



FINANCIAL EDUCATION COMMUNICATION CONTEST ORGANISED BY THE GENERAL COUNCIL OF SPANISH ECONOMIST ASSOCIATIONS

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I would like to thank Valentín and the General Council of Spanish Economist Associations for inviting me to participate in this event. I would also like to extend a greeting to the Vice President and Minister of Economy and Digital Transformation, Nadia Calviño, and the Governor of the Bank of Spain, who are with us at this event.

Undoubtedly, the true players at this event today are the upper secondary school students who have participated in the contest. I would like to congratulate the finalist schools, and in particular, the two winners of this year's competition: IES Miguel de Molinos, of Aragón, and Nuestra Señora del Huerto, of Navarra.

You can be pleased with the work done. I had the opportunity to see the five finalist videos, and also some of the other videos submitted, and I must say that I was greatly impressed by the high quality and the students' rigour in dealing with such a complex dilemma as that existing between saving and consumption, as well as the creativity and imagination in reflecting this dichotomy visually and in such a fun and visual way.

Finding this responsible balance between consumption and saving is particularly difficult in the current situation of economic crisis caused by the pandemic. The reduction in income affects many families and businesses, and uncertainty regarding the foreseeable future is high. This makes it all the more necessary today to devote time to proper financial planning.

The CNMV and the Bank of Spain, in collaboration with the Ministry of Economy, have been promoting the Financial Education Plan since 2008. In the context of this plan, we have implemented various information and educational tools and promoted a school programme aimed at secondary school, upper secondary school and professional training students, among other activities.

In addition to these joint initiatives, we at the CNMV place particular emphasis on financial education from an investment perspective. Thus, for example, we have a specific section on our website where we disseminate educational guides and multimedia tools - such as videos, infographs and podcasts - to enhance the knowledge and understanding of key financial terms, products, their returns and associated financial risks.

For all the young people who are listening to us, I would recommend the last guide published as a manual for university students¹, which is a good overview of issues such as the role of investing and the securities markets, or the characteristics of key investment products, with working examples which can easily be followed.

In the videos submitted for the contest, I have noted with satisfaction that reference is made to highly topical and relevant issues, such as the circular economy. Moving towards a more sustainable and inclusive economy requires redirecting investment flows. At the CNMV, we are currently working on the development of a framework for sustainable finance, which fosters this type of investment and in turn enables investors to have access to reliable and comparable information, which also helps them to understand the risks of the different products offered on the market.

Another issue which I consider is of special interest is to have a good understanding and knowledge of the biases that can affect our investment decisions and actions. Here I am referring to behavioural economics, an issue in which we have also collaborated with the General Council of Spanish Economist Associations. Biases such as overconfidence, illusion of control and herding behaviours can cause us to make financial decisions that are not in line with our real needs².

Finally, please allow me to recall the importance of being well informed before taking any investment decision. This is particularly relevant in view of the proliferation of options for investment boosted by the development of new technologies. The use of new technologies has very important positive aspects, which could modernise certain financial system processes, but when they are considered as an investment alternative, special attention should be paid to the risks to be borne. In particular, it is important to be informed in advance in the case of unregulated, complex products whose value is subject to high volatility.

Investing in financial education will be very useful throughout your life. It will help you to adjust your needs, to avoid borrowing or excessive risks, and also being able to detect cases of fraud - which, unfortunately, do exist - and, in short, to achieve the vital goals you set.

Thanks once again to the General Council of Spanish Economist Associations, which has been collaborating in the Financial Plan since 2018. And to all of you for your attention. It has been a pleasure to participate in this event.

¹ CNMV Guide "The securities market and investment products. A manual for university students".
<https://www.cnmv.es/DocPortal/Publicaciones/Guias/ManualUniversitarios.pdf>

² See "*Del Homo economicus al Homo humanus. Breve aproximación a la economía conductual*" (From Homo economicus to Homo humanus. A brief overview of behavioural economics), by María Eugenia Cadenas Sáez, CNMV Quarterly Bulletin, 2008 (I). https://www.cnmv.es/DocPortal/Publicaciones/Boletin/Boletin_CNMV_I_2018.pdf

And the CNMV guide "Psicología económica para inversores" (Economic psychology for investors).
https://www.cnmv.es/DocPortal/Publicaciones/Guias/Psicologia_economica_para_inversores.pdf