

## **The Consumer and Financial Literacy Taskforce**

### **Submission**

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Q 2.2

Are Socio-economic and demographic factors that important? How should they be factored into what information providers produce?

Whilst acknowledging that socio-economic and demographic factors are important, it would be almost impossible to tailor information so specifically to reflect an understanding of factors relevant to all groups in our society. Information providers do however need to decide who their target audience is and where possible tap into issues which may be common to the group as a whole, whilst also incorporating issues affecting minority groups. Incorporating case studies can be a useful way of broadening the educational value of the material to ensure minority groups are catered for.

Q 2.3

Is a broader understanding of human behaviour useful in addressing consumer and financial literacy? How do we best discern the different personal characteristics of people in the community?

A broader understanding of human behaviour is useful in addressing consumer and financial literacy. The Myers Briggs Type Indicator (MBTI) could be of some use to information providers when developing material on financial literacy for consumers to read. It might also be valuable to create a test which provides individuals with some feedback on their particular personality in relation to aspects of financial literacy. An organisation such as the Australian Council for Educational Research (ACER) may be able to produce such a test.

Q 2.5

Understanding the life event triggers behind the big decisions that consumers make, assists information providers in targeting information at the times and places in people's lives when they most need it.

Does this help? How can the Taskforce's understanding of life events be enhanced?

Yes, it is crucial that information providers know their target audience and what is relevant to that particular group in order to capture interest and make an impact. Survey work which also included more extensive interviews with a range of people at different stages in their lives may provide further insight.

Q2.7

Understanding consumers' preferences for information allows information providers to properly target their messages and maximise their reach. What information sources do consumers trust? Are consumers confused by different information about the same issue? Is information tailored to the learning style of the target audience?

Further research needs to be done with the relevant cohort to determine what information sources consumers trust. In relation to the last question, a target audience would not have one particular learning style. As mentioned in this paper, people learn differently so it may be useful for information providers to adopt a multi-faceted approach in order to cater for different learning styles within any target audience. For example, linking an image to written information about a particular topic and providing a more “hands on” way for people to actually interact and gain some practice when learning about financial literacy would be advantageous. Where possible, information providers should try to “layer” the information conveyed to appeal to many different learning styles.

#### Q 4.1

Is a coordinating body necessary? Should it be Government or industry funded? What functions should it perform?

Given the complexity of the issues raised in the discussion paper produced by the Consumer and Financial Literacy Taskforce I think a coordinating body is required. In terms of funding, the body should be largely Government funded to provide a more secure basis for this work to develop given a substantial time frame would be required. Private stakeholders could also contribute financially to this body.

The list of functions outlined on page 88 of the discussion paper is a comprehensive list of the functions this body should have.