Certified General Accountants Association of Canada

The Certified General Accountants Association of Canada's Submission to the Task Force on Financial Literacy

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Executive Summary

Making financial decisions is important on a daily basis and throughout life. Moreover, being informed, having the skills as well as access to the resources to make sound financial decisions is absolutely essential – especially in today's complex financial world and uncertain economy. Financial literacy is a significant national issue.

In the following brief, CGA-Canada shares key findings from its extensive research reports on the subject of personal debt, saving and retirement planning – as well as their connection to financial literacy. Evidence has shown that while the level of household debt continues to rise, the savings rate of Canadians continues to be low – particularly when compared to some twenty years ago – and a majority of individuals still do not know how to plan for retirement. In short, some Canadians do not understand the fundamentals of money management, which has a measurable impact on the choices they make and an adverse effect on the economy as a whole. Canadians need to take very seriously the issue of developing their financial capability.

CGA-Canada fully supports the development of a national financial literacy strategy for Canada. We also believe that Canada's governments, the private sector, national organizations, community groups and others have done important work in this area, providing a solid foundation to move the financial literacy agenda forward. One way of doing so and adding value to the existing base of financial literacy materials and products is by promoting "best practices".

As the Task Force on Financial Literacy deliberates and subsequently reports to the Minister of Finance on its findings – including domestic and international best practices – CGA-Canada would recommend:

1. That any new national financial literacy initiative should be framed around the following principles:
    - National in scope
    - Well-informed
    - Integrated and inclusive
    - Efficient
    - Innovative
    - Life-events focussed
    - Responsive
    - Accessible and understandable
    - Impartial
    - Measurable

2. That the federal government should play the lead role – within an agreed-upon partnership arrangement with involved stakeholders – to strengthening and promoting financial literacy through any national Canadian-made strategy.

3. That the responsibilities and mandate of the Financial Consumer Agency of Canada (FCAC) should be expanded to enable the FCAC to function as Canada's central agency and to promote best practices in financial literacy.

4. That a single national website should be established here at home – a one-stop shop or repository that brings together and is dedicated to the best domestic and international practices of stakeholders, as well as co-ordinates, directs and promotes Canada's national literacy strategy.

We would add that CGA-Canada's endorsement of a national financial literacy strategy is not meant to replace the need for robust financial regulation or the need for basic social programs that provide a minimum level of financial security to all Canadians. Indeed, each of these is an essential and complementary element of a strategy to assist Canadians to meet their present and future financial needs.

"Financial literacy means having the knowledge, skills and confidence to make responsible financial decisions."

Task Force on Financial Literacy
Leveraging Excellence: Charting a course of action to strengthen financial literacy in Canada

Introduction

The Certified General Accountants Association of Canada (CGA-Canada) congratulates the Minister of Finance for appointing the Task Force on Financial Literacy and for examining this important public policy issue. Moreover, we are pleased that government has an interest to affect changes that will strengthen the long-term financial well-being of Canadians. We are pleased to contribute to this cross-Canada consultation process through the following written comments.

Founded in 1908, the Certified General Accountants Association of Canada serves 73,000 Certified General Accountants and students in Canada and more than 80 countries. Respected accounting and financial management professionals, CGAs work in industry, finance, government and public practice. CGA-Canada establishes the designation's certification requirements and professional standards, offers professional development, conducts advocacy, and represents CGAs nationally and internationally.

CGA-Canada also develops research on a wide range of topics that extend beyond accounting. Over the years CGA-Canada has looked at such topics as household debt, aging population, pensions, income trusts, productivity and competitiveness, budgetary balance of the federal government and others. This research aims to promote the public interest, heighten public awareness, serve as a factual basis for influencing social and economic policy, and encourage greater financial literacy among Canadians.

Financial literacy is essential

Making wise financial decisions is important for both the present and future circumstances of Canadians. In their daily lives and at key points throughout their lives, Canadians are confronted with financial decisions that can have significant consequences for their future. Being well informed and having the necessary skills to make sound financial decisions is absolutely critical – more so today than ever before – given our increasingly complex financial world. As noted in a 2005 report of a national symposium on financial capability:

> The ability to make informed financial decisions is essential for basic functioning in Canadian society. These decisions range from simple daily spending and budgeting to choices of insurance, banking, or investment products, to saving for retirement, home

> ownership, and post-secondary education. They have profound implications on the financial security, well-being, and prosperity of individuals and families.

This same report also notes that policy makers and financial service providers have often assumed individuals have the ability or access to resources to assist them in making financial decisions on their own – yet research by the Organisation for Economic Co-operation and Development (OECD) and some Canadian data dictate otherwise. Many Canadians do not understand or are not aware of how everyday financial decisions can and do affect their financial plans. In a 2009 report completed by CGA-Canada, survey results revealed that 24 per cent of Canadians did not think an interest rate hike, lower housing prices, wages or reduced access to credit would negatively affect their financial well-being.

The Task Force on Financial Literacy asks *what financial knowledge and skills are essential for all Canadians?* Under the Department of Human Resources and Skills Development Canada (HRSDC) and through the Office of Literacy and Essential Skills, the Government of Canada and other national and international bodies have identified and validated nine literacy and essential skills – these are (1) reading text, (2) document use, (3) numeracy, (4) writing, (5) oral communication, (6) working with others, (7) continuous learning, (8) thinking skills and (9) computer use.

Financial literacy relies upon and builds on these same essential skills; it also appears to require a somewhat more specialized or focussed set of analytical tools – including the ability to understand concepts such as interest rates or rates of return, compounding and marginal utility; to read and to understand complex financial statements or investment charts; to comprehend financial obligations or legal contracts; to determine the different benefits from competing financial products and services; and the critical ability to make informed choices, assess opportunities and measure results.

One important theme captured by the 2005 national symposium report on financial capability is that of low levels of literacy/basic skills among the Canadian population and – importantly – their implications on low financial capability. The report notes that "42 per cent of Canadians do not have the basic literacy and life skills to cope with the demands of our knowledge society and economy." The report also draws a number of connections between literacy/basic skills and employability, income, participation in the economy and financial markets as well as the use of information technology which could include anything from on-line banking to stock market analysis and investments. Simply put, literacy skills do matter.

It is apparent that a correlation also exists between low levels of literacy/basic skills and the financial landscape. Low levels of literacy make it even more difficult to navigate through the financial landscape – which can be overwhelming to any individual. In Canada, there are numerous financial literacy and financial service providers; a plethora of programs and initiatives at the federal, provincial and community levels as well as those offered by the private sector; multiple sources of information in addition to a host of websites devoted to educating the public on the financial sector; a wide range of dedicated tools and resources; a number of delivery mechanisms; and a maze of regulatory, jurisdictional as well as multicultural issues that come into consideration. Canada's financial landscape is complicated and vast – possibly even more so than other countries due to our decentralized system. With this complexity and overload of information and products, it is much more difficult to be financially literate today.

Borrowing and personal debt

CGA-Canada has produced two extensive reports on the subject of debt and consumption. We are in the final stages of our third report on the state of household debt in Canada, which is planned for release in May 2010.

The key findings of these reports are based on the administration of a national public opinion survey, the analysis of consumer survey results, a comprehensive literature review, and contextualization within other publicly available statistical information. The public opinion surveys have been administered by Synovate using a representative sample drawn from an online panel of approximately 110,000 individuals.

Household debt has been increasing significantly – jeopardizing the financial security of Canadian households and outpacing gains in personal disposable income, assets and the GDP. Canadian household debt escalated to $1.4 trillion in 2009, primarily as a result of consumption motives rather than asset accumulation. Canadian households have been financing consumption activity with unearned money as families increasingly reach for credit to finance day-to-day living expenses – a troubling trend. Below are a few alarming statistics from our 2009 report:

- 49% of Canadian families with one or more children under the age of 18 reported that their debt had increased;
- Lines of credit and credit cards account for the largest proportion of consumer debt, with 85% of indebted Canadians surveyed reporting that they had outstanding debt on a credit card;
- Some 21% of Canadians who are in debt say they are in over their heads and can no longer manage their debt load.

CGA-Canada also found that certain socio-economic groups are especially vulnerable to increasing debt – including low income individuals, households with children, young adults and the retired. In addition, we observed regional differences for those carrying household debt. As many as 56% of British Columbians told us their debt increased compared to the Canadian average of 42%, while about 30% of Atlantic Canadians maintained an unchanged debt level compared to 23% of the total respondents who said their debt remained the same.

CGA-Canada has always understood the connection between indebtedness and financial literacy. As noted in our 2009 report,

> Households' knowledge and skill to understand their own financial circumstances and the motivation to borrow, to spend and to save become crucial to marshalling households' financial security and well-being…To survive and to prosper in the modern financial world, Canadian households need to have financial capability. Households need to have knowledge and understanding that gives them the ability to effectively control money, apply financial knowledge in predictable and unpredictable situations, and appreciate the impact of financial decisions on their personal circumstances. In short, financial capability embodies understanding, creativity and discipline.

CGA-Canada also recognizes the elements of "good debt" and "bad debt", and cautions further that the assumption of good debt even can lead to a negative outcome – particularly where external shocks are manifested. The Task Force on Financial Literacy makes reference to building wealth, assets and credit ratings as "good debt", and variables such as unmanageability or unwise borrowing decisions for "bad debt". Anecdotally, we are inclined to agree and would venture further to say that the concepts of appreciation and depreciation are equally important. Borrowing money to finance the purchase of a home, which is more likely to increase in value, is preferable to or of lesser concern than an increasing consumer debt for day-to-day personal consumption, which is not backed by appreciable assets for example. That said, consumers need to be deliberate in preserving and growing home equity, and might best avoid the use of home equity to finance other consumption motives. Low financial literacy may impede the ability of individuals to understand the differences between "good" and "bad" debt.

Saving, investing and planning for retirement

When examining some of the issues and patterns associated with saving, investing and planning for retirement, similar worrisome statistics and trends emerge as is the case with borrowing and debt among Canadians. This serves to reinforce the need for increased financial literacy in relation to saving, investing and retirement planning.

In the consumer survey relied upon in our 2009 report, more than one third (36%) of the respondents indicated they do not make any type of regular savings. In addition to the Canadians who do not save, there are others who do not have any idea how much to save. We found that more than half (56%) of non-retired respondents did not know how much they needed to save for retirement. Furthermore, since the timing of this survey coincided with the onslaught of the global recession, the respondents were also asked to consider the impact of this period of financial and economic instability on their savings habits. The majority (78%) of those surveyed suggested that they did not plan to change their savings habits in order to build (or rebuild) their financial cushion.

Research demonstrates that private retirement savings takes place through a variety of mechanisms – employer- or company-sponsored savings plans including a defined benefit (DB) pension plan or a defined contribution (DC) pension plan, individual retirement savings plans like the Registered Retirement Savings Plan (RRSP) or tax-assisted programs such as the Tax-

Free Savings Account (TFSA), not to mention home equity and a regular savings regime for a consecutive period of time.

In short, the savings and investment profile of Canadian households is both diverse and convoluted, which necessitates some measurable degree of financial literacy or capability. As recently pointed out by the C.D. Howe Institute:

> Making smart savings choices is critical to ensuring Canadians have access to sufficient and secure post-retirement incomes….[T]o make smart choices, Canadians…need both adequate information and…appropriate vehicles to provide efficient risk-adjusted management of their savings both during working years and in retirement.

What kind of information is needed to make well-informed savings and investment decisions to meet one's particular circumstances? A number of factors come into play – above all, it is important to recognize that the need for information and type of information required often depend on the specific investment undertaken. For example, knowing the interest rate and having an idea on the duration of contribution are important when purchasing a Guaranteed Investment Certificate (GIC). Similarly, before investing in stock, one would want to conduct research and obtain as much information as possible about the company or portfolio to determine if this would be a safe or risky investment. In addition, when planning for retirement, one would have to consider his/her income level, return on savings and investments, number of contribution years and age of retirement, among other factors. To complicate matters, one would also have to be aware of the different savings and investment vehicles and the role each vehicle plays in generating income and meeting financial goals. First and foremost, one needs to start saving and investing early, develop a plan with goals and stay on track.

Importantly, Canadian consumers can rely on professionals such as accountants, financial planners and industry experts to guide and to inform. Much can be learned from these individuals; but perhaps the most important lesson to be learned is one of discipline, planning and deliberateness of action. So while we encourage reliance on professional accountants and others, CGA-Canada and its Research Foundation simultaneously support improved financial literacy and empowerment with a view to increased self-reliance.

The Task Force has asked *what motivates people to save?* CGA-Canada has observed that those who save do so mainly for retirement, financial security for unexpected circumstances and vacation/entertainment activities.

Nevertheless, it is crucial to recognize that intentions to save do not always materialize into deliberate actions. For instance, the survey included in CGA-Canada's 2009 report revealed that 62% of respondents with general knowledge about TFSAs indicated that they planned or *intended* to make contributions to these savings accounts. As definitive data planned for release in May 2010 will demonstrate, the outcomes were markedly different.

In a recent *Globe and Mail* article, Sun Life Financial CEO Don Stewart, Chair of the Task Force on Financial Literacy, noted that "employees are much more likely to opt in to a corporate pension plan if the company automatically enrols them and requires them to fill out a form to opt out." This approach entails a much more proactive role for the private sector, where the employer would be more involved in assisting the employee to engage in savings. Similarly, to encourage Canadians to participate more fully in private pension savings, incentives could be provided to employers to make workplace pension plans (e.g. matching contributions) more available to employees – an initiative endorsed by CGA-Canada.

Ultimately however, individuals must recognize that they have the responsibility for their own financial well-being and to look after their own interests. CGA-Canada's research into retirement income – and employer-sponsored pension plans in particular – demonstrates that there has been a fundamental shift in the composition of the Canadian retirement system, from defined benefit pension plans to defined contribution pension plans. This effectively transfers the risks from the employer to the employee, which calls for the need for strong financial literacy to enable individuals to manage their own affairs.[1]

In its latest pension paper, the C.D. Howe Institute estimates that "most Canadians, should they wish to retire at age 65 and replace 70 per cent of their working incomes, will need to save from 10 to 21 per cent of their pre-tax earnings every year, if they save for 35 years." Setting aside the debate over whether 70 per cent is necessary, or if 60 or even 50 per cent is sufficient – which depends on income and consumption patterns – the article raises some interesting issues. In specific, to achieve a retirement income equal to 70 per cent of one's pre-retirement income means a savings rate that far exceeds what most individuals save, what employers contribute to pension plans, and – importantly – what the *Income Tax Act* permits.

In other words, being well-informed on money matters and being motivated to save and invest may not be enough in today's economic and financial world. There are still significant obstacles to generating adequate income to cover retirement expenses. All of this tells us there is a gap or disconnect between what Canadians may wish to achieve and what public and private pension/income programs can realistically deliver. Canadians need a better appreciation of the limitations of Canada's social programs and the gap that is left for them to fill should they wish to maintain their standard of living after retirement. Financial literacy provides individuals with the knowledge and resources to help bridge the gap between their financial goals and their actual wealth.

CGA-Canada believes all Canadians should have equal opportunity and equal access to build and secure adequate retirement income. To echo some words expressed by the Canadian Bankers Association, with the right structures, incentives and opportunities – as well as a more concerted

[1] For more information, see CGA-Canada's Presentation before the House of Commons Standing Committee on Finance, *Funding Status of Defined Benefit Plans*, March 16, 2010.

effort to promote financial literacy – Canadians can be encouraged to better save, invest and plan for retirement.

A national financial literacy strategy

Financial literacy is an important national issue. It requires a national response.

According to the *Canadian National Survey on Economic and Financial Capability*, completed by the Canadian Foundation for Economic Education in November 2008,

- Canadians place a high premium on economic and financial education;
- Canadians do not appear to be particularly satisfied with the formal avenues of education;
- Confidence in dealing with economic and financial matters is fairly high, but is not matched by the level of knowledge displayed;
- Education appears to be the principal driver of economic and financial literacy; and
- Canadians appear to recognize that economic education is a crucial asset in a difficult economy and an unstable job market and are likely to be highly supportive of such actions.

CGA-Canada supports the Task Force on Financial Literacy's mission to develop a Canadian-made national strategy for financial literacy. Drawing on some of the ideas and good practices advanced by research reports in this area,[2] we believe the principles below are key to defining, designing and developing such a strategy.

National in scope

When formulating a national plan for financial literacy, Canada can look to models from other countries. In Australia, the United Kingdom and the United States, non-partisan governmental bodies have been established with oversight responsibilities for financial literacy and each of these agencies have developed national strategies supported by websites to coordinate, direct and promote financial education programs.

Canada has a federal agency of this nature – namely, the Financial Consumer Agency of Canada (FCAC). Established by the federal government in 2001, the FCAC has been assuming a greater role in financial literacy over recent years. Budget 2007 provided the FCAC with $3 million over two years specifically earmarked to address financial literacy. In 2007, the FCAC's Financial Literacy program was initiated and the FCAC launched its financial literacy web portal

[2] Sources include: Financial Consumer Agency of Canada, *Moving Forward with Financial Literacy, Synthesis Report on Reaching Higher: Canadian Conference on Financial Literacy*, September 9 and 10, 2008; Government of Canada, *Why Financial Capability Matters. Synthesis Report on Canadians and Their Money: A National Symposium on Financial Capability held on June 9-10, 2005 in Ottawa*; Larry Orton, Canadian Policy Research Networks, *Financial Literacy: Lessons from International Experience*, September 2007.

in June 2008 (**www.themoneybelt.gc.ca**), which provides a wide range of financial education resources for teachers, youth and the public.

With this established agency and these resources already in place, CGA-Canada submits that the FCAC is well-placed to assume a stronger role in a Canadian-made national financial literacy strategy.

Well-informed

The creation of the Task Force on Financial Literacy and the launch of an extensive consultation process is definitely a step in the right direction – as it provides an opportunity for widespread public input to inform the debate and recommendations which will eventually be put forward by the Task Force to the Minister of Finance.

Moreover, as acknowledged by the Task Force, the experiences of other countries provide valuable lessons that cannot be ignored in striving to ensure Canadians have access to financial capability information, impartial advice and the best practices. Canada can learn from and even improve upon the strategies developed by our global neighbours – including Australia, the United Kingdom, the United States and New Zealand. Continued and active international engagement is important as Canada forges ahead with its financial literacy agenda.

There is much research and work to be done. We need to better understand human behaviour and close the gap between what people say they will do and what they actually do. We need to increase public awareness about the importance of financial literacy and enable people to better access this information. More needs to be learned about the financial literacy requirements of individuals at various stages in their lives and how financial education programs and tools should be designed and delivered to best suit their needs. The acquisition of financial literacy skills is a matter of lifelong learning, not something that can be adequately addressed all at once. In addition, more evaluations need to be undertaken to determine which programs are successful or not. Finally, we cannot discount the importance of broader public policy issues at play here, many of which are being discussed through the deliberations underway on Canada's retirement income system at present.

Integrated and inclusive

There is a role for everyone in financial literacy. As discussed, through the FCAC and the Task Force on Financial Literacy along with its consultations, the federal government is active in this issue. Provincial governments support financial literacy through the delivery of financial education in the public school curriculum. The private sector – SMEs, industry, financial institutions, financial advisors and others – are doing their part as engaged stakeholders and, for some, financial literacy providers. We also know that the community or voluntary sector is participating in outreach strategies to those most in need and most at risk.

The best way to promote and increase financial literacy across Canada is through an integrated, co-ordinated and collaborative approach or framework that brings multiple stakeholders together, maximizing their efforts and resources.

While it is evident that Canada's unique features do not accommodate a "one-size-fits-all" approach, there needs to be clear leadership, direction and coordination at the national level.

CGA-Canada believes that the federal government, through the FCAC, is well poised to step up to the plate, work with partners and move the financial literacy agenda forward. While recognizing that financial literacy is a shared responsibility and that education is a provincial responsibility, the federal government could lead effective dialogue, support research and innovation (e.g. pilot projects within the education system), work with the provinces and territories (including the Council of Ministers of Education, Canada) to integrate financial capability in policy making and program delivery, and to promote the best practices of our country and our global neighbours.

Efficient

We join with the Task Force and others who recognize that many components of a national financial literacy strategy are already in place or in our grasp – and that it may be largely a matter of better co-ordinating existing resources rather than creating a lot of new programs that will only duplicate what currently exist. Canada's governments, the private sector, national organizations and community groups have done important work that can provide a foundation.

Canada needs to build on or improve this foundation. One way of doing so and adding value to the existing base of financial literacy materials and products is by promoting "best practices". Best practices are those deemed to be the most efficient or effective in delivering a desired outcome – that is, a procedure or method which, over time, has proven itself to be better than any other procedure or method used for the same purpose. Best practices are those that are most successful – they are measurable and results-focussed. In the case of financial literacy, best practices could be easily incorporated into policies, procedures and an online support system or national repository that is publicly accessible (see page 13 under the principle "accessible and understandable"). CGA-Canada is pleased that the Task Force's report and recommendations to the Minister of Finance will take domestic and international best practices into account.

Innovative

While Canada has a foundation on which to build, there will always be a need to look at new approaches to achieve positive results.

In CGA-Canada's 2009 background report on RRSPs, we found that conventional measures to instil financial awareness seem to have created a fatigue and adverse reaction among Canadians – 59 per cent of whom "hate being told they aren't saving enough for retirement".

It follows that in cases where new approaches might be required, pilot projects may prove useful due to their limited scope and the ability to evaluate if they are working as designed.

Life-events focussed

For any financial literacy initiative or program to be effective, it seems logical that information, education and advice must be relevant and targeted to a particular circumstance or life event – which often coincides with age. For instance, individuals finishing their education and launching their careers have different financial literacy needs than those who are purchasing a home, starting and raising a family, planning for retirement or drawing on savings.

The 360 Degrees of Financial Literacy website – managed by the American Institute of Certified Public Accountants – is one such site that is effectively organized according to life stages. Under each stage – such as childhood, college, career, couples and marriage, parenthood, home ownership, entrepreneurs, life crisis, sandwich generation and retirement – one will find specific information, tools and FAQs to help consumers make sound financial decisions at each and every phase of life.[3]

CGA-Canada believes this is a good approach to promoting and enabling financial literacy.

Responsive

A national framework for financial literacy must be responsive to a number of factors or circumstances that are unique to Canada.

Given that both the federal and provincial governments have responsibilities in the areas of financial services and consumer protection – not to mention provincial responsibility over education – jurisdictional issues need to be recognized and respected. Any national financial literacy strategy that draws on existing materials and resources would also need to acknowledge ownership issues associated with those participating. In addition, Canada's complex and fragmented regulatory system would present a challenge. Moreover, Canada's size, geography, multicultural population and two official languages are other distinctive, albeit essential considerations in the development and implementation of a Canadian-made national financial literacy strategy.

Accessible and understandable

To reach all Canadians, financial literacy information needs to be comprehensible as well as readily and conveniently available.

As first steps in coordinating financial education outreach, several countries – such as Australia, the United Kingdom and the United States – accepted the web as their tool of choice, as a single source of sound and objective advice on financial education matters. This online outreach strategy in itself may be deemed a good practice. CGA-Canada believes Canada could consider establishing a single national website or common portal – and incorporate the best ideas and the best practices developed within Canada and by our global partners.

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[3] For further information, consult 360 Degrees of Financial Literacy at **http://www.360financialliteracy.org/**

Again, CGA-Canada would suggest that through the federal government, the FCAC may be a logical candidate to spearhead this endeavour and promote or showcase best practices in financial literacy.

However, we would caution it is important to recognize the limitations of relying on the internet as a sole source – especially in remote and rural areas that lack access, or for low-income individuals who cannot afford to be connected to the worldwide web. There are always options worth considering – such as providing a toll-free number in addition to the website. Furthermore, in terms of our disadvantaged groups, this underscores the importance of our community/voluntary sector along with their outreach strategies and delivery approaches.

Impartial
Financial literacy information must also be objective and free from prejudice or secondary sales agendas. It is not about recommending or selling a product/service. The information provided and delivered should focus on assisting individuals in understanding their financial situation, the choices at their disposal, and what action is required to meet their needs.

Measurable
As accountants, we would be remiss if we did not mention the importance of a framework, with agreed-upon principles, to measure the effectiveness/impact of financial literacy initiatives and to track and evaluate progress and outcomes. Moreover, this evaluation process must be transparent and accountable. We understand these issues are being researched and discussed by the Task Force on Financial Literacy.

Recommendations

CGA-Canada recommends that,

1. Any new national financial literacy initiative should be framed around the following principles:
    - National in scope
    - Well-informed
    - Integrated and inclusive
    - Efficient
    - Innovative
    - Life-events focussed
    - Responsive
    - Accessible and understandable
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2. The federal government should play the lead role – within an agreed-upon partnership arrangement with involved stakeholders – to strengthening and promoting financial literacy through any national Canadian-made strategy.

3. The responsibilities and mandate of the Financial Consumer Agency of Canada (FCAC) should be expanded to enable the FCAC to function as Canada's central agency and to promote best practices in financial literacy.

4. A single national website should be established here at home – a one-stop shop or repository that brings together and is dedicated to the best domestic and international practices of stakeholders, as well as co-ordinates, directs and promotes Canada's national literacy strategy.

Concluding remarks

CGA-Canada applauds the work being done by the Task Force on Financial Literacy and we fully support the development of a national financial literacy strategy for Canada. Research has confirmed that some Canadians do not understand the fundamentals of money management, which has a measurable impact on the choices they make and an adverse effect on the economy as a whole. Financial literacy provides a critical set of life skills and tools to individuals and it makes for a more prosperous society. We wish the Task Force on Financial Literacy much success in its deliberations and we look forward to its recommendations.

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