

February 27, 2015

Via email: [consult@fcac.gc.ca](mailto:consult@fcac.gc.ca)

Ms. Jane Rooney  
Financial Literacy Leader  
Financial Consumer Agency of Canada  
427 Laurier Ave. West, 6th Floor  
Ottawa, ON K1R 1B9

Dear Ms. Rooney:

**Re: Phase 3 - Strengthening the financial literacy of young and adult Canadians**

We are writing on behalf of the Canadian Corporate Counsel Association, the National Business Law Section, the National Pensions and Benefits Law Section, and the Children's Law Committee of the Canadian Bar Association (CBA Sections) in response to the proposed blueprint, *Toward a National Strategy for Financial Literacy, Phase 3: Young and Adult Canadians*.

The CBA is a national association representing 36,000 jurists, including lawyers, Quebec notaries, law teachers and students across Canada. The CBA's primary objectives include improvement in the law and in the administration of justice.

We are encouraged by the federal government's plans to strengthen the financial literacy of Canadians and are pleased to comment on Phase 3 of the consultation on young and adult Canadians. These population segments form a major part of financial services consumers across Canada. While financial literacy for all Canadians is a laudable goal, we believe that more proactive protection from financial abuse should also form part of the overall strategy for young and adult Canadians. One of the goals in Phase 3, as with Phase 1, should be to develop tools to combat the financial abuse of children and youth.

Lawyers in private practice in the fields of business, banking, pensions and benefits, as well as in-house counsel practicing in associations, corporations, financial institutions, non-profit organizations, and lawyers representing the interests of children are solving problems everyday on these very issues. Together we have accumulated in-depth knowledge of the issues people face and the tools they require to enhance their financial literacy. We hope to participate in an ongoing interdisciplinary collaboration as this strategy for financial literacy progresses.

### **Goal 1 – Providing Young Canadians with the Information They Need at Key Points Throughout Their Lives**

We agree that access to financial information for young people at key points in their life is a vital goal to improve the quality of financial literacy. Young people are increasingly surrounded by new and complex financial products targeted at them and are expected to make decisions that would have permanent effects on their future. We believe information should be available to young Canadians directly from educators (in schools, universities and colleges), financial institutions and community organizations, to maximize the broad reach of the information. One goal of the strategy should be to promote financial literacy programs as part of school curriculums. We understand that many programs exist to educate youth on financial literacy, however, building on these resources should be a main objective of the National Strategy on Financial Literacy.

Although financial institutions may be motivated and engaged with their young customers, working with a variety of groups and stakeholders is crucial to drive the message across to the younger segment of the population. The probability of reaching young people increases with targeted access points such as educational institutions, community organizations and providing them with leadership opportunities. The financial literacy strategy in this area could focus on identifying the stakeholders and partnering with them to deliver quality educational programs. Programs may include speaker events, group activities, and working with local financial institutions to talk about money in a way that young people can understand and relate to.

### **Goal 2 – Engaging Young Canadians in Setting Financial Goals, Saving and Planning for Their Financial Future**

We support the focus on the importance of saving and planning for your financial future. Achieving this goal relates to the objectives in Goal 1. It is important the financial literacy strategy focus on the available programs which explain the correlation between savings at a young age and securing the financial future. Any successful strategy should consider the importance of involving stakeholders that have the ear of the youth at that particular juncture of their lives.

Explaining to a young person early in life why they should contribute to an RRSP may prove challenging, especially given the limited assets they likely have. Employers, educators and community groups may consider programs that would include visits to licensed planners through established programs supported by the federal financial literacy program. Targeting the audience through the right mediums such as online channels may increase effectiveness of the strategy and help reach young Canadians at the right time in their life.

### **Goal 3 – Promote Practices That Contribute To Financial Well Being and Protect Against Risk**

We believe that this aspect of the financial literacy strategy is one of the most important. Young people are often victims of online scams and fraudulent activities due to lack of education and safe practices. Teaching young people about various types of fraud and ensuring they know how to modify their financial behaviour to ensure they are protected is vital. Developing sound practices is a process and should be treated as such by the proposed strategy. Educating young people about contracts and financial obligations are important goals. Having a basic understanding of legal obligations and what is binding for both youth over and under 18 may be vital to avoid making mistakes with grave financial consequences. We support the initiatives mentioned in the consultation paper and agree that they are a great way to reach out to young people. Other opportunities could include reaching out to professionals such as CBA members to play a role in some educational opportunities to ensure young people have the most accurate information.

Of interest, the CBA issues a series of [Legal Health Checks](#), to help Canadians improve their legal capabilities. Some of these are particularly designed to help young people understand their financial rights and obligations in a variety of situations.

### **Improving Financial Literacy of Adult Canadians**

The goals outlined for increasing financial literacy for adult Canadians closely relate to the ones applicable to young Canadians. We support the importance of good habits such as budgeting, acquiring knowledge of complex financial products, and visiting financial planners, just to name a few. We agree and support the idea that educational programs should be delivered by partnering with employers, community organizations and various financial institutions where consumers get their financial products and services. As noted before, professionals in the applicable areas can also participate by engaging in some of these programs. Protecting Canadians from fraudulent practices is an ongoing process and while the scams get more complex, it is important that partnering with the correct stakeholders can increase the delivery of the safe practices to the targeted groups. We also support the proposition that adult Canadians should have access to increased literacy in the area of financial planning for financial security. Some challenges that are faced by Canadian adults with planning for their financial future include increased life span combined with lack of disability insurance and retirement savings. It is important that the education programs mentioned above include a focus on sufficient planning for retirement, tools and resources for financial planning and easily accessible online resources for reference of such various programs.

We thank you for the opportunity to comment and look forward to working with you on the development of the national financial literacy strategy.

Yours truly,

*(original letter signed by Noah Arshinoff for Heather Innes, Trevor Scott, Lyne Duhaime and Christian Whelan)*

Heather Innes  
Chair, Canadian Corporate Counsel Association

Trevor Scott  
Chair, National Business Law Section

Lyne Duhaime  
Chair, National Pensions and Benefits Law Section

Christian Whelan  
Chair, Children's Law Committee