

National Strategy For Financial Literacy

Phase 1: Strengthening Seniors' Financial Literacy



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Seniors' Financial Literacy***

October 2014

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Introduction

“In today’s increasingly complex financial marketplace, financial literacy is key to helping seniors make better financial decisions. And when seniors have access to the tools they need to make those decisions— not only do they improve their own personal finances; the economy as a whole benefits as well.”

~ The Honourable Kevin Sorenson, Minister of State (Finance)

“Our government is committed to improving the lives of seniors in many ways, including financial literacy. It is a critical life skill for all Canadians and particularly for Canadian seniors— who often face unique financial challenges.”

~ The Honourable Alice Wong, Minister of State (Seniors)

Financial literacy is a critical life skill for all Canadians. The Government of Canada is leading the development of a national strategy for financial literacy that will guide the work of public, private and non-profit organizations with the shared commitment to enhancing the financial knowledge, skills and confidence of Canadians.

To direct the development and implementation of this national strategy, in April 2014, the Government appointed Canada’s first Financial Literacy Leader, the first such position in any country. In July, the Financial Literacy Leader and the Minister of State (Finance) appointed a National Steering Committee on Financial Literacy, with 15 members drawn from a broad range of public, private and non-profit organizations across Canada. Steering Committee members will provide leadership and promote participation in financial literacy initiatives within the sectors they represent, and help to ensure an effective and collaborative approach is used in implementing the national strategy. Through consultations, the Financial Literacy Leader is also seeking input from Canadians and organizations active in financial education as the national strategy is developed.

A key element of the national strategy will be the collaboration among the many stakeholders that are actively engaged in activities to help boost Canadians’ understanding of and comfort with financial issues, as well as with new partners who can contribute to that goal. Hundreds of organizations have already shown their commitment and readiness to contribute through participation in such initiatives as Financial Literacy Month each November.

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



The national strategy will leverage the work of these organizations, aiming to maximize the impact through a common focus and coordination of efforts. It will integrate the solid base of existing programs and services with new initiatives designed to address those areas that research and consultations highlight as having room for considerable improvement.

Achieving significant progress in enhancing all Canadians' financial literacy will require collaborative action over several years. Because different groups of Canadians have different financial literacy needs, consultations are being conducted using a phased approach, with each phase focusing on specific groups.

Phase 1: Strengthening Seniors' Financial Literacy

In Economic Action Plan 2013, the Government identified seniors as a priority group and committed to implementing a financial literacy strategy that specifically responds to seniors' needs. This document, which has been refined through consultation with Canadians and stakeholder organizations involved in financial literacy, responds to that commitment and is the first component of the national strategy for financial literacy for all Canadians.

Canada's seniors are a diverse group, with wide-ranging backgrounds, interests, preferences and financial situations. Thus, initiatives to strengthen financial literacy must be based on a solid understanding of the needs of different groups of older Canadians and tailored to address those needs.

Canadians are working longer, living longer and leading more active lives than ever before. The average Canadian reaching 65 years in 2013 can

expect to live until age 86, which is about five years longer than the life expectancy of the average Canadian reaching age 65 in 1970. And many seniors live well into their 90s or even longer. Since life as a senior may be almost as long as years spent in the workforce, seniors can anticipate that their lifestyles, priorities and financial needs will likely evolve as they grow older.

Current seniors and Canadians approaching their senior years often face unique financial challenges as they enter and move through this phase in their lives. Whether they are still working, preparing to fully or partially retire, or have already retired, seniors face important decisions related to their money. As the first phase of the National Strategy for Financial Literacy, *Strengthening Seniors' Financial Literacy* focuses on helping ensure that current and future seniors can make sound decisions that will contribute to their financial well-being.

Current seniors might ask:

- How can I ensure my savings will last as I get older?
- What government benefits am I eligible for?
- Can I continue to work, and if I do so, how would income affect my benefits and taxes?
- How will taxes affect my income if I use funds from my registered savings plans as part of my retirement income?
- Whom can I trust to help me manage my financial affairs as I age, especially if my mental or physical capacity decreases?
- How important is it to me to leave something behind?

Canadians approaching their senior years may be asking:

- When and how should I plan for retirement?
- How much do I need to save to support the lifestyle I want?
- How could events like potential changes in my housing needs or increasing health-care needs as I age affect my financial plans?
- Where can I get solid financial advice that is appropriate for my circumstances to help me plan ahead?
- What are the best savings vehicles and investment options for me?
- What options are there for me to continue working part-time and make the transition to retirement gradually, and how will they affect my retirement income?
- How much of my retirement income will the public pension system provide?

Financial literacy efforts must take into account the new realities facing seniors and must also recognize the physical, emotional, mental and other changes that may occur as a normal part of aging. All Canadians should have a secure, comfortable life in their older years, which is why strengthening seniors' financial literacy is so crucial.

This strategy addresses gaps in financial literacy, with a view to enhancing older Canadians' facility for making good financial decisions about managing and protecting their financial affairs. It aims to collaborate the efforts of public, private and non-profit sector organizations to improve seniors' financial literacy levels, to provide support for their financial decision-making, and over time, to contribute to their financial well-being.

With increased financial literacy, current and future seniors will be more likely to:

- better prepare for retirement by building personal savings and assets
- make sound decisions about when and how to retire
- choose financial products that make the most sense for their needs
- plan for and cope with major financial decisions related to life transitions
- navigate and better understand how public programs and services can help them
- recognize and protect themselves against financial abuse
- determine the appropriate advice and supports to help with financial decisions and with managing their finances.

Input from Canadians and stakeholders

In June 2014, a public consultation process was launched to seek views on a draft action plan to strengthen seniors' financial literacy. During this process, comments were invited on ways to bolster the financial literacy of current and future seniors.

Some 40 submissions were received from individual Canadians and a broad range of public, private and non-profit sector organizations. In addition, face-to-face consultations with key stakeholders took place in Halifax, Québec City, Ottawa, Calgary and Victoria. *Strengthening Seniors' Financial Literacy* has benefited from the input received from individual Canadians and stakeholder organizations.

The consultation process found that there was a broad consensus on the four goals proposed in the consultation document and thus confirmed the key priorities for strengthening seniors' financial literacy. There was also widespread support for the objectives proposed under each goal, but some participants suggested additional objectives to address perceived gaps. As a result, some new objectives are included in this strategy.

The consultation process also unveiled a wealth of ideas for activities and approaches to develop effective financial education programs for seniors. Many of the suggestions received have been incorporated into this document as planned or potential initiatives under each goal.

Key themes raised during consultations include:

Diversity of the seniors' population – one size does not fit all: the needs for financial education and support vary widely among the seniors' population and depend on such factors as age, income level, education, health, and personal and family circumstances. The distinct needs of low-income seniors, in particular, were highlighted. Initiatives will need to be tailored to specific needs of subgroups within the seniors' population.

Importance of research: many participants highlighted the need for more research to better understand target audiences and to develop effective programs, communications, core messages and marketing strategies that will lead to improved outcomes contributing to seniors' financial well-being. In particular, research on factors that impact people's behaviour was seen as a key input to developing initiatives and programs that will be more effective in supporting all Canadians, including seniors, to take actions and decisions that will help them achieve their financial goals.

Early planning and decisions have a major impact on seniors' financial well-being: many participants expressed the view that financial well-being in the senior years depends largely on decisions and savings behaviour much earlier in life. There were several comments about the need to shift to a savings culture and start the saving habit early. Some participants suggested this focus on long-term savings should start as early as the student years. Others suggested using the workplace and employers to support financial preparedness for the senior years and retirement, as part of a lifelong learning continuum.

Simplifying documents, processes and financial education materials: some Canadians find many of the current sources of financial information and education difficult to understand, in part due to the increasing complexity of financial issues. Participants in the consultation process commented on the need for greater emphasis on clear, user-friendly forms, documents and processes. Contracts and other disclosure documents were cited as examples of materials that should be reviewed to ensure they are clear and meet the needs of seniors. It was noted that governments should set the example in developing clear and user-friendly resources and information.

Importance of the tax system as a channel: many participants suggested exploring how government communications with current and future seniors via the tax system could be leveraged to provide additional information and/or promote core messages related to financial decisions and well-being. Several participants commented that one area of focus should be increasing awareness among low-income seniors of the benefits of filing tax returns. Many people noted that this is an important step to take to receive the Guaranteed Income Supplement and some other benefits to which they may be entitled.

Importance of objective and tailored financial planning and advice: many people commented on the importance of objective, sound financial planning and advice tailored to individual circumstances, particularly as financial decisions have become more complex and the choice of

available financial products has grown dramatically. Further, the general view was that there is limited access to objective, appropriate and affordable financial planning services, advice and counselling for low- and lower middle-income people. In addition, several participants noted that most financial advisors are able to advise effectively on the savings aspects of planning for retirement, but fewer advisors are well qualified to serve clients making the transition from the savings phase to generating regular income, from savings and other sources, that will be sustainable for the full period of their retirement.

Need for collaboration and sharing to make most effective use of resources: a number of participants commented that many good resources already exist; what is needed is a sharing of effective practices and coordination to use these resources in the most effective ways. By sharing resources, it was felt that more attention could be directed to gaps and high priority initiatives.

Financial literacy is not a complete solution: many participants said that improving knowledge and skills will not be sufficient to achieve the desired outcomes. Some noted that consumer protection has a very important and complementary role to play. In addition, many recommended supplementing activities focused on improving knowledge and skills with initiatives informed by research into factors that impact decision-making and behaviour. For example, a short series of questions could narrow the choice of savings options presented to people as appropriate for them, while still offering the choice of seeing all available products for people who want more information. Another example is establishing a "default" option for savings plans, in which people would be enrolled if they do not make a choice among available options. The aim is to make it easier for consumers who may be overwhelmed by information to take a course of action that is most likely to produce a positive outcome for them.

Strategy to strengthen seniors' financial literacy

Strengthening Seniors' Financial Literacy is a strategy that encourages public, private and voluntary organizations as well as individuals to actively support seniors' financial literacy, with a view to enhancing the financial well-being of Canadians. It reflects input received through consultations with Canadians and stakeholders in the public, private and non-profit sectors that are engaged in financial education and services for seniors. It is the first phase of a broader national strategy for financial literacy and will be incorporated into the national strategy when all phases have been completed.

The mission for the Seniors' Financial Literacy Strategy

To strengthen the financial literacy of current and future seniors by increasing their knowledge, skills and confidence to make responsible financial decisions.

Goals

This strategy is comprised of four broad goals that are essential to the promotion of seniors' financial literacy in Canada:

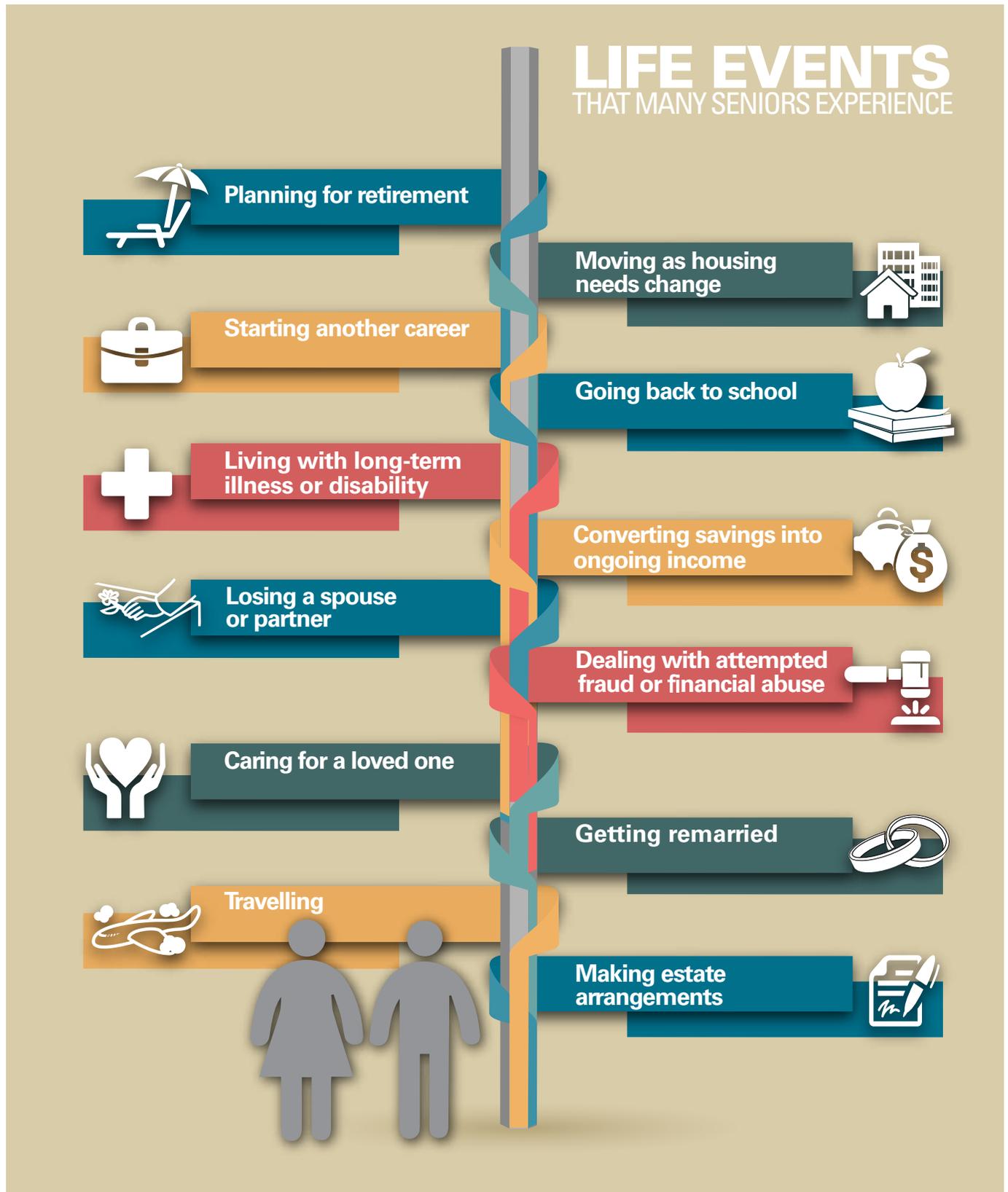
- Engage more Canadians in preparing financially for their future years as a senior
- Help current seniors plan and manage their financial affairs
- Improve understanding of and access to public benefits for seniors
- Increase tools to combat financial abuse of seniors.

The strategy is a call to action to all stakeholders engaged in financial education and seniors' issues, across the public, private and non-profit sectors, to:

- participate in the implementation of this strategy to advance seniors' financial literacy
- align their programs and initiatives to support the goals of the strategy, and
- focus their activities where they can be most effective.



It aims to ensure that current and future seniors have access to resources and support that will help them make financial decisions appropriate to their circumstances and promote their financial well-being throughout their senior years and the transitions and significant events that they may experience.



Goal 1:

Engage more Canadians in preparing financially for their future years as a senior

With Canadians living longer and having greater responsibility for funding their retirement, saving and building a personal “nest egg” for the future are more important than ever. The Government encourages Canadians to save through tax-assisted savings vehicles including Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSA). However, recent research indicates that some Canadians are not saving enough to have the level of income and lifestyle they hope to have during their senior years.

A number of pension experts and organizations, including the International Centre for Pension Management at the Rotman School of Management and the Canadian Life and Health Insurance Association, have observed that middle-income Canadians, particularly those without workplace

pensions, are most likely to have a significant gap between their savings and the amount they will need to maintain their standard of living in their senior years.

In addition to the challenge of saving for the future while still meeting current needs, low-income, Aboriginal and newcomer Canadians may face other barriers such as difficulty in accessing appropriate savings products, and limited access to objective and relevant financial advice and counselling.

How can Canadians be encouraged to take charge of their financial future? To achieve this goal, the strategy focuses on helping Canadians develop a greater interest in and an understanding of long-term saving, so that more people make saving for their senior years a priority.

Objectives for Goal 1

- Canadians are aware of and use appropriate resources to help them save and plan their finances for their senior years.
- Canadians understand and participate in appropriate vehicles that facilitate savings and investment, such as Registered Retirement Savings Plan (RRSPs), Tax-Free Savings Accounts (TFSA) and workplace pensions.
- Governments and stakeholders promote setting financial goals, saving for the future, and debt management to support people in making appropriate decisions for their life circumstances through targeted and ongoing public awareness campaigns.
- Organizations engaged in financial literacy help employers promote financial education and planning for retirement to support their employees' financial security.

Current, planned and potential initiatives

- The Financial Consumer Agency of Canada (FCAC) will work with stakeholders to gather existing research on effective approaches to encouraging various groups of Canadians to save for their future years as a senior. Recent studies on factors that influence decisions and behaviour will be a key focus. Research priorities will be established based on gaps identified.
- Governments will raise awareness of Pooled Registered Pension Plans (PRPPs) (in Quebec, the Voluntary Retirement Savings Plan) as they become available. For example, FCAC will publish information on its website to enable comparison of PRPPs in 2014.
- Administrators of Pooled Registered Pension Plans (PRPPs) (in Quebec, the Voluntary Retirement Savings Plan), along with the federal and provincial governments, will promote employer participation in PRPPs so that a greater number of Canadians have access to this retirement savings method. PRPPs will offer automatic enrolment, with an opt-out feature. This will be an effective tool to counter a tendency to delay participation in programs that require active sign-up.
- Employers will be encouraged to promote employee financial education and early financial planning for retirement in the workplace, including offering automatic sign-up and contributions as default options for workplace savings plans. For example, FCAC will promote its program *Your Financial Toolkit* to employers and human resource professionals as a free resource that they can use to support financial education activities for employees.
- The financial planning industry will be encouraged to enhance access to sound, relevant and affordable financial planning services for Canadians of all income levels. They will also be encouraged to increase training opportunities for financial advisors to strengthen capabilities in serving lower income clients and clients who are transitioning from saving for their senior years to ensuring regular income from their savings and other sources is sustainable for the full period of their retirement.
- FCAC will work with the private and non-profit sectors to explore opportunities to leverage seniors' experience and knowledge to promote financial planning for the senior years among younger segments of the population. For example, a community organization offering workshops to adults could work with a retired accredited financial planner to deliver a module on setting financial goals and creating a financial plan to achieve them.
- The federal government will explore opportunities to leverage regular communications related to the tax system to provide more timely and relevant information about other government programs, such as Canada Pension Plan benefits and Tax-Free Savings Accounts.
- The Government, with employers and the financial services sector, will explore the potential for developing a retirement readiness tool with checkpoints in the pre-retirement years (e.g. 10 years and 5 years before target retirement date).
- The Financial Literacy Leader will work with international financial education bodies to identify successful best practices in building savings for retirement that could be applied in Canada. For example, as a member of the Advisory Board of the International Network for Financial Education, an initiative of the Organisation for Economic Cooperation and Development (OECD), the Leader is actively involved in discussions of key issues and priorities, including ongoing work on promoting long-term savings and investments.

Goal 2: Help current seniors plan and manage their financial affairs

Older Canadians face difficult financial decisions and unique challenges related to managing their money, including transitioning from work to full or partial retirement. Seniors who have accumulated savings must decide how best to turn those savings into income that will last for their lifetime. For many seniors, the shift to an increasingly digital world, in which the Internet is a key channel for accessing financial services and information, is also a significant challenge.

In addition to day-to-day money management, older Canadians need to consider the financial implications of potential life transitions, such as starting a new business or another career, changing housing and care needs, the onset of chronic disease or disability, and loss of independence. They may also face age discrimination and faulty assumptions that they have limited ability to deal with personal finances.

By providing opportunities for current and future seniors to learn at “teachable moments” and in contexts relevant for their own situations, financial literacy programs can support them in planning for these “life events”. Many organizations, including FCAC, have adopted a learning framework based on life events and a lifelong learning approach for their development of financial education resources.

Recent research by the Prosper Canada Centre for Financial Literacy, a non-profit organization, suggests that general financial information is often

not relevant to the needs of low-income seniors. Some older Canadians, including Aboriginal and immigrant seniors, may face language and/or cultural barriers that can make understanding the financial marketplace difficult. The ability to access and/or afford relevant financial advice is also an important factor that can help seniors plan and manage their financial affairs effectively. Some seniors may face the potential of diminishing capabilities as they age, which may affect their ability to make good financial choices.

Financial literacy resources and support to help seniors manage their money and make sound financial decisions are emerging as the seniors’ population grows, but gaps remain. As public, private and non-profit organizations working to strengthen current and future seniors’ financial literacy, we must better understand the specific financial knowledge and skills that older Canadians need so that we can better target our efforts. It is also important that we better understand the barriers to financial literacy so that we can minimize them and engage seniors. We must focus on providing more financial education programs and services that are accessible, unbiased, understandable and relevant to seniors.

We must also work to understand better the financial literacy needs of specific groups of seniors, including low-income, immigrant and Aboriginal seniors, as well as people with disabilities, and tailor programs to their particular circumstances.

Objectives for Goal 2

- Government and other organizations promote research to increase the understanding of the diverse needs of seniors and the effectiveness of different approaches.
- Governments, as well as private, public and non-profit organizations, help ensure that seniors and caregivers are aware of and have access to effective financial education, tools, information and assistance.
- Governments and financial service providers use clear, transparent and user-friendly information and forms to explain financial topics to seniors.

- Current and future seniors, as well as caregivers, understand the potential needs relating to managing finances for those who are experiencing some loss of mental abilities, and governments work with other organizations to identify and implement solutions to address these needs.
- Seniors' digital literacy is strengthened, with a focus on learning how to identify safe and reliable digital sources of information to support their financial decision-making and access to online financial services.

Current, planned and potential initiatives

- In fall 2014, FCAC will launch a new interactive financial literacy resource database on its website. The database will enable seniors and organizations serving them to find and access financial literacy materials, providing a "one-stop shop" with links to government, private sector and not-for-profit resources.
- The Canadian Bankers Association has announced it will launch *Your Money Seniors*, a new financial literacy seminar program for seniors. This free, unbiased program is being developed in partnership with FCAC and will be presented by volunteer bankers in communities throughout Canada.
- FCAC will collaborate with public, private and non-profit organizations to gather existing research on effective approaches to helping seniors and other Canadians to make decisions and take actions that will contribute to their financial well-being.
- The Financial Literacy Leader will work with the National Steering Committee on Financial Literacy and the research community to develop a research plan to address gaps in understanding the financial literacy needs of different groups within the seniors' population. Groups with distinct needs may include older women, Aboriginal seniors, newcomer seniors, low-income seniors, those living with a disability, and those experiencing some decline in cognitive abilities. For example, women have a longer life expectancy than men and consequently are more likely to live alone as they age and require elder care. The research will help inform the adaptation of existing resources or the development of new ones that advance the goals of this strategy.
- Members of the Canadian Bankers Association have made a voluntary commitment to provide more information to clients who want to give someone else the authority to do banking for them, either through a Power of Attorney or a joint account. This information will help ensure seniors and others considering these types of arrangements understand the related benefits and risks. These banks have also committed to enhance staff training on disclosing this information to clients. The banks will fully implement this voluntary commitment by March 31, 2015.
- The Mutual Fund Dealers Association will develop educational material for its members on challenges and issues relating to senior investors, and will work with other regulators on investor education initiatives focused on seniors and other priority groups. The Financial Literacy Leader will encourage other organizations to take similar action to support seniors.
- The Financial Literacy Leader will explore with relevant organizations ways to enhance access to programs to strengthen the digital literacy of seniors, given its close relationship with new financial and payment services and the importance of the Internet as a channel to access information on financial issues. As a first step, research on existing programs in some communities will be conducted to consider whether they could be extended to other areas, or serve as a model to broaden reach to more seniors who want to increase their understanding of the Internet and how to use it effectively in contexts related to personal finance.

- FCAC will develop resources on “Caring for a Loved One” as part of its suite of life events, to help family members and others assisting seniors with managing their financial affairs to be better prepared to take on this role. Other stakeholders with expertise on these issues will be encouraged to review their existing resources, and update or expand them as appropriate, to help increase the knowledge and skills of those taking on the role of helping seniors with financial management.
- The legal community will be encouraged to develop educational resources for seniors and for people who are named in Powers of Attorney to improve their understanding of responsibilities and readiness to take on this role.
- The Financial Literacy Leader will explore opportunities with stakeholders to develop tools, based on research, which streamline decision-

making for seniors and other Canadians, to assist them in making choices that are most likely to contribute to their financial well-being.

- The Financial Literacy Leader will encourage the private and non-profit sectors to establish partnerships with health-care providers and other points of contact for seniors, such as seniors’ residences, to distribute relevant objective financial information and resources.
- The non-profit sector will be encouraged to investigate opportunities to integrate peer-to-peer learning models in their programs for seniors, leveraging knowledge and expertise of retired professionals who are interested in working with other seniors to promote sound financial decision-making and well-being.

Goal 3:

Improve understanding of and access to public benefits for seniors

Many citizens do not understand the details of programs that support Canadian seniors, such as the Canada Pension Plan (CPP), Old Age Security (OAS), the Guaranteed Income Supplement (GIS) for low-income seniors, tax credits and other benefits, as well as provincial or territorial benefits like low-income supplements.

Recent changes to the CPP and OAS give Canadians more flexibility to choose when they will start to receive these benefits, but each individual needs to consider carefully their own circumstances in these decisions. It is therefore important that Canadians approaching their senior years have access to information and tools that can help them understand the implications of taking CPP before age 65, or deferring CPP and OAS benefits to receive a larger monthly payment later.

To make appropriate decisions, Canadians must understand how government benefits, employer-sponsored pensions, employment income, investments and personal savings all fit into their

overall retirement income. To support them in doing so, they need access to accurate and relevant information for their circumstances.

For example, low-income Canadians preparing for retirement may benefit from advice on how public benefits can be affected by other financial decisions, such as saving in registered plans. Aboriginal and newcomer seniors may require different kinds of support to overcome cultural and/or linguistic barriers to accessing relevant information. And for status Indians, the tax implications and appropriateness of certain savings options may depend upon whether they earn tax-exempt income during their working years, along with other factors.

Objectives for Goal 3

- Older Canadians and their support networks are aware of and understand the benefits for which seniors are eligible.
- Financial education is integrated into government benefit programs to improve seniors' understanding of these programs and their eligibility requirements.
- Communications, application processes and forms are simplified to reduce barriers to programs for priority groups such as low-income or immigrant seniors.

Current, planned and potential initiatives

- Proactive enrolment for OAS benefits is now underway, and will help ensure seniors receive the benefits they are entitled to.
- To be launched in fall 2014, FCAC's new interactive financial literacy resource database will help seniors find and navigate the various benefit programs. Public, private and non-profit organizations across Canada that offer financial information and/or services have been invited to submit information on their resources for seniors and other groups of Canadians on a range of issues, such as budgeting and money management, credit and debt management, taxes and financial planning.
- ESDC will update the Canadian Retirement Income Calculator as a tool to promote understanding of public pension system benefits as part of retirement income planning.
- ESDC will promote a more detailed understanding of CPP and OAS through Service Canada channels.
- Canada Revenue Agency (CRA), in partnership with community organizations, will promote the Community Volunteer Income Tax Program (CVITP) as a service to help low- and moderate-income seniors access government benefits to which they may be entitled. Through CVITP, community organization volunteers and CRA have been working together for over 40 years to help eligible individuals with low-to-moderate income and a simple tax situation prepare their income tax and benefit returns for free at tax preparation clinics. Volunteers in over 2,000 organizations prepare more than half a million income tax and benefit returns every year, including over 270,000 returns prepared for individuals 55 years of age and older.
- CRA, FCAC and other organizations will promote awareness of the importance of submitting a tax return, particularly for low-income seniors for whom it may be a pre-requisite for accessing other public benefits. Several non-profit organizations have indicated that this is an important priority for the clients they serve and that they can play a significant role in helping these clients understand the benefits of filing taxes.

Goal 4: Increase tools to combat financial abuse of seniors

Financial abuse of seniors, which often involves the misuse of their money or belongings by a person the senior trusts, is one of the most common forms of elder abuse in Canada and has serious consequences for their security and well-being.

As seniors age, the challenges they may face due to a lack of financial literacy, or physical or mental challenges, may cause them to rely on others, which can increase their vulnerability to financial abuse. They may also be targeted in a variety of scams by fraudsters ready to exploit older Canadians through telephone, mail, online and fraudulent telemarketing, especially those who may be targeted as a result of factors such as isolation.

Powers of Attorney and joint bank accounts are instruments available to assist seniors and others in financial management and protection when they need it; however, these tools have been used to take financial advantage of older adults.

There is a clear need for increased education and action to help seniors identify, report and protect themselves against financial abuse, and to help prevent this problem. Initiatives must be supportive and respectful of seniors' right to privacy and independence in managing their financial decisions, with assistance available if they choose to seek help. It may be possible to expand many already existing activities to reach more seniors.

Objectives for Goal 4

- Seniors and their caregivers have access to tools to identify and prevent financial abuse, and are aware of what to do if it happens.
- Governments and stakeholders collaborate to enhance understanding of financial abuse and fraud targeting seniors, the factors that contribute to financial abuse, and effective fraud prevention techniques.

Current, planned and potential initiatives

- The New Horizons for Seniors Program, funded by ESDC, supports projects led or inspired by seniors who make a difference in the lives of others and in their communities. Expanding awareness of elder abuse, including financial abuse, is among its current objectives. ESDC will find ways to further promote this program in communities across Canada.
- The credit union movement is working with the Manitoba Network for the Prevention of Abuse of Older Adults, in partnership with the Good Neighbours Active Living Centre, to develop online training that will help front-line credit union staff recognize signs of financial abuse.
- The Desjardins Group has launched the "In Charge of Your Life and Your Property" program to help combat financial exploitation of the elderly. Desjardins' caisses populaires, in collaboration with community organizations, have implemented a strategy to help detect and address abusive situations, and staff can now act as a bridge between victims and support organizations, in strict confidence.
- The Financial Literacy Leader will work with stakeholders engaged in prevention of financial abuse to explore and evaluate innovative approaches. For example, adult children of older seniors are often involved in helping their parents manage their finances. In these cases, the adult children may be in a good position to

- recognize signs of financial abuse or scams and to play a role in protecting their parents' finances. Educational workshops in which seniors and their adult children participate offer strong potential to heighten awareness of both parties and to build knowledge of what to do if signs of financial abuse or fraud are detected.
- The National Initiative for the Care of the Elderly (NICE network), in partnership with ESDC, is conducting a three-year study that will provide data on financial abuse and other forms of elder abuse. The report is expected in spring 2015.
 - The Financial Literacy Leader will take advantage of opportunities such as Fraud Prevention Month and World Elder Abuse Awareness Day to work with the Fraud Prevention Forum, the Canadian Anti-Fraud Centre and its SeniorBusters program, and other stakeholders to increase seniors' awareness of scams. Opportunities to collaborate on initiatives that strengthen 'privacy literacy' and seniors' awareness of the risks of sharing information on social networks will also be explored.
 - The Canadian Bankers Association will include a module on prevention of financial abuse in *Your Money Seniors*, a financial literacy program being developed for older adults.
 - FCAC will encourage stakeholders involved in fraud prevention to leverage and build on existing fraud prevention programs. For example, the Financial Literacy Leader will work with regulators such as the Canadian Securities Administrators and investment industry associations on educational activities to prevent investment fraud targeting seniors.
 - Seniors will be encouraged to request their credit reports each year from Equifax and TransUnion. Credit reports provide a history of a person's use of credit products, including credit cards, loans and mortgages. They are a way of monitoring whether anyone has obtained these products falsely under the name of the senior through identity fraud. Credit reports are available by mail free of charge for all Canadians from both Equifax and TransUnion.

Measuring progress

To know how well the strategy is working, we need to measure progress. We need to be able to evaluate the strategy's impact on:

- levels of financial literacy among seniors
- the overall financial well-being of seniors and their families.

For each of the four goals, indicators of progress over the short, medium and long term are identified in this section. Plans include fielding the Canadian Financial Capability Survey every five years to track progress over the longer term. Other sources of data for measurement include results of other surveys, usage of financial literacy resources such as FCAC's "one-stop shop" resource database, and qualitative evaluations shared by organizations participating in the strategy's implementation. In addition, members of the National Steering Committee will monitor progress in the sectors they represent.



Key: Short-term (1-2 years). Medium-term (3-5 years). Long-term (5+ years).

Goal 1: Engage more Canadians in preparing financially for their future years as a senior.

Timeframe	Indicators
Short-term:	Increase in Canadians' awareness of the resources and tools available to help them plan financially for retirement.
Medium-term:	Increase in Canadians' use of the resources and tools to help them plan financially for retirement.
Long-term:	Increase in Canadians' savings rate, and participation in RRSPs, TFSAs and other savings vehicles.

Goal 2: Help current seniors plan and manage their financial affairs.

Timeframe	Indicators
Short-term:	Improved access to financial learning opportunities related to planning and managing finances for older Canadians.
Medium-term:	Increase in percentage of seniors seeking financial advice. Increase in percentage of seniors with wills and Powers of Attorney.
Long-term:	Improvement in levels of seniors' financial literacy, based on results of the Canadian Financial Capability Survey.

Goal 3: Improve understanding of and access to public benefits for seniors

Timeframe	Indicators
Short-term:	Increase in current and future seniors' awareness of government benefit programs.
Medium-term:	Increase in current and future seniors' understanding of government benefit programs.
Long-term:	Increase in informed decisions about utilizing government benefit programs.

Goal 4: Increase tools to combat financial abuse of seniors

Timeframe	Indicators
Short-term:	Increase in seniors' awareness of financial abuse and ways to protect themselves. Through data gathering, improved stakeholders' understanding of the prevalence of financial abuse.
Medium-term:	Reduction in barriers related to reporting financial abuse.
Long-term:	Decrease in the prevalence of financial abuse of seniors.

The path forward

There is no easy or quick fix to improving the financial literacy of seniors and other Canadians. Changing behaviour will take years, if not decades.

Financial literacy is a significant, complex issue with many challenges. For example:

- People require the right initiatives, tools and supports to take charge of their financial situation—a challenging task given the diverse needs, interests and backgrounds of seniors.
- It can be challenging for anyone to keep their financial knowledge and skills up to date as their circumstances change and they face new financial decisions. Meanwhile, the temptations to spend, and the ways to do so, are powerful and continue to grow.
- Financial education has its limits—by itself, it does not always translate into positive financial behaviours or outcomes.
- Preventing financial abuse can only partially be addressed through greater financial literacy.

Despite the challenges, financial literacy has the potential to be a powerful force in people's lives. As this seniors' financial literacy strategy and the next phases of the national strategy for financial literacy roll out, we hope that interested people and organizations embrace these plans and use them to help advance the financial literacy and well-being of Canadians.

Much good work in the field of financial education is already happening across the country through the efforts of hundreds of organizations in the private, public and non-profit sectors. The Financial Literacy Leader and members of the National Steering Committee on Financial Literacy aim to build on this foundation and to coordinate an action plan that will achieve greater success through collaboration. We can make a meaningful difference by working together on multiple fronts toward shared goals.

