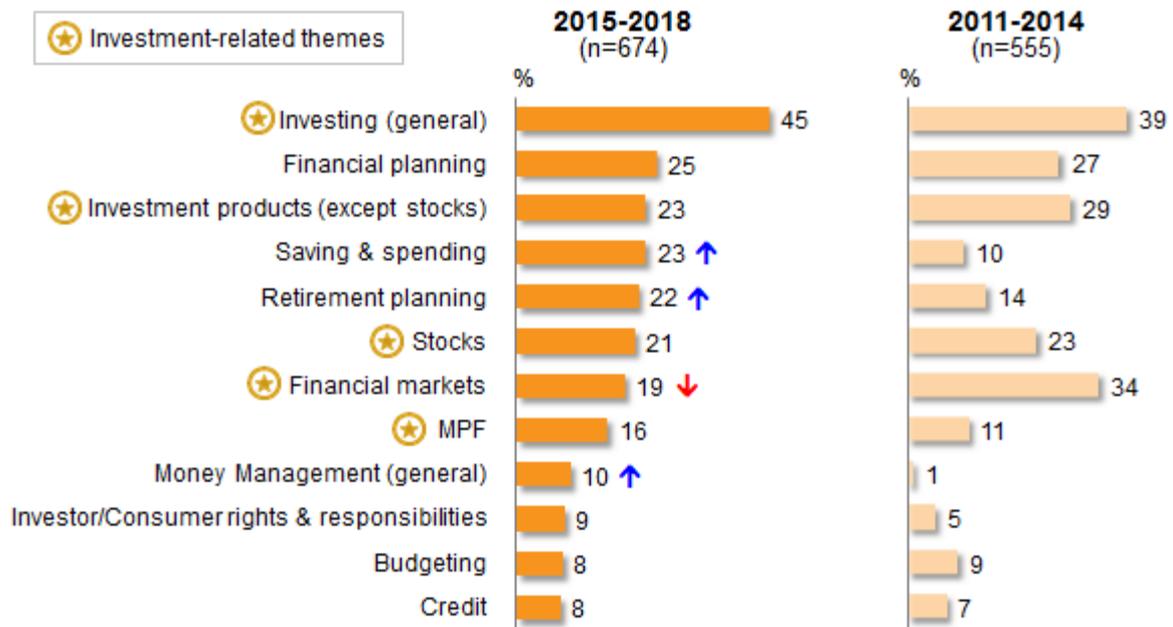
D. Education themes

While investment remained a key education theme, savings, retirement planning, MPF and money management gained more prominence as key topics for the recorded financial education initiatives. Over 20% of the education initiatives were about savings and spending and retirement planning in 2015-2018, compared to about 10% only in 2011-2014.

Responsible use of credit products and debt management, investor/consumer rights and responsibilities, as well as insurance products are relatively less covered and deserve more attention.



Fig 5. Education themes



Remarks:

Other mentions less than 8% on the total level are not shown

Each initiative can have more than one education theme

↑/↓ denotes 2015-2018 figures significantly higher/ lower than 2011-2014 ones at 95% confidence interval

E. Types of initiatives

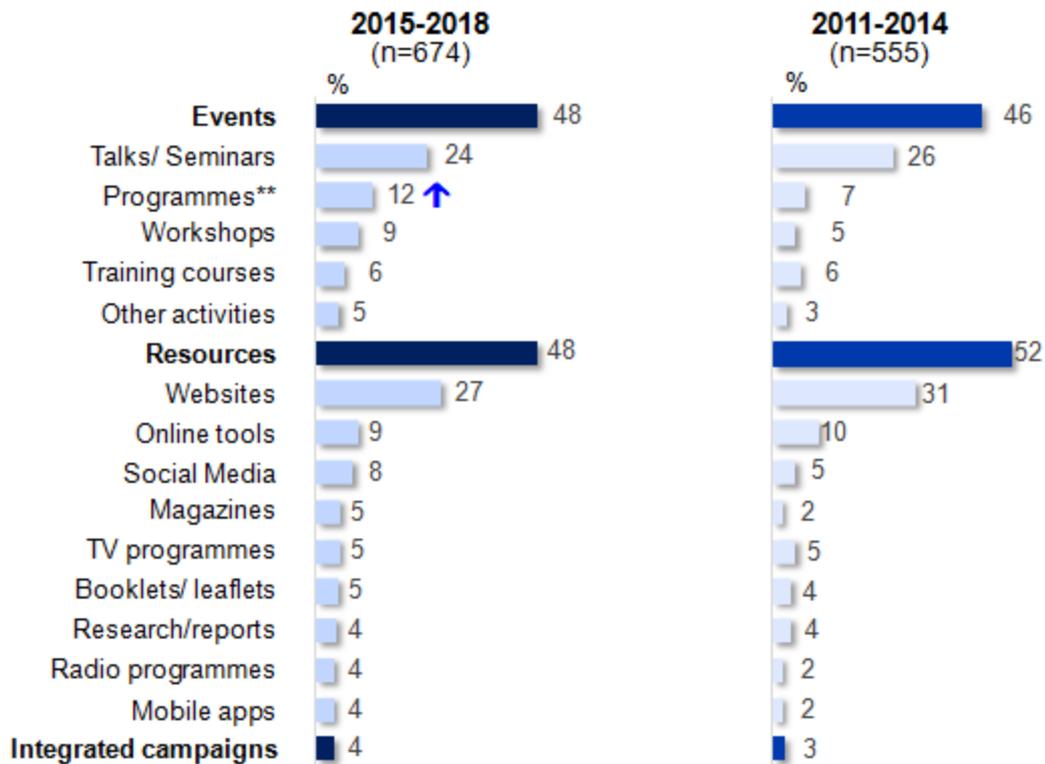
Education initiatives took the format of both events/ face-to-face initiatives and resources, which contributed to roughly equal proportions in both 2015-18 and 2011-2014 periods.

More education programmes involving multiple activities, such as a series of workshops held over a longer period of time, were organised in the 2015-2018 period (12% versus 7% in the 2011-2014 period).

Education resources were delivered via a wide range of platforms and channels, including websites, online tools, mobile applications, social media, booklets/leaflets, radio programmes, etc. Some initiatives were integrated campaigns using a variety of channels (4% in 2015-2018 period versus 3% in the previous period).



Fig 6. Types of initiatives



Remarks

*The figures need to be interpreted with the fact that the desk research was essentially based on online search

**Programmes usually involve multiple elements such as a series of workshops or activities that last over a longer period of time

Other mentions less than 4% on the total level are not shown

↑/↓ denotes 2015-2018 significantly higher/ lower than 2011-2014 at 95% confidence interval

F. Evaluation of initiatives

Only 8% of the recorded initiatives were found to have been evaluated in any form (either quantitative or qualitative evaluation available in the public domain or reported by organisers). This compared with 7% evaluated initiatives for the 2011-14 period, implying stagnant efforts in ascertaining the effectiveness of financial education initiatives and finding out what works best in promoting behavioural change in money management.

