

## **Appendix 2.**

### **Survey on How to Promote Consumer Education on Finance**

A total of 116 respondents - 99 groups and organizations engaged in consumer education on finance and 17 knowledgeable persons - kindly participated in this survey.

Figures in parentheses indicate the percentages of respondents who chose that answer. They are rounded off to the nearest tenth. Because the percentage of nonrespondents is not indicated in the results, percentages do not always total 100.

#### **(1) Level of Consumers' Knowledge and Understanding on Finance**

1) What level of financial knowledge and understanding do you think consumers currently have in general related to their everyday lives, such as content of financial products and services, whereabouts and content of financial risks, and consumer protection systems in terms of finance? (Choose one answer.)

- |                             |                  |
|-----------------------------|------------------|
| (a) Have an adequate level. | <b>1 (0.9)</b>   |
| (b) Have a certain level.   | <b>16 (13.8)</b> |
| (c) Have not much.          | <b>80 (69.0)</b> |
| (d) Have almost none.       | <b>19 (16.4)</b> |
| (e) Have no idea.           | <b>0 (0.0)</b>   |

2) What kind of financial knowledge and understanding do you think consumers lack? (Choose up to three answers.)

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|--|------------------|
| (a) Content of financial products and services.                              | <b>26 (22.4)</b> |
| (b) Appropriate ability to select financial products and so forth.           | <b>53 (45.7)</b> |
| (c) Whereabouts and content of risks of financial products and transactions. | <b>93 (80.2)</b> |
| (d) Scheme of consumer protection and basic legal system in financial areas. | <b>64 (55.2)</b> |
| (e) Basic mechanisms of finance and the economy.                             | <b>25 (21.6)</b> |
| (f) Awareness of the self-responsibility required of self-reliant consumers. | <b>74 (63.8)</b> |
| (g) Other.   | <b>3 (2.6)</b>   |

3) Why do you think consumers lack financial knowledge and understanding? (Choose up to three answers.)

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|--|------------------|
| (a) Because consumers have not felt the need to gain financial knowledge and gather information, as all financial institutions have to date offered similar financial products and services. | <b>81 (69.8)</b> |
| (b) Because consumers so far have believed that financial institutions will not fail.  | <b>55 (47.4)</b> |
| (c) Because consumers have felt that financial knowledge and information is too specialized and difficult to follow.   | <b>60 (51.7)</b> |
| (d) Because no entities such as the government, schools, and related organizations have been committed to undertaking consumer education on finance.   | <b>49 (42.2)</b> |
| (e) Because the awareness in society of the importance of consumer education on finance has been insufficient.   | <b>74 (63.8)</b> |
| (f) Other.   | <b>5 (4.3)</b>   |

**(2) Consumer Education on Finance in General**

1) Consumer education on finance is said to have functions to create smart consumers, prevent financial troubles, protect consumers, ease burden-sharing in the dispute settlement system and transaction rules, and strengthen a sound and efficient market mechanism. What do you think about the importance of consumer education on finance? (Choose one answer.)

- |                                    |                  |
|------------------------------------|------------------|
| (a) Think very important.          | <b>81 (69.8)</b> |
| (b) Think important.               | <b>34 (29.3)</b> |
| (c) Do not think so important.     | <b>1 ( 0.9)</b>  |
| (d) Do not think important at all. | <b>0 ( 0.0)</b>  |
| (e) Have no idea.                  | <b>0 ( 0.0)</b>  |

2) What kind of financial knowledge and understanding do you think is required of consumers? (Choose up to three answers.)

- |  |                  |
|--|------------------|
| (a) Content of financial products and services.                              | <b>19 (16.4)</b> |
| (b) Appropriate ability to select financial products and so forth.           | <b>64 (55.2)</b> |
| (c) Whereabouts and content of risks of financial products and transactions. | <b>99 (85.3)</b> |
| (d) Scheme of consumer protection and basic legal system in financial areas. | <b>57 (49.1)</b> |
| (e) Basic mechanisms of finance and the economy.                             | <b>28 (24.1)</b> |
| (f) Awareness of the self-responsibility required of self-reliant consumers. | <b>76 (65.5)</b> |
| (g) Other.   | <b>2 ( 1.7)</b>  |

3) For what purposes do you think consumers should make the most of their financial knowledge and understanding? (Choose up to four answers.)

- |   |                   |
|---|-------------------|
| (a) To undertake sound and rational household financial management.                         | <b>100 (86.2)</b> |
| (b) To increase financial assets.   | <b>22 (19.0)</b>  |
| (c) To protect oneself and family members against financial troubles and unexpected losses. | <b>103 (88.8)</b> |
| (d) To set up financial life planning.  | <b>71 (61.2)</b>  |
| (e) To raise children with a sound mind and notion of                                       | <b>32 (27.6)</b>  |

- independence and self-reliance.
- (f) To enhance one's education level and to broaden one's perspectives. **3 (2.6)**
- (g) To enhance one's judgment and other abilities required to become a self-reliant consumer. **89 (76.7)**
- (h) Other. **6 (5.2)**
- 4) What do you think should be the purposes and objectives of consumer education on finance? (Choose up to four answers.)
- (a) To allow consumers to enjoy the benefits of holding a variety of financial products and services. **36 (31.0)**
- (b) To prevent financial troubles proactively and to protect consumers. **97 (83.6)**
- (c) To undertake sound and rational household financial management. **83 (71.6)**
- (d) To ease burden-sharing in the dispute settlement system and transaction rules. **9 (7.8)**
- (e) To strengthen a sound and efficient market mechanism. **42 (36.2)**
- (f) To enable the sound development of the national economy. **48 (41.4)**
- (g) To foster self-reliant consumers behaving in accordance with the self-responsibility principle. **97 (83.6)**
- (h) Other. **1 (0.9)**
- 5) What problems and challenges do you think exist in consumer education on finance in Japan? (Choose up to three answers.)
- (a) Insufficient awareness in society of the importance of consumer education on finance. **95 (81.9)**
- (b) Insufficient cooperation and concerted actions between groups and organizations engaged in consumer education on finance. **18 (15.5)**
- (c) Basic financial education for children (i.e., pecuniary education) insufficiently conducted in schools, households, and elsewhere. **88 (75.9)**

- (d) That consumer education on finance is conducted neither systematically nor efficiently. **75 (64.7)**
- (e) That the methodology by which to promote consumer education on finance is still in a trial-and-error state, not yet established. **40 (34.5)**
- (f) That there is no established methodology regarding through what channel to press households for teaching consumer education on finance. **6 ( 5.2)**
- (g) Other. **4 ( 3.4)**
- 6) What do you think is important in raising the level of awareness in society of the importance of consumer education on finance? (Choose up to three answers.)
- (a) That the central and local governments should actively publicize the importance of consumer education on finance and undertake its infiltration into society. **57 (49.1)**
- (b) Strengthening cooperation and concerted actions between groups and organizations engaged in consumer education on finance such as related ministries and government agencies, local governments, and private groups. **52 (44.8)**
- (c) Streamlining in a systematic manner and on a national basis the objectives, meanings, content, and other related matters of consumer education on finance, and positioning them clearly in education and society, by formulating guidelines. **88 (75.9)**
- (d) Integrating consumer education on finance more closely into school education. **81 (69.8)**
- (e) Other. **4 ( 3.4)**

- 7) In pushing forward consumer education on finance in a concrete manner, what do you think is important to pay attention to, considering its features compared with consumer education in general? (Choose up to three answers.)
- (a) Content of financial products and services need to be explained **96 (82.8)**  
and taught as easily and plainly as possible to maximize consumers' understanding, as these financial products and services are intangible and difficult to grasp.
  - (b) Unlike education on other products, in which safety is **65 (56.0)**  
emphasized, consumer education on finance should be conducted from the perspective of how to deal with risks.
  - (c) Consumer education on finance should be conducted from a **49 (42.2)**  
cross-sector perspective and from consumers' standpoints as much as possible, as matters such as financial products and services cover a wide range of financial sectors.
  - (d) Consumers need to be provided with the latest, accurate **87 (75.0)**  
information and knowledge on financial products, services, and systems, as they continually change.
  - (e) Other. **6 ( 5.2)**

**(3) Who and What to Cover in Consumer Education on Finance**

- 1) Who and what do you think should be covered in consumer education on finance? (Choose one answer.)
- (a) Basic financial education closely related to everyday life, **107 (92.2)**  
targeting all people, including children.
  - (b) Financial information and knowledge suited to the needs of **5 ( 4.3)**  
those people who are keen on asset investments and management, targeting the class of those people.
  - (c) Basic education focusing on children, leaving adults **1 ( 0.9)**  
responsible for their own education.
  - (d) Other. **3 ( 2.6)**
- 2) If consumer education on finance is broadly applied to each population in Japan, which would be your ideal of following two choices? Should it be applied equally and evenly to all consumers, or should it be tailored to targeted consumers,

considering their specifics such as age? (Choose one answer.)

- (a) The same information and knowledge should be provided equally and evenly to all consumers, from children to elderly people. **2 ( 1.7)**
- (b) Some differentiation should be taken into account in the implementation of consumer education on finance according to characteristics of a targeted group. That is, the education should be equal and uniform throughout the whole nation when it should be, and the education content should be varied, for example, when the education needs to be conducted on the basis of age group and development level. **111 (95.7)**
- (c) Other. **6 ( 5.2)**

**(4) Breadth and Scope of Consumer Education on Finance**

1) What do you think is appropriate as the breadth and scope of consumer education on finance? (Choose one answer.)

(a) Provision of information and knowledge about financial products and services. **2 (1.7)**

(b) Provision of information and knowledge about financial systems such as the deposit insurance system and pension and insurance systems, as well as about financial products and services. **11 (9.5)**

(c) Provision of information and knowledge about financial products and services and about financial systems such as the deposit insurance system and pension and insurance systems, and provision of tools using above information and knowledge, such as computer-based financial life planning simulation and asset investment simulation posted on websites. **5 (4.3)**

(d) Provision of guidelines on how people should behave as consumers and education about ways consumers ought to be, including such matters as fostering awareness of the self-responsibility required of self-reliant consumers; education on how to prevent financial troubles and over-indebtedness; education on how to value goods and money; and encouragement for rational and well-designed financial life planning, as well as provision of information and knowledge about financial products and services and about financial systems such as the deposit insurance system and pension and insurance systems, and provision of tools using above information and knowledge, such as computer-based financial life planning consultation and asset investment simulation posted on websites. **98 (84.5)**

(e) Other. **0 (0.0)**

2) What do you think the relationship should be between consumer education on

finance and consumer education in general, or economic education? (Choose one answer.)

- (a) The breadth and scope of consumer education on finance **13 (11.2)** should be limited to finance only and be separated from consumer education in general and economic education.
- (b) Consumer education on finance should be conducted together **100 (86.2)** with related aspects of consumer education in general and economic education, as all are very closely related and cannot be separated from one another.
- (c) Other. **3 ( 2.6)**

3) What do you think should be the focus of consumer education on finance for adults and elderly people, if it is conducted separately for each age group? (Fill in any answer.) (Questions are asked later for primary, secondary, and high school students.)



**Summary of main opinions expressed by respondents:**

- (a) Issues such as financial products and services
  - Content, features, and risks of each financial product. Mechanisms of loans, credits, and other cards, and tips for using them. Enhanced knowledge of taxes applied to financial products.
  - Fostering financial knowledge as wisdom for living.
- (b) Issues such as information and knowledge on financial systems, including the deposit insurance system and pension and insurance systems
  - Content of each financial safety net. Mechanisms of the pension system.
  - Function, mechanism, and profit structure of intermediaries in fund-raising and investment. Relationships between the real economy and finance.
- (c) Issues such as provision of tools to make better use of financial information and knowledge
  - Provision of study materials that use game-based scenarios. Establishing a video library.
- (d) Issues such as guidelines on how people should behave as consumers and education about ways consumers ought to be
  - Education to provide case studies for the prevention of personal bankruptcy and of illegal sales practices targeting elderly people.
  - Education to prevent people from experiencing financial troubles and over-indebtedness.
  - Knowledge about how to deal with financial troubles when they occur and about trouble-settling institutions to which consumers can bring claims in.
  - Fostering awareness of self-responsibility.
- (e) Others
  - Pragmatic education about such matters as how to read and understand disclosure materials.
  - Important points to keep in mind in terms of optimal portfolio selection and asset management. Explanation of asset investment corresponding to each age group's needs.

**(5) Basic Financial Education for Children (i.e., Pecuniary Education)**

1) Recently, views have been expressed to stress the importance of basic financial education for children (i.e., pecuniary education), given a variety of social circumstances surrounding children. What do you think about the importance of this kind of education for children? (Choose one answer.)

- |                                    |                  |
|------------------------------------|------------------|
| (a) Think very important.          | <b>86 (74.1)</b> |
| (b) Think important.               | <b>27 (23.3)</b> |
| (c) Do not think so important.     | <b>3 ( 2.6)</b>  |
| (d) Do not think important at all. | <b>0 ( 0.0)</b>  |
| (e) Have no idea.                  | <b>0 ( 0.0)</b>  |

- 2) To what extent do you think primary, secondary, and high schools are currently conducting basic financial education for children (i.e., pecuniary education)? (Choose one answer.)
- |                     |                  |
|---------------------|------------------|
| (a) Adequately.     | <b>0 ( 0.0)</b>  |
| (b) To some extent. | <b>8 ( 6.9)</b>  |
| (c) Not much.       | <b>46 (39.7)</b> |
| (d) Almost nothing. | <b>59 (50.9)</b> |
| (e) Have no idea.   | <b>3 ( 2.6)</b>  |
- 3) How do you think primary, secondary, and high schools should react to basic financial education for children (i.e., pecuniary education)? (Choose one answer.)
- |   |                   |
|---|-------------------|
| (a) Engaged more positively.                                  | <b>111 (95.7)</b> |
| (b) In the same way as they currently are engaged.            | <b>5 ( 4.3)</b>   |
| (c) No need for schools to conduct basic financial education. | <b>0 ( 0.0)</b>   |
- 4) What learning activities do you think should be offered in basic financial education, if it is included in school education? (Fill in any answer.)

**Summary of main opinions expressed by respondents:**

*For Primary School -- 1st, 2nd, and 3rd Grades*

- Activities that teach how to value goods and money. Discipline about how to use goods and money.
- Activities that teach how money works (role of money) and the value of money (need for money).
- Basic education on contracts and commitments such as purchase of goods and keeping promises in everyday life.
- Activities that teach about the importance of planned savings and consumption.

*For Primary School -- 4th, 5th, and 6th Grades*

- Understanding how money fits into the economy and society.
- Practical education in the everyday-life-related areas, such as shopping activities in the household or using children's pocket money, to foster awareness of self-responsibility.
- Explanation of financial products, such as deposits and savings, insurance, and stocks, covering issues including their types, features, and risks.

*For Secondary School*

- Basic study of the whole group of financial products and services.
- Holding video-based study meetings, lecture meetings, and meetings, in which people explain personal experiences of being victims, about subjects such as card transactions, mail-order sales, and dishonest commercial practices.
- Understanding the social functions of money, learning about each type of card, and studying contracts and responsibility.
- Understanding the basic financial systems including finance, securities, and insurance.

*For High School*

- Learning about subjects such as financial products and their risks, loans and credits and over-indebtedness, financial safety nets, and contracts and self-responsibility.
  - Learning in a concrete manner how to use financial products (e.g., using computer simulations and experience-based learning through stock investment games).
  - Presenting matters such as actual cases of and how to settle financial troubles.
  - Learning about relationships between monetary policy and capital and financial markets. Learning about direct and indirect finances. Focus mainly should be on the fund-raising aspect of finance in primary and secondary schools and on the investment aspect of finance, using such teaching materials as games, in high schools.
- 5) What do you think about relationships between schools and other organizations and groups with regard to the concrete ways to promote basic financial education for children (i.e., pecuniary education)? (Choose one answer.)
- (a) Only schools should conduct basic financial education for children. **5 (4.3)**
  - (b) In addition to schools, entities such as households, communities, central and local governments, and related organizations should cooperate to conduct basic financial education for children. **104 (89.7)**
  - (c) Entities such as households, communities, central and local governments, and related organizations should cooperate to conduct basic financial education for children without participation of schools. **4 (3.4)**
  - (d) Other. **6 (5.2)**
  - (e) Have no idea. **1 (0.9)**
- 6) What method do you think is appropriate to effectively promote basic financial education for children (i.e., pecuniary education)? (Choose up to four answers.)
- (a) Strengthened ties with the Ministry of Education, Culture, Sports, Science and Technology and respective prefectural boards of education. **70 (60.3)**
  - (b) Strengthened ties with individual schools. **6 (5.2)**
  - (c) Strengthened ties with the community and households (PTAs). **31 (26.7)**
  - (d) Use of the “Periods for Integrated Study” at schools. **69 (59.5)**

(e) More integration of items of basic financial education into the Course of Study.	<b>73 (62.9)</b>
(f) Qualitative and quantitative enhancement of materials designed for basic financial education.	<b>50 (43.1)</b>
(g) Efforts to strengthen teachers' recognition of the importance of basic financial education for children.	<b>86 (74.1)</b>
(h) Use of the Internet.	<b>19 (16.4)</b>
(i) Other.	<b>5 ( 4.3)</b>

**(6) Methods of Consumer Education on Finance**

- 1) What types of methods do you think should be strengthened for consumer education on finance? (Choose up to four answers.)
- (a) Production and distribution of materials and videos. **67 (57.8)**
  - (b) Holding lecture meetings targeting the general public. **50 (43.1)**
  - (c) Provision of information and education activities using the Internet. **77 (66.4)**
  - (d) Development and enhancement of correspondence study courses. **15 (12.9)**
  - (e) Public relations activities using mass media such as newspapers, magazines, and TVs. **67 (57.8)**
  - (f) Study activities in financial life planning and savings districts. **27 (23.3)**
  - (g) Study activities in schools for pecuniary education. **16 (13.8)**
  - (h) Sending out lecturers to schools. **66 (56.9)**
  - (i) Other. **9 ( 7.8)**
- 2) The provision of information and education activities using the Internet has recently been highlighted. What concrete measures do you think are appropriate for Internet activities for consumer education on finance? (Choose all that apply.)
- (a) E-learning (i.e., provision of two-way study tools). **92 (79.3)**
  - (b) Posting on the website materials such as contents of booklets. **68 (58.6)**
  - (c) Networking with related groups and organizations. **61 (52.6)**
  - (d) Other. **10 ( 8.6)**
- 3) What do you think about the need to foster more experts or leaders for consumer education on finance? (Choose one answer.)
- (a) No need. **6 ( 5.2)**
  - (b) There is a need. **103 (88.8)**
  - (c) Cannot say which. **7 ( 6.0)**

**(7) Issues Including Ties With Groups and Organizations Engaged in Consumer Education on Finance**

- 1) The Central Council for Financial Services Information is endeavoring to strengthen ties, cooperation, and concerted actions with other entities such as related ministries and government agencies and private financial education bodies, based on the statement in the Financial Council's report of June 2000 that "it is

vital to conduct consumer education (on finance) in a systematic and efficient manner, by utilizing the networks of the Central Council for Savings Information and Prefectural Councils for Savings Information, in which entities such as business circles, consumer groups, local governments, and related ministries and government agencies participate.” What does your group or institution think about the importance of ties and mutual cooperation among those engaged in consumer education on finance? (Choose one answer.)

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|--|-------------------|
| (a) Think they are very important.   | <b>59 (50.9)</b>  |
| (b) Think they are important.  | <b>53 (45.7)</b>  |
| (c) Do not think they are so important.  | <b>2 ( 1.7)</b>   |
| (d) Do not think they are important at all.  | <b>0 ( 0.0)</b>   |
| (e) Have no idea.  | <b>1 ( 0.9)</b>   |
| <br>   |                   |
| 2) What concrete measures do you think are appropriate to strengthen ties and cooperation? (Choose all that apply.)  |                   |
| (a) Inviting speakers to lecture meetings.   | <b>47 (40.5)</b>  |
| (b) Co-writing materials and collaborating in their production.  | <b>59 (50.9)</b>  |
| (c) Holding joint lecture meetings.  | <b>49 (42.2)</b>  |
| (d) Establishing a forum of related groups and organizations to provide information and to exchange opinions.  | <b>82 (70.7)</b>  |
| (e) Providing information such as activities of related organizations using measures including the Internet (e.g. enhancing website links).  | <b>71 (61.2)</b>  |
| (f) Holding joint public relations activities about the basic financial knowledge and importance of consumer education on finance, using such media as newspapers.   | <b>50 (43.1)</b>  |
| (g) Please write here other concrete ideas to strengthen ties and cooperation, if any.   | <b>16 (13.8)</b>  |
| <br>   |                   |
| 3) From the viewpoint of strengthening ties and cooperation among organizations engaged in consumer education on finance, it could be considered worthwhile setting up on the Central Council’s website a new area allowing consumers to promptly be informed of names and activities of other major organizations engaged in consumer education on finance, and providing links to the websites of these organizations to strengthen networks among them. Do you agree with this idea? (Choose one answer.) |                   |
| (a) Agree.   | <b>105 (90.5)</b> |

- (b) Disagree. **0 (0.0)**
- (c) Cannot say which. **11 (9.5)**
- 4) To prevent financial troubles from occurring and to protect consumers, it is vital to conduct consumer education on finance, based on actual cases of financial troubles. To this end, it seems important that ties and cooperation exist between the Central Council for Financial Services Information and groups and organizations that settle financial troubles. In this regard, what concrete measures do you think the Central Council should take? (Choose all that apply.)
- (a) Exchanging information and views with groups and organizations that settle financial troubles. **85 (73.3)**
- (b) Producing educational materials through the cooperation from groups and organizations that settle financial troubles. **78 (67.2)**
- (c) Urging groups and organizations that settle financial troubles to use more widely the Central Council's educational materials. **47 (40.5)**
- (d) Other. **10 (8.6)**
- 5) What roles do you expect the Central Council for Financial Services Information to play, as a neutral and fair organization covering different sectors, in the promotion of consumer education on finance? (Choose up to four answers.)
- (a) Role as a public body for consumer education on finance through its neutral and fair standpoint. **77 (66.4)**

- (b) Role as a body providing cross-industry financial information and knowledge about banking, securities, insurance, and other areas, through its cross-industry status. **77 (66.4)**
- (c) Role as a coordinator and facilitator for private and public bodies engaged in consumer education on finance, including business circles, consumer groups, local governments, and related ministries and government agencies. **48 (41.4)**
- (d) Role as a national body providing a wide range of financial information and knowledge, using its nationwide networks. **68 (58.6)**
- (e) Role as a consumer protection body designed to protect consumers against such matters as financial troubles. **18 (15.5)**
- (f) Role as a leading body for the systematic promotion of consumer education on finance in Japan. **58 (50.0)**
- (g) Role as a body conducting basic research on consumer education on finance in Japan. **39 (33.6)**
- (h) Other. **4 ( 3.4)**
- 6) What concrete activities do you expect the Central Council for Financial Services Information to strengthen in terms of consumer education on finance? (Choose up to three answers.)
- (a) Producing and distributing materials about a wide range of financial products and services, written from its neutral and fair standpoint and covering banks, securities, insurance, and other areas in a cross-industry manner. **85 (73.3)**
- (b) Disseminating information on a wide range of financial systems such as the deposit insurance system, the Law on Sales of Financial Products, and the pension and insurance systems. **64 (55.2)**
- (c) Undertaking the prevention of financial troubles and consumer protection in cases such as over-indebtedness. **44 (37.9)**
- (d) Disseminating basic financial education for children in **77 (66.4)**



cooperation with such entities as the Ministry of Education,  
Culture, Sports, Science and Technology.

- |   |                  |
|---|------------------|
| (e) Encouraging financial life planning.                        | <b>17 (14.7)</b> |
| (f) Conducting basic research on consumer education on finance. | <b>39 (33.6)</b> |
| (g) Other.  | <b>3 ( 2.6)</b>  |