



"For sustainable financial education" Second edition of the audiovisual communication competition on financial education

MONTSERRAT MARTÍNEZ PARERA, VICE-CHAIR OF THE CNMV
9 March 2022

Good morning.

I am delighted to participate once again in this year's award ceremony of the Council of Economists, and I do so in the company of the Deputy Governor of the Bank of Spain and Valentín Pich, Chairman of the Council of Economists.

The first thing I would like to do is to congratulate the five schools that reached the final, and in particular the winners of this edition, the students of the Nova School Añoreta from Málaga, and the second runner-up, Sagrado Corazón de Jesús from A Coruña. You have all done an excellent job and have managed to tackle very complex concepts such as sustainability, cost-effectiveness and the circular economy in a very ingenious way. Therefore, you can be very proud of the work you have done. Today you are the real stars of this event. So, congratulations once again.

Sustainability is not a passing fad, nor a trend that will disappear in the coming years, but rather it is a reality that will eventually permeate all areas of business, companies, public policies and also our own consumption habits. I usually say that, in the future, what is not sustainable will simply not exist. And you, with your decisions, are already building this future. And I mean sustainability in a broad sense, including environmental issues such as climate change, pollution control; but also, social issues such as human rights and labour relations.

Many companies already take these issues¹ into account and incorporate them into their decision-making processes and daily activities, as they are aware that society demands this global commitment, which goes beyond the pursuit of profitability and financial returns. It is, after all, as was said in one of the videos, about being able to

¹ Environmental, social and governance (ESG) factors. See the CNMV Quick Guide "[Sustainable Finance](#)".

meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

It is up to you to decide how you want us to move forward as a society. Because with your daily decisions and your consumption habits you are already contributing and helping us to have a more liveable and sustainable world. And to that end, to know how to progress and how to do it, education and knowledge are key.

That is why I ask you to keep on studying, never lose your curiosity and interest, and in particular to keep yourselves informed on matters related to finance, savings and investment, because they will be part of your daily life in the future. I know that there are some concepts, such as profitability or interest rates, which may be somewhat abstract or unclear, but understanding them will help you to make the decisions that will allow you to fulfil your objectives. In the end, the more you invest in education now, the bigger the toolbox you will have tomorrow to solve any dilemma that may arise.

This is of growing importance. During the Covid pandemic, we observed that more and more people are investing directly in the stock market, without brokers, and that they are also increasingly younger². In fact, at the beginning of 2020, the direct participation of Spanish investors in the stock market increased fourfold, and the percentage of investors between 18 and 34 years of age doubled, from 5% to almost 10%.

Today, thanks to mobile phones and new applications, we can operate at any time and in any place. Everything is at our fingertips.

And this offers great benefits, but also poses new challenges. It all depends on how we use social media and how much we trust the information we find there, especially from influencers and other sources. Trusting or following what others do is a behaviour that has been widely studied and is nothing new³. This is called the halo effect or the tendency to imitate the actions of others in the belief that it is the right thing to do. The problem is that this can lead to biases or errors in our thinking when making investment decisions and lead to outcomes that do not benefit us. Being influential does not mean knowing everything, let alone being able to offer investment advice. Therefore, be critical before blindly following investment advice.

² CNMV (2022), Cambronero G. and Ruiz G. [Analysis of retail investor behaviour in financial markets during the COVID-19 crisis](#).

³ CNMV, Quick guide "[Main investor biases](#)".

There are entities that are authorised to do so and that have proven experience and expertise.

Technology also opens up a whole new world of products and offerings, sometimes outside the realm of the supervisor, such as crypto-assets. These products are often sold on the basis of a promise of high returns. But we have to remember that they are unregulated, may not be suitable for retail investors and all investment may be lost. And this, as a supervisor of securities markets, concerns us. That is why we have started to monitor their advertising⁴ and have issued several warnings^{5,6} about them. Moreover, let us remember that the unregulated environment can become a breeding ground for fraud and deception.

In short, be on your guard and be wary of promises of safe returns, or of applications that are more like a video game than an investment platform. Investing savings is too serious a matter for it to be treated like a mere game.

And I will end by returning to today's topic: sustainability. As you mention in one of the videos, we all have to get involved if we want to enjoy a sustainable future. We are facing an unprecedented paradigm shift, which is already mobilising large volumes of investment and changing the way companies around the world produce. You are the final key cog in this chain, and with your decisions, insofar as you incorporate your sustainability preferences, you can shape and drive the necessary transformation of society. It is in your hands.

Thanks for your attention.

⁴ [Circular 1/2022, of 10 January, of the Spanish National Securities Market Commission, on the advertising of crypto-assets for investment purposes.](#)

⁵ [Joint press statement by the CNMV and the Banco de España on cryptocurrency investment risks](#)

⁶ [ESMA's Statement on Investment Recommendations on Social Media.](#)