National Financial Capability Strategy

2026-2031

CONSULTATION POLICY DOCUMENT 2026

GOVERNMENT OF MALTA
MINISTRY FOR SOCIAL POLICY AND THE FAMILY

Ministry for Social Policy and the Family

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Minister's Foreword

"In an increasingly complex and digitalised world, financial capability has become an essential life skill and a key contributor to personal wellbeing, social inclusion and economic resilience."

Hon. Michael Falzon
Minister for Social Policy and The Family

Financial capability is not only about money. It is about opportunity, security and peace of mind. It is about helping families manage everyday financial decisions with confidence, supporting young people as they take their first steps towards independence, and also enabling older persons to look to their future with greater certainty. In an increasingly complex and digitalised world, financial capability has become an essential life skill and a key contributor to personal wellbeing, social inclusion and economic resilience.

Over the past years, Malta has made significant progress in promoting financial literacy and capability. Through the dedication of ĠEMMA and the National Financial Capability Programme, together also with the commitment of government ministries and entities, regulators, educational institutions, civil society organisations, social partners and the financial sector stakeholders; we have laid strong foundations for a more financially capable society.

The findings of the OECD/INFE financial literacy and financial inclusion research commissioned by MSF – clearly states that ĠEMMA provides both encouragement and direction. The findings show that Maltese citizens possess important strengths, including a strong saving culture, good payment discipline, resilience in dealing with unexpected expenses and high levels of trust, in the financial system. These are encouraging results, and they are a testament to the responsibility, resilience and adaptability of the Maltese people.

At the same time, the research also reminds us that progress is a journey, not a destination. As financial products, services and technologies continue to evolve, we must continue to invest in strengthening financial knowledge, improving retirement preparedness, increasing investment awareness and building a stronger confidence, in navigating an increasingly digital financial environment. Initiatives such as the RetireSmart app are helping individuals take greater ownership of their future and prepare more effectively for retirement; but yet there is more to be done.

This National Financial Capability Strategy, builds on Malta's achievements, while looking ahead to the opportunities and challenges of the years to come. Its success will depend on a coordinated whole-of-government approach and on strong collaboration across all sectors. It reinforces the partnerships already established through ĠEMMA and reflects our shared commitment to financial wellbeing, lifelong learning, financial inclusion, consumer resilience and evidence-based policymaking.

Above all, this Strategy is an investment in people. It provides a roadmap to strengthen financial capability at every stage of life and further aims to ensure that no one is left behind in an increasingly complex financial landscape. By working together, we can realise our vision of a more financially capable Malta, achieved through coordinated national action and driven by a shared commitment to the wellbeing and prosperity of current and future generations.

National Financial Capability Strategy 2026-2031

Permanent Secretary's Foreword

"The Strategy is underpinned by a clear social mission: to promote wellbeing, strengthen resilience, foster social inclusion, and support longterm financial security."

Mark Musù
Permanent Secretary,
Ministry for Social Policy and the Family

It is my honour to present the National Financial Capability Strategy 2026-2031, a comprehensive framework that sets out a clear and coordinated roadmap for national action in advancing financial capability over the next five years. This Strategy reflects Government's continued commitment to strengthening the financial resilience, wellbeing, and longterm security of individuals and families across Malta.

This document marks Malta's third national strategy in the field of financial capability, building on the foundations established by the 2017 and 2022 frameworks. As with its predecessors, it has been developed under the leadership of the Ministry for Social Policy and the Family through ĠEMMA, which has established itself as a national centre for financial education, research, and capability-building.

Our Ministry has consistently worked in support of families and individuals facing social, economic, or personal challenges ensuring that assistance reaches those who need it most. Through ĠEMMA, we complement this mission by promoting financial capability and empowering individuals with the knowledge, skills, attitudes, and behaviour needed to make informed and confident financial decisions. This dual approach—direct support coupled with preventive education—strengthens our ability to foster longterm financial wellbeing and greater social resilience.

The setting up of ĠEMMA was as a direct outcome of the past pension reform process, which identified financial literacy as a key pillar of sustainable reform. The Review also recommended Malta's participation in the OECD/INFE financial literacy survey, recognising the importance of internationally benchmarked evidence in shaping effective policy. In fulfilment of this mandate, ĠEMMA launched Malta's first OECDbased financial literacy research in 2018, thereby laying a robust evidence base for policy development and strategic planning.

This Strategy which is now being presented for public consultation, marks a significant evolution in approach. It moves beyond a narrow focus on financial literacy and adopts a broader financial capability framework encompassing knowledge, skills, attitudes, and behaviours. This reflects a growing recognition that financial capability is essential not only for informed decisionmaking,

but also to enable individuals to navigate financial challenges with confidence and resilience.

The Strategy is underpinned by a clear social mission: to promote wellbeing, strengthen resilience, foster social inclusion, and support longterm financial security. It acknowledges that financial needs and vulnerabilities vary throughout the life course and therefore adopts a structured approach to address different target groups from childhood to old age.

Across all the different stages of life, the Strategy treats vulnerability, digital exclusion, and fraud risks as crosscutting challenges requiring sustained and coordinated attention.

To ensure effective implementation, the Strategy is structured around four strategic policy priorities. These priorities reflect the conviction that financial capability is a shared national responsibility, requiring the active engagement of government entities, regulators, educational institutions, employers, civil society organisations, and the private sector.

I extend my sincere appreciation to all stakeholders whose expertise and valuable insights contributed to the development of this Strategy. Through continued collaboration and commitment, we can strengthen Malta's financial capability and build a society that is more financially informed, confident, and secure.

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List of Abbreviations

AI	Artificial Intelligence
CBM	Central Bank of Malta
CRPD	Commission for the Rights of Persons with Disabilities
DG-FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union
EC	European Commission
ECOFIN	Economic and Financial Affairs Council
EBA	European Banking Authority
EP	European Parliament
ESF	European Social Fund
Esme	e-Skills Malta Foundation
EU	European Union
EUC	European Council
ĠEMMA	Government of Malta's financial capability education platform
IMF	International Monetary Fund
INFE	International Network on Financial Education
KPIs	Key Performance Indicators
MCAST	Malta College of Arts, Science and Technology
MCCAA	Malta Competition and Consumer Affairs Authority
MEL	Monitoring, Evaluation, and Learning
MES	Ministry for Education and Sports
MFSA	Malta Financial Services Authority
MS	Member States
MSF	Ministry for Social Policy and the Family
NGO	Non-Governmental Organisation
NSO	National Statistics Office
OECD	Organisation for Economic Co-operation and Development
OPSI	Observatory for Public Sector Innovation
SME	Small and Medium- sized Enterprises
UoM	University of Malta

Executive Summary

Strategic Vision

Malta's National Financial Capability Strategy 2026-2031 sets out a national framework to strengthen the financial capability of citizens across the life course. Financial capability plays an essential role in supporting economic resilience and social wellbeing, enabling individuals and households to manage day-to-day finances, respond to financial shocks and plan confidently for the future.

As financial systems become increasingly complex and digitalised, individuals are required to make a growing number of financial decisions across a wider range of financial products and services. At the same time, broader socioeconomic trends—including rising living costs, housing affordability pressures, population ageing and evolving labour market conditions—are increasing the importance of informed financial decision-making across society.

Recognising these developments, the Strategy provides a coordinated framework for strengthening financial capability across Maltese society. It builds on previous national initiatives while responding to emerging financial challenges and evolving policy priorities. By strengthening the knowledge, skills, attitudes and behaviours that underpin sound financial decision-making, the Strategy seeks to support long-term financial wellbeing for individuals, families and communities.

Evidence Base and Strategic Context

National and international evidence provides important insights into Malta's financial capability landscape and helps identify the key areas where policy action can have the greatest impact.

Many Maltese households demonstrate strong day-to-day financial behaviours, including relatively high saving rates and strong payment discipline. These patterns contribute to comparatively high levels of short-term financial resilience and reflect prudent financial habits in managing everyday financial commitments.

However, evidence also highlights persistent gaps in financial knowledge and long-term planning. International benchmarking indicates that Malta performs slightly below the OECD average in financial knowledge and engagement with long-term financial planning. In particular, individuals may face challenges in understanding more complex financial concepts, assessing financial risks or planning for future financial needs.

A further structural feature of Malta's financial landscape is the high reliance on the public pension system, with relatively limited participation in voluntary private pension schemes or complementary retirement savings arrangements. While the public pension remains central to retirement income, improving financial awareness of retirement planning remains an important policy objective.

Evidence also points to low engagement with financial markets, with many consumers relying primarily on traditional banking products and showing limited comparison of financial services or participation in investment markets. This may reflect a combination of risk aversion, knowledge gaps and limited familiarity with investment opportunities.

Finally, while digital financial services are expanding rapidly, certain population groups—including older adults and individuals in vulnerable situations—may face barriers related to digital confidence, access and fraud awareness. Strengthening digital financial capability is therefore an increasingly important dimension of financial resilience.

Taken together, these findings highlight the need for a comprehensive policy approach that strengthens financial capability across the life course while addressing structural, behavioural and institutional factors that influence financial outcomes.

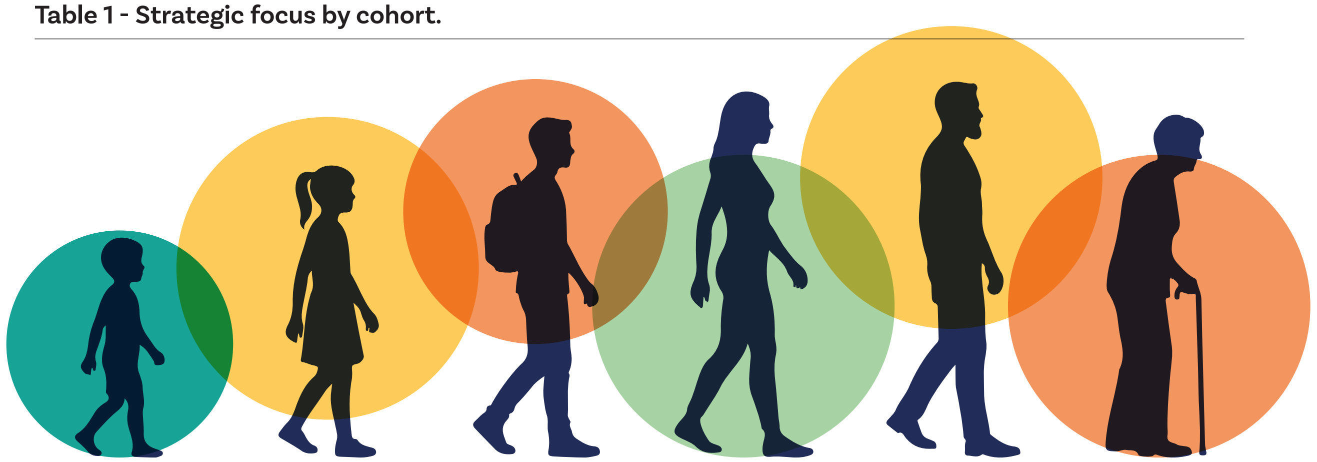
A Life-Course Approach to Financial Capability

Financial capability develops progressively over time and is shaped by the financial decision environments individuals encounter throughout their lives. Financial behaviours and attitudes often form early in life and evolve as individuals face new financial responsibilities, opportunities and risks.

Evidence shows that financial capability challenges frequently arise at moments of transition, when individuals encounter new financial decisions, greater complexity or long-term financial commitments. Examples include entering the labour market, managing independent finances for the first time, purchasing a home, starting a family or preparing for retirement.

For this reason, the Strategy adopts a life-course approach, aligning financial capability initiatives with the different financial realities individuals experience as they move through distinct stages of life. This approach allows policy interventions to be delivered at points where financial support is most relevant and most likely to influence financial behaviour.

Table 1 - Strategic focus by cohort.



Childhood	Adolescence	Young Adults	Early Career & Families	Mid-Career Adults	Older Adults
6–10	11–17	18–25	26–34	35–59	60+
Familiarisation with money, saving and spending concepts	Development of financial habits, budgeting and early financial decision-making	Managing income, budgeting, saving and debt awareness	Housing decisions, financial commitments and savings planning	Investment awareness, financial planning and retirement preparation	Retirement income management, financial security and fraud protection

Across all stages of the life course, vulnerability is recognised as a cross-cutting dimension, reflecting the fact that individuals facing socioeconomic constraints may experience additional barriers to financial capability. This includes individuals experiencing income insecurity, lower educational attainment or limited access to financial services. Digital financial capability also represents an important cross-cutting theme as financial services increasingly move online and individuals rely more heavily on digital tools to manage financial activities.

Strategic Policy Priorities

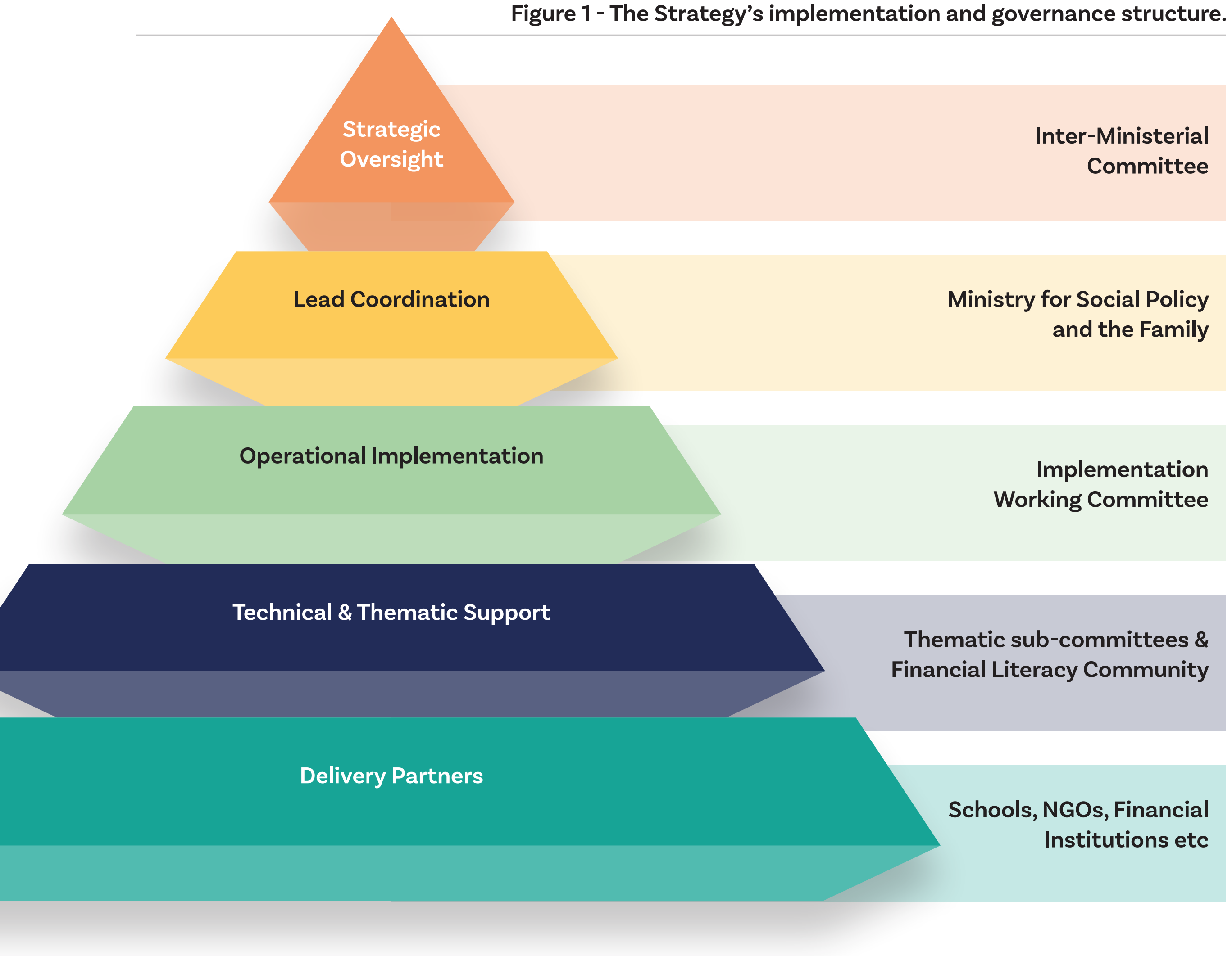
Drawing on the Strategy's evidence base and life-course framework, four strategic policy priorities guide national action to strengthen financial capability across Malta.

Table 2 - The Strategies policy priorities.

Implementation and Governance

Effective implementation of the Strategy requires coordinated institutional arrangements and clear governance structures. Strategic oversight will be supported through national coordination mechanisms involving relevant ministries and public institutions. Operational delivery will involve collaboration across government agencies, regulators, educational institutions, financial service providers and civil society organisations. Financial capability initiatives will be delivered through key environments where individuals encounter financial decisions in their daily lives, including schools, workplaces, community services and digital platforms. This approach helps ensure that financial capability support is accessible, relevant and integrated within existing institutional structures.

Figure 1 - The Strategy's implementation and governance structure.



Monitoring, Evaluation and Learning

The Strategy incorporates a comprehensive Monitoring, Evaluation and Learning (MEL) framework to ensure accountability, transparency and continuous improvement.

Progress will be monitored using a combination of OECD/INFE financial literacy surveys, national data sources and cohort-specific indicators aligned with the life-course framework. These indicators will help track developments in financial knowledge, behaviour and attitudes across the population.

A mid-term review in 2028 and a final evaluation in 2031 will assess progress in achieving the Strategy's objectives and support adaptive policy learning throughout the implementation period.

CHAPTER 1
The Vision

Introduction

The Strategy sets out a vision for a society where every citizen can make informed, confident financial decisions at each stage of life. Strengthening financial capability is essential to economic empowerment and social resilience, helping households to navigate uncertainty, plan for the future, and build long-term security.

While earlier initiatives have achieved progress, new challenges, from rising living costs and housing pressures to digitalisation and fraud, are creating fresh demands. These pressures layer on top of existing gaps in long-term planning, retirement preparedness, and financial confidence. Addressing them requires continued, coordinated effort across sectors.

Financial capability goes beyond financial literacy. It encompasses knowledge, skills, attitudes, and behaviours that allow people to manage their finances effectively and to act with confidence. The OECD defines financial capability as:

> **"The combination of knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being"** (OECD/INFE 2015).

The Strategy strengthens and builds on the previous national financial literacy framework, addressing persistent performance gaps. The OECD/INFE 2023 Survey of Adult Financial Literacy shows that Malta remains below the OECD average, particularly in financial behaviour and long-term planning, highlighting the need for a more comprehensive approach (OECD, 2023b).

Evidence also underscores the importance of embedding financial education from an early age to foster positive behaviours and resilience (OECD, 2020a). Accordingly, the Strategy prioritises integration within formal education while expanding lifelong learning opportunities tailored to different life stages and circumstances.

Implementation will be supported by coordinated action across public bodies, educational institutions, and private stakeholders. Technical Support Instrument (TSI) indicators will strengthen monitoring and evaluation in line with EU best practice (European Commission, 2023). To this end, a robust Monitoring, Evaluation, and Learning (MEL) framework will operate throughout the five-year period.

The strategic aims are closely aligned with the monitoring and KPI structure, ensuring that progress is quantifiable, comparable, and consistent with both national and OECD/INFE indicators. This alignment is operationalised through the MEL framework detailed in Chapter 7. Progress will be tracked through OECD/INFE surveys, national data sources, and cohort-specific indicators, with a mid-term review in 2028 and a final evaluation in 2031.

Through this Strategy, Malta aims to enhance household resilience, promote social inclusion, and support sustainable economic well-being.

The Rationale for Strengthening Financial Capability

Malta continues to face evolving financial realities that present new and complex challenges, which add to existing issues and reflect Malta's particular context. Among these challenges are persistent gaps in long-term financial planning and retirement preparedness, alongside an ageing population, rising house costs and a dramatic increase in digital financial frauds.

In Malta's 2023 Labour Force Survey on pensions, the NSO reported that only 3.9 % of pension beneficiaries received a private pension, indicating relatively low uptake of voluntary retirement savings (National Statistics Office, 2024). This trend is reinforced by 2023 OECD findings showing that 56 % of respondents expected to rely primarily on the state pension. The 2025 Strategic Review issued by the Pensions Strategy Group, published in 2026, explicitly identifies low participation in private pensions as a structural issue requiring further analysis and reform.

Rising property prices further exacerbate household financial pressures, directly affecting liquidity and savings capacity. Residential property prices in Malta continued to increase in 2025, with the Residential Property Price Index (RPPI) reaching 171.93 in Q2—a 5.6 % year-on-year rise—and climbing to 174.63 in Q3, a 5.7 % annual increase, highlighting ongoing affordability pressures (National Statistics Office, 2025).

This context underscores the need for continued attention and a structured response. Recognising these changing circumstances, the Strategy builds on a consistent vision that has guided both this and previous strategies.

Understanding Financial Capability: Determinants and Context

The Strategy takes a practical view of financial capability, recognising that people's financial decisions are shaped not only by individual skills but also by the wider circumstances in which they live and work. Factors such as income stability, access to financial and digital services, employment conditions, education levels and social support all influence how effectively people can manage their finances. These intersect with life-stage realities, highlighting the need for environments that actively enable positive financial behaviours rather than relying solely on information provision.

Families play a critical role in shaping early money habits and values. Communities offer spaces for support and social learning. Institutions, both public and private, determine access to key enablers such as financial services, education, consumer protections and social benefits.

As the economic and social environment evolves, through digitalisation, shifting labour markets, housing dynamics, or demographic ageing, the determinants of financial capability also shift, as explored in greater detail in the evidence presented in Chapter 2.

Strategic Alignment with National Policy Frameworks

Building upon a strong foundation of previous national efforts and based upon platforms such as ĠEMMA and inter-agency collaboration, this strategy represents the third dedicated framework in this area.

Financial capability must also be situated within a broader and interconnected policy ecosystem. In recent years, the Government of Malta has adopted a number of thematics, or 'vertical', strategies addressing key drivers of social inclusion and exclusion, many of which fall within the remit of the Ministry for Social Policy and the Family (MSF). These strategies, extending to 2031 and beyond, set out policy directions on areas such as education, active ageing, child development, and poverty prevention- sectors closely integrated with financial capability outcomes.

Several national policy frameworks including the National Children's Policy Framework 2024-2030 (MSF, 2024), the National Strategic Policy for Active Ageing 2023-2030 (MHA, 2023) and the National Strategy for Poverty Reduction and Social Inclusion 2025-2035 (MSF, 2024) highlight the importance of different aspects of financial capability. The 2025 Pension Strategy Group Report also reinforces the importance of earlier and better-informed retirement planning.

Drawing on international guidance, specifically the OECD/INFE 2015 financial literacy frameworks for adults and children, the policy document incorporates the measurement dimensions being knowledge, behaviours and attitudes, that inform the design, targeting, and evaluation of national intervention.

On the other hand, from the operational standpoint, the policy document integrates the elements highlighted in the EU's Financial Literacy Strategy aimed towards strengthening coordination, cross-sectoral delivery, and the comparability of outcomes across Member States (European Commission, 2025).

Taken together, these frameworks provide a clear and consistent foundation for national action, ensuring alignment with international standards while minimising overlap and duplication. More so, the Strategy aims to contributes directly to the broader Social Vision for Malta 2035 (Ministry for Social Policy and the Family, 2023), which aspires to a fair, inclusive, and resilient society, where no one is left behind and everyone has the opportunity to participate fully and prosper.

Ultimately this policy document integrates financial capability into the national strategic framework rather than treating it as a standalone initiative. This approach creates a comprehensive lifecycle of support bridging the gap between school-based financial education, to adult financial guidance and sustainable financial independence later on in life.

Evidence Base and Strategy Design

Developed through a structured, collaborative process led by ĠEMMA within the MSF, utilising a collaborative methodology combing secondary research with primary data including stakeholder consultations and focus groups, to produce an evidence-informed framework for implementation and public consultation. The evidence base integrates a literature and policy review, stakeholder engagement, age-segmented focus groups further bolstered by a strategic foresight exercise.

Detailed methodology, stakeholder coverage and limitations are provided in Annex A (Methodology and Evidence Base), and the stakeholder register in Annex B.

Findings from this work are synthesised in Chapter 2 (context) and applied in Chapter 4 (cohort analysis) to inform targeted interventions.

Strategic Objectives and Policy Priorities

The Strategy translates Malta's vision for financial capability into a set of clear objectives and strategic priorities. These define what the Strategy seeks to achieve and how it will do so, ensuring continuity with previous national efforts while adapting to new challenges and opportunities identified through research and consultation.

Objectives

The Strategy sets out to:

- Support individuals in understanding, planning, and making informed financial decisions with confidence and autonomy.
- Ensure that financial capability efforts respond to the specific needs and challenges faced at different life stages.
- Improve equitable access to financial information, guidance, and support services across population groups.
- Promote the safe and inclusive use of digital platforms and tools to support everyday financial decisions.
- Foster stronger collaboration across sectors to deliver coherent, consistent, and high-impact financial capability initiatives.

These objectives are aligned with the four-pillar framework of the European Commission's 2025 Financial Literacy Strategy: coordination and best practices; communication and awareness raising; monitoring progress and assessing impacts; and funding for financial literacy initiatives (European Commission, 2025).

Strategic Policy Priorities

The Strategy is guided by four policy priorities, each rooted in established empirical literature (Lusardi & Mitchell, 2014; OECD, 2020a) and substantiated by extensive local evidence. This evidence base, detailed in Chapter 2, incorporates further empirical literature with findings from the national stakeholder consultations, focus groups with diverse demographic cohorts, and the strategic foresight exercises conducted. These priorities are subsequently elaborated in the chapters that follow, reflecting both international best practices and the specific socio-economic realities of the Maltese population.

1 **Continuous, Lifelong Learning**
Financial capability develops over time and must be nurtured from an early age. The Strategy places particular emphasis on early financial education during childhood and adolescence, recognising it as a critical phase for shaping attitudes and behaviours. At the same time, it supports opportunities for all individuals to build skills and confidence at key life transitions, including entering the workforce, navigating family life, retirement, and unexpected financial shocks.

2 **Personalised and Targeted Support**
Financial guidance must reflect the diverse needs of Malta's population. The Strategy promotes tailored interventions that respond to different life circumstances, levels of vulnerability, and financial literacy and capability. Whether supporting young adults, low-income households, or older persons, it aims to deliver relevant, accessible support where and when it is needed most.

3 **Bridging Digital Access and Trust**
As financial services and tools increasingly move online, the Strategy supports the adoption of digital finance while ensuring that solutions are safe, user-friendly, and inclusive. This includes promoting digital literacy, building trust in technology, and strengthening fraud prevention measures, especially for more vulnerable or digitally excluded groups. At the same time, the Strategy recognises the importance of maintaining accessible low-tech or assisted solutions for individuals who are unable to rely solely on digital channels.

4 **Strengthening Cross-Sectoral Collaboration**
Promoting financial capability requires joined-up action. The Strategy calls for stronger coordination between government entities, financial institutions, NGOs, educational providers, and regulators. This collaborative approach ensures that resources are used effectively, duplication is avoided, and individuals experience more coherent and consistent support.

Together, these strategic priorities demonstrate a long-term commitment to strengthening financial capability across society. This framework promotes practical, forward-looking actions designed to build resilience and improve financial outcomes throughout the life course.

CHAPTER 2
The National Context

Despite sustained efforts by key stakeholders, significant gaps in financial capability persist, limiting individuals' ability to manage day-to-day finances effectively, plan for the future, and build resilience against financial shocks. Furthermore, as financial decision-making is becoming increasingly complex as products grow more sophisticated, more digitalised, and often involve longer-term risks, a greater responsibility on individuals to make informed and prudent choices is continuously being placed.

Current Financial Capability in Malta: Strengths and Gaps

A Mixed Performance: Strength in Behaviour, Gaps in Planning and Knowledge

Overall, national and international benchmarking rates Malta's performance as moderately strong, with positive outcomes in certain behaviours but notable gaps in planning and knowledge (refer to table 1).

Delving deeper into the statistics, one can note that behavioural indicators are Malta's strongest area. In fact, over 80% of Maltese adults report saving regularly (83%), placing Malta well above both the OECD (71%) and global (68%) averages (as further corroborated by the Household Finance and Consumption Survey in Malta 2021 wave data released in 2023 by the Central Bank of Malta). The same report also provides validation for the high levels of financial resilience noted in the OECD/INFE survey, highlighting high household net wealth (driven by a 79% homeownership rate), as well as a continued strong preference for liquid assets, with 96% of households holding bank deposits, constituting 59% of households' financial assets.

Furthermore, the majority also pay bills on time (91%), an observation supported by EU-SILC 2023 data showing that Maltese households have lower rates of arrears on utility bills and mortgages (5-6%) compared to the EU average (9-11%) (NSO, 2023). Maltese adults also consider affordability before making purchases (77%), reflecting prudent short-term money management and strong financial discipline. In addition, two-thirds (66%) report setting long-term financial goals, significantly higher than the OECD average of 45%. All in all, these patterns suggest that Maltese adults demonstrate robust financial behaviours, which are also reflected in relatively high financial resilience: 72% state they could cover a major unexpected expense without borrowing, well above the OECD average (62%).

However, this behavioural strength is not mirrored in financial knowledge or long-term planning. Maltese adults score slightly below the most recent 2023 OECD average in Financial Knowledge with 63 points in Malta, compared to an average of 67 out of 100 points across OECD participating countries. Consistent with this pattern, EU evidence also points to persistent knowledge gaps: the 2023 Flash Eurobarometer on financial literacy (European Commission, 2023) shows that only 26% of Maltese respondents reach a high financial knowledge level (answering at least four of five knowledge questions correctly), 54% medium (2-3 correct) while 19% score low (0–1 correct).

Digital and market engagement remain weak points. Only 9% of Maltese adults report comparing financial products across providers, compared with 25% in the OECD sample, suggesting low engagement with financial markets and consumer choice. Similarly, just 31% manage financial products online, lagging significantly behind the OECD average of 46%. This conservative approach may be due to low trust in financial markets, risk aversion, or limited exposure to investment education.

The most pronounced gap lies in retirement preparedness. In the 2018 OECD survey, 45% of Maltese adults reported having no retirement plan. This figure improved modestly in the 2023 OECD survey; however, the overall situation remains concerning. Over half (56%) of respondents expect to rely primarily on the state pension, and only 19% have a private pension. This data from the 2023 OECD survey is confirmed by national data from the NSO (NSO, 2024) and Social Security reports (NSO, 2023): 90-95% of Maltese pensioners rely primarily on the first-pillar state pension. A further 11% do not believe they are financially prepared for retirement, based on the 2023 OECD survey.

These figures reveal a systemic under-engagement with long-term savings and investment, leaving many citizens vulnerable to income insecurity in later life. This pattern aligns with the findings of the 2025 Strategic Review on the Adequacy, Sustainability and Solidarity of Malta's Pension System, prepared by the Pensions Strategy Group. The review highlights demographic ageing, sustainability pressures, and the importance of strengthening complementary retirement savings provisions alongside the state pension. These structural considerations reinforce the need for enhanced financial capability in long-term planning and voluntary pension participation.

Table 3 - Financial Literacy Indicators - Malta and Global - OECD/INFE Survey (2023b).

Indicator	Malta	Global/ OECD Avg.	What it Means
Global Indicator			
Financial Literacy (0-100)	68	60 (All) 63 (OECD)	Above-average foundation
Financial Knowledge (out of 35)	21	22 (All) 23 (OECD)	
Financial Behaviour (out of 45)	35	27 (All) 28 (OECD)	
Financial Attitudes (out of 20)	13	11 (All) 12 (OECD)	
Detailed Indicators			
Adults who keep track of money in the short term	62%	63% (Global) 65% (OECD)	Opportunity to promote budgeting and daily money management
Adults who actively save	83%	68% (Global) 71% (OECD)	Strong saving culture
Adults who don't need to borrow to make ends meet	66%	68% (Global) 71% (OECD)	Moderate financial pressure
Adults who make considered purchases	77%	70% (Global) 68% (OECD)	Thoughtful spending
Adults who compared financial products across providers	9%	26% (Global) 25% (OECD)	Low engagement
Adults who set long-term financial goals	66%	50% (Global) 45% (OECD)	Future orientation and planning behaviour
Adults who pay bills on time	91%	77% (Global) 83% (OECD)	Good short-term habits
Adults who managed financial products and services online	31%	39% (Global) 46% (OECD)	Digital lag
Adults who affirm that their income covered the living expenses	49%	56% (Global) 64% (OECD)	Budget strain
Adults who could pay a major expense without borrowing	72%	54% (Global) 62% (OECD)	Financial resilience

Uneven Capability Across the Population

Financial capability is not distributed evenly across the Maltese population ĠEMMA/OECD, A Study on Adult Financial Literacy in Malta, 2024; as well as (Mallia, 2015; Formosa, 2012; IMF, 2025). Moreover, the divergences between different individuals and sub-groups do not arise from a single root cause. Rather, the unevenness reflects the multi-layered paradigm of financial capability, characterised by a multitude of structural constraints, behavioural factors, and life-course transitions, which manifest differently across population groups and stages of life.

Unfolding each element by specific critical variables reveals the unique circumstances, and with it, the capability gaps across distinct segments of the population. For example, distinguishing the population by age shows that:

- Young adults tend to prioritise short-term goals such as housing or family over long-term saving. Many see retirement planning as a distant concern, despite being in the ideal window to start accumulating pension savings.
- Individuals with low-income and those with lower levels of education individuals are less likely to track expenses, use formal financial tools, or have access to financial advice.
- Older adults face challenges with digital tools and are less likely to use fintech solutions that simplify budgeting or fraud protection.
- Women report lower financial confidence and lower pension coverage, although more gender-disaggregated data is needed for a full assessment.

These observed disparities can be better understood by considering the different types of constraints and pressures that affect financial capability across key life stages (which still are, more or less, perfectly correlated with an individual's age). In other words, financial capability initiatives in general cannot assume a one-size-fits-all approach, with effective action reflecting the realities of different segments of the population (by way of policy flexibility). This includes:

(i) Life-stage targeting (e.g., workplace-based onboarding modules for first-job entrants; pre-retirement guidance and pension decision support for older cohorts);

(ii) Segmented delivery channels (e.g., school-based provision for adolescents; employer channel for working-age adults; community and NGO-led outreach for households in vulnerable situations; and accessible digital platforms for those who prefer online support);

(iii) Behaviourally informed tools to translate knowledge into action (e.g., budgeting prompts, commitment devices for saving, simplified choice architecture for comparing products, and default options where appropriate); and

(iv) Capability support embedded into services used by vulnerable groups, such as integrating budgeting support, debt advice and referral support pathways within employment services, housing assistance and social protection touchpoints. These points will be operationalised in chapter 7.

Takeaways from Malta's Current Financial Capability Profile

The evidence at the national level presents a nuanced picture:

- Strong fundamentals: Malta exhibits high savings rates, prudent short-term behaviours, and relatively good financial resilience.
- Enduring gaps: Financial knowledge, long-term planning (especially for retirement), and use of investment products remain weak areas.
- Digital inequality: Older adults and groups in vulnerable situations are at risk of exclusion from digital financial tools.
- Behavioural segmentation: Distinct patterns exist across age, education, and socioeconomic groups, calling for differentiated and targeted interventions.

These findings were largely corroborated by stakeholder interviews and focus group discussions conducted. Participants consistently confirmed the presence of a strong savings culture but also highlighted limited engagement with investment products and widespread under-preparation for retirement. Furthermore, several stakeholders pointed to a persistent tendency among both younger and older adults to prioritise immediate financial needs over long-term planning, echoing the survey data.

Furthermore, one must also note that national validation sources consulted include NSO household sector accounts 2024 on saving rate, indicating Malta's comparatively high household savings rate (NR 226/2025); the ĠEMMA/OECD A Study on Adult Financial Literacy in Malta 2024; EU ICT statistics documenting age-related digital skills disparities; and Formosa's Maltese case study on digital exclusion in later life (2013). Other sources consulted can be found in the reference list.

Supplementary Evidence:
National Investment and Market Engagement Findings

In addition to internationally benchmarked survey data, further national-level evidence has recently been generated through a Technical Support Instrument (TSI) project led by the Malta Financial Services Authority.

Descriptively, the survey sample is broadly gender-balanced and largely economically active, with strong representation among prime working-age groups and meaningful participation from older cohorts. Income distribution is concentrated within lower- to middle-income households, and educational attainment is predominantly at secondary level. Most respondents are employed and live in family-based households. Self-assessed investment knowledge clusters around the middle range, with a majority describing themselves as having "about average" knowledge and relatively few identifying as highly knowledgeable. Awareness and ownership of financial products are heavily concentrated in mainstream banking and insurance products, while familiarity with more complex instruments is extremely limited. Current and savings accounts are widely held, alongside moderate participation in life insurance, mortgages, shares, government bonds, and private pensions. Wealth is strongly concentrated in real estate, with a large majority owning their primary residence and a significant shareholding additional property.

Homeownership is widely regarded as a primary financial objective, and many respondents prioritise purchasing property before investing in financial markets. While a plurality perceives real estate as safer and potentially offering higher returns than capital markets, considerable neutrality and uncertainty indicate mixed confidence in comparative risk and return. Savings behaviour is primarily channelled through formal banking institutions, although a notable share continues to save in cash. Active participation in financial investments remains limited, with investments largely funded through personal savings rather than borrowing. Among non-investors, fear of losses, limited disposable income, and knowledge gaps are prominent barriers, alongside a preference for real estate investment, reflecting overall risk aversion and financial constraints.

Digital financial confidence is generally high, particularly in conducting online payments and basic digital transactions. Most respondents adopt standard security practices such as strong passwords, though more advanced tools are less widely used. The reported incidence of digital fraud or scams is relatively low but not negligible, and confidence in recognising scams is comparatively strong. Retirement expectations remain heavily anchored in the public pension system, complemented by personal savings and moderate uptake of private pension plans, indicating a mixed but state-reliant model of retirement planning. Crypto-asset ownership is present but not dominant, often motivated by recreational or experimental interest rather than strategic investment, and is accompanied by significant knowledge gaps regarding legal protections and risk implications. Overall, the findings depict a financially engaged yet conservative population characterised by strong reliance on traditional banking and property, moderate financial literacy, high digital confidence, and persistent caution toward more complex or higher-risk financial instruments.

Structural, behavioural and socio-economic influences

Cross-cutting external and internal factors which the OECD/INFE (2022) defines as a combination of knowledge, behaviour, and attitudes that influence how individuals' access, understand, and apply financial knowledge. Evidence confirms that individuals' financial outcomes are shaped not only by knowledge and access but also by confidence, behavioural biases and social norms (Aristei & Gallo, 2021; Capuano, 2011). The World Bank further emphasises that financial capability depends on an individual's internal capacity to act in their best interest within their specific socio-economic environment. Additionally, idiosyncratic factors and institutional support play an instrumental role in one's proactive or reactive response to financial matters (Lusardi & Mitchell, 2023). To this end, the following sub-sections tackle each of these elements individually.

Structural Barriers

Structural constraints reflect limitations arising from income insecurity, employment instability, disability, migration status and unequal access to education and learning opportunities. These constraints often persist across multiple life stages and can limit individuals' ability to engage effectively with financial systems, access appropriate tools, or benefit fully from available financial information and guidance. For example, access to affordable banking products, clear information on pensions, and simple administrative processes can all enable better financial choices.

One important structural sub-area is digital access. High internet and smartphone usage have created opportunities to reach people more efficiently. Findings from the Study on Adult Financial Literacy commissioned by MSF in 2024 shows that 48% of interviewed Maltese residents use banking apps, 84% of interviewed internet users regularly check their bank accounts online, 74% pay bills digitally and 67% make online transfers. Yet focus groups and survey data reveal persistent digital divides: older adults, individuals in vulnerable situations, and some low-income groups face challenges related to digital confidence, access, or trust. A substantial number of older adults, for instance, struggle with online banking interfaces, while youth may over-rely on unverified financial information from social media.

Structural factors therefore shape the context within which financial decisions are made and may exacerbate existing capability gaps, particularly where complexity and administrative burden create additional barriers.

Confidence, Mindset, and Behavioural Barriers

Insights gathered from focus groups highlighted how low confidence, fear of financial failure, and past negative experiences can lead individuals to avoid financial planning, even when tools or advice are available. Attitudes such as procrastination, short-termism, and fatalism ("I'm just not good with money") are common and often deeply embedded. Shame or social stigma may further inhibit open discussion of financial matters, particularly within certain family or cultural contexts. These findings underscore the importance of building financial confidence from an early age, so that self-doubt does not become a barrier to informed financial decision-making later in life. Even modest successes—such as tracking expenses or reducing debt— can significantly enhance self-efficacy and motivation.

The Socio-Economic Context

Driven by population growth, higher levels of formal participation and employment, increased productivity, wages and investment, Malta has recorded strong economic performances in recent years (registering GDP real growth rates of 7.5% in 2023, around 6% in 2024 and 3.7% in 2025). Forward-looking, real GDP growth is projected to remain relatively robust at about 3.8% in 2026 and around 3.5% in 2027 -well above the EU average (Central Bank of Malta, 2024, 2025, n.d.).

However, robust growth has also been accompanied by rising asset prices and cost pressures, particularly in housing and essential goods and services. In this context, financial capability is not only important, but increasingly critical to long-term household resilience and macroeconomic stability.

Property prices

Rising property prices are significantly increasing the financial stakes of household decision-making. Malta's high homeownership culture, combined with sustained demand, limited land supply, and strong inward migration, has contributed to persistent house price growth. For many households, purchasing property now requires larger deposits, higher leverage, and longer repayment horizons. As a result, Mortgage decisions carry greater exposure to interest rate risk, income volatility, and potential price corrections.

Without adequate financial capability, including understanding of borrowing costs, interest rate sensitivity, affordability under stress, and long-term liquidity planning – households risk overextension, reduced financial flexibility, and vulnerability to shocks. Contrarily, households that diversify beyond property and low-yield deposits can support deeper capital markets, while prudent borrowing reduces systemic vulnerability to asset price corrections.

Essential goods and services

Increase in the cost of living foregrounds the importance of budgeting, emergency savings, and cash-flow management. Even in a context of aggregate economic growth and the Government's continually expanded and upward-adjusted contributory and non-contributory social system (including through enhanced social security benefit structures, free health care, education and access to essential services), real purchasing power pressures can affect lower- and middle-income households disproportionately.

Financial capability enables households to distinguish between fixed and discretionary costs, smoothen consumption, prioritise savings buffers, and avoid high-cost credit. In an inflationary or cost-of-living environment, these skills directly influence financial stability and wellbeing. In fact, practitioners working closely with individuals in vulnerable and low-income situations (such as public social welfare services and NGOs) emphasise that, in periods of heightened price pressures, households are often forced into short-term coping strategies.

Towards a service and digitally based economy

As the Maltese economy becomes more service-oriented and digitally integrated, individuals are also increasingly required to undertake complex financial decisions across a broader range of products: pensions, insurance, investments, digital payments, and online financial services. The expansion of digital finance lowers transaction costs and increases access, but also exposes consumers to scams, misinformation, and behavioural risks. In a small and highly open economy like Malta's, exposure to cross-border platforms and global volatility further amplify these risks. In other words, strong financial capability therefore functions as a form of consumer protection and risk mitigation.

Labour supply and ageing

Malta's demographic profile which particularly includes population ageing and evolving labour market patterns, increases the importance of long-term financial planning. While the public pension system remains central, longer life expectancy and shifting dependency ratios mean that individuals must play a greater role in retirement preparedness. Financial capability therefore will continue to support earlier pension engagement, diversified savings behaviour, and the managing of realistic expectations about retirement income adequacy/replacement and expenditure coverage.

Family and Community Influence

Feedback from focus groups highlights the powerful role of family, particularly in early life. The financial behaviours demonstrated by parents and caregivers, both positive and negative, are often internalised by children from a young age (OECD, 2023b). This aligns with the wider literature on family financial socialisation, which finds that parental role-modelling and parent-child interactions around money are strongly associated with future financial attitudes and behaviours (Gudmunson & Danes, 2011; LeBaron & Kelley, 2021). Such influence continues into adulthood, as peers and community norms shape specific behaviours, including retirement saving decisions (Duflo & Saez, 2002), stock market participation (Brown et al., 2008), and attitudes toward borrowing and debt (Almenberg et al., 2021).

Institutional Context

A supportive institutional environment enables citizens to act on their financial knowledge. In Malta, this is safeguarded by regulators such as the Malta Financial Services Authority (MFSA) and Malta Competition and Consumer Affairs Authority (MCCAA). Within this ecosystem, ĠEMMA contributes through education and awareness, collaborating with NGOs, industry, and community actors to provide citizens with clear and practical guidance.

National policies like the National Children's Policy Framework (2024-2030) and the Active Ageing Strategy (2023-2030) already recognise financial wellbeing as a cross-cutting concern. This is also reflected in the Pension Strategy Group's strategic reviews of Malta's pension system (2015; 2020; 2025).

Emerging Challenges and Trends

Combining the aforementioned factors, along with stakeholder input, several pressures shaping financial vulnerability are highlighted, including:

- Housing costs divert household resources from long-term saving;
- Gig and self-employment patterns complicate traditional planning models;
- Demographic ageing reshapes retirement needs and late life support;
- Technological disruption, including AI-powered fraud, introduces new risks.

These dynamics illustrate that financial capability is shaped both by personal skills and by wider structural conditions. Together, these insights highlight the diverse realities and vulnerabilities that shape financial capability across the life course. They provide the foundation for the cohort analysis presented in Chapter 4, where each group's specific needs and challenges are examined in greater depth to inform targeted interventions.

Data and Monitoring: Foundations for Action

Malta's participation in the OECD/INFE Financial Literacy and Financial Inclusion Surveys in 2018, 2023 and the upcoming 2026 survey provides a longitudinal benchmark of knowledge, attitudes, and behaviours, enabling both national tracking and international comparison. These surveys are complemented by targeted national studies and existing data from stakeholders which add granularity to the national picture. The full monitoring, evaluation, and learning framework, including KPIs, reporting cycles, and adaptive review mechanisms, is presented in Chapter 7.

Conclusion: Implications for the Strategy

Financial capability data in Malta highlights clear strengths yet also persistent and emerging gaps. Whilst citizens generally demonstrate responsible day-to-day behaviours, challenges remain in the individual's long-term planning and decision-making, retirement preparedness, confidence, and digital inclusion. These challenges are further exacerbated across different population niches including, but not limited to, young adults, older persons, low-income households, and those with lower education levels. Malta's situation mirrors broader global trends: growing financial complexity, digitalisation, and socioeconomic pressures are pushing many countries to further adopt stronger strategies for financial capability (OECD, 2020a; OECD, 2021a).

To summarise, stronger financial capability can enhance resilience, reduce stress, and enable households to plan more confidently for the future. These insights provide the baseline for the next chapters of this strategy.

CHAPTER 3
Methodological Framework for Cohort-Based (Life-Stage Phasing) Analysis

Overall Analytical Design

Preceding the cohort analysis, this chapter ensures analytical transparency and logical coherence, explaining how evidence was generated, selected, and synthesised. The sequencing aligns with international best practice in policy strategy design, including OECD and European Commission guidance, which emphasise that analytical claims should be preceded by a clear exposition of methods.

Going forward, the cohort-based or life-stage phasing analysis, following the OECD/INFE recommendations for developing national financial capability strategies, adopted in this Strategy is grounded in a mixed-methods, triangulated research design, integrating quantitative benchmarking, qualitative institutional insight, and lived-experience evidence. As is done in comparable country frameworks, the design reflects the multidimensional nature of financial capability, which cannot be adequately captured through any single data source.

Specifically, the analytical framework combines desk-based quantitative and comparative analysis, semi-structured stakeholder interviews, and age-segmented focus groups, integrated through an iterative triangulation process supported by international literature. Each component contributes distinct analytical value: quantitative and comparative evidence establishes baseline patterns and cross-country positioning; stakeholder interviews provide system-level and institutional insight; and focus groups capture lived experience across life stages. The following sub-sections explain the aforementioned types of evidence and their respective roles within the Strategy.

Evidence Type 1: Desk-Based Research and Quantitative Evidence

Desk-based research established the structural and comparative baseline for the Strategy. Sources for the desk-based research included OECD/INFE financial literacy and capability surveys, EU-level evidence such as the Flash Eurobarometer on financial literacy, national administrative and survey data, and peer-reviewed academic literature spanning financial capability, behavioural economics, life-course theory, and household finance. Together, these sources provided a robust comparative and theoretical foundation for identifying population-wide strengths, gaps, and risk patterns.

Furthermore, this evidence source helps in benchmarking Malta against international peers, and develop initial hypotheses regarding life-stage risks, behavioural patterns, and institutional frictions. Consistent with best practice, these hypotheses were treated as provisional and subject to validation through qualitative evidence rather than as definitive conclusions. While essential, desk-based evidence was treated as diagnostic rather than explanatory, necessitating complementary qualitative inquiry.

Evidence Type 2: Stakeholder Interviews (System-Level Perspectives)

Stakeholder interviews provided a top-down view of financial capability across Malta, capturing institutional realities, delivery constraints, and coordination challenges.

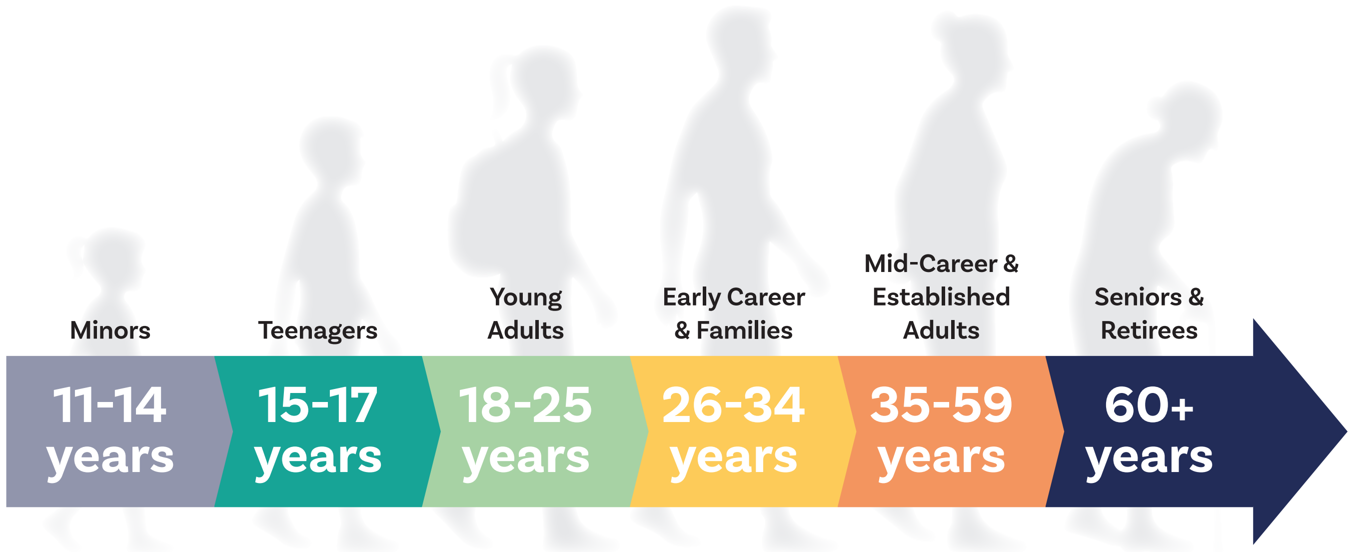
The stakeholder interview component was characterised by purposeful sampling across government, regulators, financial institutions, education providers, NGOs, and social services, ensuring coverage of both policy design and delivery perspectives. Interviews followed a semi-structured format to balance comparability with depth, and findings were analysed thematically using a combination of inductive and deductive coding. Analytical weight was assigned based on explanatory value and relevance rather than frequency of mention, allowing minority or system-level insights to be retained where theoretically and empirically significant.

Stakeholder interviews were particularly influential in identifying cross-cutting barriers to financial capability, including socioeconomic constraints, behavioural frictions, informational gaps, and digital exclusion. They also highlighted groups experiencing intersecting vulnerabilities and revealed systemic gaps related to timing, coordination, and institutional design that are not easily observable through survey data alone. Importantly, stakeholder perspectives were treated as contextual evidence, not normative policy prescriptions.

Evidence Type 3: Focus Groups

Six age-segmented focus groups provided bottom-up empirical grounding for the cohort framework. Groups were organised around homogeneous age bands reflecting recognised life stages: 11–14, 15–17, 18–25, 26–34, 35–60, and 60+ (refer to figure 1).

Figure 2: Age groups related to Financial Capability



The focus group phase employed semi-structured discussion guides adapted to the cognitive and life-stage characteristics of each cohort, with sessions conducted through a combination of in-person and online formats. Analysis followed a hybrid approach combining keyword-assisted coding with manual thematic adjudication, allowing both pattern recognition and contextual interpretation. Discussions explicitly explored attitudes, confidence, trust, and behavioural constraints, which are central to understanding financial capability but difficult to capture quantitatively.

Focus group data were critical in:

- Validating or challenging quantitative findings;
- Identifying life-stage stressors such as housing, pensions, and digitalisation;
- Revealing the learning curve after compulsory education, and;
- Capturing experiential dimensions not observable in surveys.

Triangulation, Synthesis Logic and Implications for Cohort Design

Findings were integrated through an iterative triangulation process. Insights were retained where they appeared consistently across multiple evidence streams; or, strongly evidenced in one stream and theoretically supported in the literature.

In the same breath, discrepancies were treated analytically rather than resolved prematurely. For example, high self-reported saving rates were examined alongside qualitative accounts of stress, illiquidity, and avoidance. By so doing, the process of internal validity was strengthened, as well as reduced reliance on any single data source.

Thus, the methodological framework outlined in this chapter has direct and substantive implications for how cohorts are defined, analysed, and prioritised in the Strategy. Rather than treating cohorts as static demographic categories, the analysis anchors cohort construction to life-course transitions and decision environments identified through triangulated evidence. This reflects the finding that financial capability challenges intensify at moments of novelty, complexity, or irreversibility, rather than progressing linearly with age. As a result, cohorts are structured around exposure to institutional touchpoints such as first income, housing commitments, pension engagement, and decumulation rather than around chronological age alone.

Methodologically, this approach also supports the integration of vulnerability within each cohort rather than as a separate analytical layer. Evidence from interviews, focus groups, and the literature consistently shows that vulnerability factors operate as risk multipliers that amplify existing constraints rather than creating entirely distinct financial capability dynamics.

Finally, the methodological emphasis on triangulation and timing directly informs the intervention logic developed in Chapter 5, ensuring that cohort-specific recommendations are evidence-led, context-sensitive, and aligned with internationally recognised best practice in financial capability strategy design. To this end, the applied methodological framework is designed to answer three core analytical questions:

1. How financial capability challenges manifest across the life course in Malta;
2. At which transition points risks, irreversibility, and vulnerability intensify; and
3. Which institutional touchpoints offer the highest leverage for timely intervention.

All subsequent cohort definitions and strategic priorities are derived from these questions.

Analytical Limits and Mitigation

As with all applied, mixed-methods policy research, the analytical approach adopted in this Strategy is subject to identifiable limits that must be acknowledged explicitly to support transparency and appropriate interpretation.

First, qualitative findings derived from stakeholder interviews and focus groups are not statistically generalisable. Their value lies in explanatory depth, contextual insight, and hypothesis refinement rather than population-level inference.

Second, focus group participation may be affected by self-selection bias, with individuals who are more engaged, articulate, or motivated being more likely to participate.

Third, despite efforts to ensure diversity, some highly marginalised or hard-to-reach populations may remain underrepresented, particularly where trust in institutions is low or barriers to participation are high. These limitations are mitigated through several deliberate design choices. As previously mentioned, qualitative insights are interpreted conservatively and are not treated as stand-alone evidence but are triangulated systematically against quantitative data and internationally replicated findings in the literature. Where qualitative evidence is used to inform strategic direction, it is anchored in theoretical frameworks and empirical research that extend beyond the Maltese context, reducing the risk of idiosyncratic conclusions.

In addition, the Strategy avoids precision claims that cannot be supported by the available data, focusing instead on robust patterns, mechanisms, and timing effects that are consistently observed across sources.

Finally, the integration of Monitoring, Evaluation and Learning mechanisms in later chapters provides a pathway for iterative refinement, allowing emerging evidence to address residual gaps or biases identified during implementation.

Conclusion

The methodological framework set out in Chapter 3 establishes the evidentiary basis for the cohort analysis that follows. In other words, the applied framework ensures that Chapter 4 does not segment the population descriptively, but analyses how risks emerge, compound, and become irreversible across timed decision environments.

Building on triangulated quantitative evidence, institutional insight, and lived-experience data, the analysis in Chapter 5 applies this framework to examine how financial capability challenges and intervention needs evolve across the life course. The focus shifts from how evidence was generated to how it is interpreted and operationalised, translating robust empirical patterns into a transition-led, cohort-based strategy architecture.

CHAPTER 4
Cohort Analysis: A Life-Course and Vulnerability-Informed Framework

Purpose, Scope, and Theoretical Anchors

Chapter 4 provides an in-depth, theory-informed cohort analysis that translates the Strategy's evidence base into a life-course financial capability framework. Financial capability is conceptualised as a dynamic outcome shaped by the interaction of individual competencies, behavioural biases, institutional design, and socio-economic conditions (OECD/INFE, 2015; Sherraden, 2013; OECD, 2020c). The analysis draws on five complementary strands of literature:

1. Life-course theory, which emphasises timing, sequencing, and cumulative advantage or disadvantage (Elder, 1998; Heckman, 2006);
2. Behavioural economics, particularly work on bounded rationality, present bias, and defaults (Thaler & Sunstein, 2008; Mullainathan & Shafir, 2013);
3. Developmental psychology, which explains age-specific cognitive and emotional capacities (Piaget, 1972; Steinberg, 2014);
4. Household finance, examining how individuals interact with complex financial systems in practice (Campbell, 2006; Gennaioli, Shleifer & Vishny, 2018); and

Financial capability and inclusion frameworks, particularly OECD/INFE and asset-based approaches (OECD/INFE, 2019; Sherraden et al., 2018).

Across this literature, a consistent empirical conclusion emerges financial capability interventions are most effective when they are timely, contextual, and proportionate to both life stage and vulnerability (Fernandes, Lynch & Netemeyer, 2014; Kaiser & Menkhoff, 2020). Generic, untargeted financial education produces limited and often short-lived behavioural effects, particularly when delivered outside moments of active decision-making.

To this end, financial capability is strongly path-dependent: early-life habits, initial contractual exposures, and mid-life inertia exert long-lasting effects that are difficult and costly to reverse (Elder, 1998; Heckman, 2006; Lusardi & Mitchell, 2014). These dynamics underpin a cohort-based strategy that prioritises timing and sequencing over uniform population coverage.

Accordingly, the chapter is organised around life-course transitions rather than chronological age. Cohorts are used as analytical lenses to identify recurring decision environments created by changes in roles, responsibilities, and institutional exposure. Thus, it is vital to note that the unit of analysis throughout this chapter is not the individual per se, but the recurring financial decision environments encountered at different life-course transitions.

Evidence shows that financial capability challenges intensify at moments of transition—when novelty, complexity, or irreversibility increases—rather than evolving smoothly with age. Interventions are therefore designed to be timed to transitions such as first exposure to formal systems, commitment lock-in, complexity saturation, and the onset of vulnerability, and are delivered through environments where decisions actually occur. Age bands function instrumentally, as proxies for exposure to institutional touchpoints, rather than as determinative or demographic categories. In other words, the analytical framework is grounded in convergent findings from international evidence that hold across country contexts, delivery models, and institutional arrangements.

Delving deeper into the literature, behavioural constraints operate systematically across the population. Bounded rationality, present bias, inertia, and cognitive overload affect individuals regardless of income level or financial sophistication, shaping outcomes through predictable patterns rather than isolated failures of judgement (Thaler & Sunstein, 2008; Mullainathan & Shafir, 2013; Gennaioli et al., 2018). As a result, poor financial outcomes are better explained by structural and behavioural frictions than by individual irresponsibility.

More so, vulnerability amplifies these challenges without altering their underlying mechanisms. Empirical evidence shows that low income, disability, migration status, and care burdens reduce cognitive bandwidth and access, lowering the effectiveness of generic interventions and increasing the importance of proportionate support (Sherraden et al., 2018; OECD, 2020c). For this reason and as is further explained below, vulnerability is embedded within the cohort design, rather than treated as a separate policy domain, consistent with principles of proportionate universalism.

Furthermore, institutional design plays a decisive role alongside individual capability. Defaults, simplification, trusted intermediaries, and attention to timing consistently outperform information-intensive approaches across cohorts (Madrian & Shea, 2001; Benartzi & Thaler, 2013; OECD/INFE, 2019). Digital delivery models are most effective when complemented by assisted and non-digital pathways, ensuring accessibility for older and vulnerable populations while enabling innovation (OECD, 2022f; DeLiema et al., 2019).

Taken together, these findings establish the evidentiary foundation for the Strategy's life-course architecture and guide the prioritisation of cohorts, intervention moments, and delivery mechanisms presented in the remainder of the chapter. The sections that follow apply this framework to a series of life-course cohorts defined by their exposure to distinct financial decision environments. Each cohort is analysed in terms of its prevailing financial realities, dominant capability constraints, behavioural drivers, and the learning objectives and delivery environments most likely to be effective at that stage. The analysis proceeds sequentially across the life course, reflecting how financial capability challenges evolve as individuals move through transitions that increase exposure, commitment, complexity, and vulnerability. Furthermore, synthesis sections are included only where adjacent cohorts represent a qualitative shift in financial decision regimes rather than a gradual life-course progression.

Together, these cohort profiles, or better yet, the identified life-course phases, provide a structured basis for aligning interventions with timing, context, and institutional touchpoints rather than with age alone.

Transition: Financial Familiarisation

The period marks the formal entry point at which children start familiarising with basic financial concepts and terminology. This phase will mark the beginning of a life-course that requires a sound understanding of what currency, spending, saving, and needs versus wants to mean.

Children (6 – 10 years): Familiarisation with Financial Terminology and Key concepts

Financial Reality

For children aged 6-10, early financial experience is almost entirely shaped by adult-mediated contexts in which caregivers control access to money, define spending permissions, and structure opportunities to save (Gudmunson & Danes, 2011; Shim et al., 2010). Financial agency is therefore indirect and relational rather than autonomous: children learn what money "is" and how it should be used through observation, guided participation, and imitation rather than independent decision-making.

At this developmental stage, children are still building foundational concepts. Many have not yet fully grasped what currency represents, how to quantify amounts consistently, or how value relates to choice and exchange (Piaget, 1972; Weber & Hsee, 2000). Even where children can identify coins or recognise that money is exchanged for goods, the underlying logic of scarcity and substitution is often unstable and context dependent. Numerical reasoning is still consolidating, which limits the ability to compare prices, evaluate "more for the same money," or anticipate the consequences of a purchase for future choices (Weber & Hsee, 2000).

Distinctions between needs and wants begin to emerge, but at this age they are highly influenced by adult framing, situational cues, and emotion (Webley & Nyhus, 2006; Miller et al., 2011). Decisions about money tend to focus on immediate, concrete outcomes. Financial engagement is episodic, linked to particular situations such as small allowances, gifts, or supervised purchases of wants which may be experienced as needs, rather than anchored in systematic budgeting or longer-term planning (Otto et al., 2015; Mandell & Klein, 2009).

Developmental neuroscience suggests that cognitive capacities for impulse regulation and prospective thinking continue to mature throughout middle childhood, shaping how children interpret delay, price and value (Casey et al., 2008; Steinberg, 2008). Concurrently, exposure to digital and cashless payment methods within family environments is increasingly common, often preceding a stable understanding of quantities and price. Such exposure can weaken price salience and the psychological link between spending and loss. This blurs financial "reality," with implications for the formation of early spending habits and self-regulation (Soman et al., 2010; OECD, 2022e; Zaloom, 2019).

Capability Gaps

Capability gaps in this cohort are primarily developmental rather than informational. Children often show limited understanding of where money comes from, how to manage small amounts in a structured way, and how to apply the needs-versus-wants distinction consistently in real contexts (Piaget, 1952; Webley & Nyhus, 2006). While some children demonstrate saving behaviours (e.g., putting money aside), these are frequently imitative rather than principle-based, with limited understanding of prioritisation, planning, or delayed gratification (Gudmunson & Danes, 2011; Mandell & Klein, 2009).

Research on financial capability indicates that early gaps can persist into later life if not addressed through repeated practice and supportive environments (Lusardi & Mitchell, 2014). OECD guidance suggests that many children in this age group struggle to recognise trade-offs, assess value for money, and navigate persuasive commercial cues, particularly in digital environments where spending is frictionless and prices are less salient (OECD, 2018; Soman et al., 2010). Capability formation is also shaped by inequality in learning opportunities: differences in parental time, resources, stress, and modelling affect the richness and consistency of financial learning (Gudmunson & Danes, 2011; OECD, 2018).

Behavioural and Contextual Drivers

Children aged 6–10 are shaped by a combination of behavioural and contextual drivers, including parental modelling, family norms around spending and saving, peer influence, and exposure to commercial messaging (Gudmunson & Danes, 2011). Behavioural tendencies such as present bias and limited self-regulation reduce children's capacity to delay gratification and sustain saving behaviours. Longitudinal evidence indicates that childhood self-control is predictive of later life outcomes, including financial stability (Moffitt et al., 2011), and developmental research suggests that impulse regulation continues to mature throughout this period (Casey et al., 2008; Steinberg, 2008).

Digitalised consumption environments introduce additional drivers: in-app purchases and gamified rewards can reduce price salience and normalise frequent low-value spending, especially when spending is disconnected from tangible exchange or visible depletion (Soman et al., 2010; Zaloom, 2019). The wider socio-economic context shapes access to financial learning opportunities, parental capacity to engage, and the availability of positive role models, contributing to unequal development of financial capability (OECD, 2018).

Focus Group Insights

No focus groups were conducted with children aged 6–10 due to methodological and developmental constraints associated with group-based qualitative methods. At this stage, children's ability to articulate abstract financial concepts, reflect on their own behaviours, and engage in sustained group discussion is limited, which can affect the reliability and depth of insights generated (Piaget, 1952; Bjorklund, 2018). Group dynamics may also be strongly shaped by peer influence, social desirability, and unequal participation, increasing the risk that responses reflect dominant voices rather than individual understanding (Punch, 2002).

This age group was therefore represented through synthesis of existing literature and large-scale evidence on childhood financial socialisation and capability (Gudmunson & Danes, 2011; OECD, 2018). However, children in this cohort will be included at later stages of the strategy through age-appropriate participatory approaches to inform the design and testing of child-facing materials and tools, such as classroom resources, activities and digital content. This enables children's perspectives to shape accessibility, clarity and engagement without requiring them to contribute to high-level strategic analysis, aligning with good practice in child-centred design (Gudmunson & Danes, 2011; OECD, 2018).

Potential Learning Objectives

For children aged 6–10, learning objectives should prioritise familiarisation and routine formation rather than independent competence. Objectives should be grounded in concrete scenarios and designed for repeated practice across home and school contexts (Piaget, 1952; Bjorklund, 2018; Gudmunson & Danes, 2011).

A first objective is establishing basic money meaning and vocabulary: recognising money (including digital representations), understanding it as a limited resource used in exchange, and becoming familiar with key terms (save, spend, cost, price, choice) (Piaget, 1952; OECD, 2018). This should be reinforced with activities that build quantity and comparison intuition, supporting emerging ability to compare "more/less" and evaluate simple price differences (Weber & Hsee, 2000).

A second objective is operationalising the needs-versus-wants distinction as an applied skill rather than a definitional concept. Children should practise classification in familiar contexts (snacks, games, school items) and be supported to reflect on why some wants feel urgent, building early awareness of emotional drivers (Webley & Nyhus, 2006; Miller et al., 2011).

A third objective is to establish simple saving routines and short-term goal setting, enabling children to experience planning and progress (Gudmunson & Danes, 2011; Mandell & Klein, 2009). The goal is not optimisation but routine: setting a goal, tracking progress, and completing a plan. This provides an age-appropriate route to introducing delayed gratification and self-regulation, which are still developing but strongly linked to later outcomes (Moffitt et al., 2011; Casey et al., 2008; Steinberg, 2008).

A fourth objective is introducing trade-offs and value for money through structured choices ("if you choose this, you cannot choose that"), supporting early reasoning about scarcity and substitution (OECD, 2018).

Finally, given early exposure to cashless payment systems, children should begin to develop digital spending awareness: recognising that card/app-based payments still reduce a limited balance, and that repeated small purchases accumulate (Soman et al., 2010; OECD, 2022e; Zaloom, 2019). At this age, the focus should be preserving the psychological link between spending and loss, which digital systems can weaken (Soman et al., 2010).

Learning preferences

Children aged 6–10 learn most effectively through experiential, narrative, and play-based approaches. Hands-on activities, visuals, role-playing, stories, and tangible saving tools help children develop practical understanding more effectively than abstract instruction (Piaget, 1952; Bjorklund, 2018; Webley & Nyhus, 2006; OECD, 2018). This age group benefits from short, focused learning segments, with repetition and immediate feedback supporting consolidation of new concepts such as trade-offs, needs versus wants, and basic budgeting (Miller et al., 2011; Drever et al., 2015).

Social learning is influential; children rely on guided participation from parents, teachers, and peers to navigate spending decisions and build self-regulation skills (Gudmunson & Danes, 2011; Moffitt et al., 2011). Digital or gamified elements can increase engagement, but care is required to preserve clarity around real-world value and avoid normalising impulsive micro-spending (Soman et al., 2010; Zaloom, 2019).

Learning Environments

This cohort benefits from learning environments that support gradual familiarisation through guided everyday experiences. Home and school settings are central, enabling repeated practice through supervised purchases, simple saving activities, classroom routines, and tangible materials (Gudmunson & Danes, 2011; Bjorklund, 2018). Classroom routines provide structured repetition and can mitigate inequalities in home exposure (OECD, 2018). Supervised digital environments can support engagement when they preserve price visibility and connect spending to real-world consequences (OECD, 2018; Soman et al., 2010). Repetition across contexts reinforces familiarisation and supports early habit consolidation (Drever et al., 2015).

Strategic Implications

Strategically, interventions for children aged 6–10 should prioritise adult-mediated design and alignment between school-based learning and everyday family practices. Early familiarisation with money, value and trade-offs — rather than expectations of independent competence — is advised. Interventions should focus on shaping routines and simple self-regulation through guided experiential learning (Piaget, 1952; Bjorklund, 2018; Gudmunson & Danes, 2011).

This implies that caregiver integration is essential: children's financial reality is mediated, and school-only learning is likely to be overridden where household norms differ (Gudmunson & Danes, 2011; Shim et al., 2010). Strategic design should also preserve price salience and reinforce the psychological link between spending and loss, particularly where digital payments are normalised (Soman et al., 2010; Zaloom, 2019; OECD, 2022e). Given evidence that early gaps can persist (Lusardi & Mitchell, 2014), school-based routines can also serve an equalising role by ensuring repeated exposure to foundational concepts (OECD, 2018). Success should be assessed in terms of familiarity, routine participation, and applied understanding in simple contexts rather than technical mastery.

Transition: Entry into Financial Socialisation

The transition into late childhood marks the point at which money shifts from an abstract household concern to a socially meaningful and emotionally salient concept. This phase establishes the foundations upon which later financial attitudes, behaviours, and confidence are built.

Children (11–14 years): Formation of Financial Habits and Norms

Financial Reality

Children aged 11–14 continue to experience money primarily through mediated environments, with parents or guardians controlling income sources, spending permissions, and saving mechanisms (Gudmunson & Danes, 2011). However, this life-course phase typically involves a shift in frequency and social embeddedness of financial experiences. Discretionary spending increases, peer contexts become more salient, and children encounter more frequent opportunities to make small choices, even if major decisions remain adult-governed (Otto et al., 2015; OECD/INFE, 2019).

Empirical research suggests that money at this stage is increasingly understood as finite and exchange-based yet remains only partially integrated into an abstract system involving intertemporal trade-offs, risk, or institutions (Piaget, 1972; Webley & Nyhus, 2006; Miller, 2011). Financial experiences can still be episodic and situational — pocket money, gifts, discretionary purchases — rather than fully structured budgeting or longer-term planning (OECD/INFE, 2019; Otto et al., 2015). The developmental shift is therefore not to technical sophistication but to habit consolidation and norm internalisation.

Cross-national evidence indicates that early exposure to digital and cashless payment instruments increasingly characterises this cohort. Where such exposure occurs before a stable mental model of money value is consolidated, it can weaken price salience and spending awareness (Soman et al., 2010; OECD, 2022e; Zaloom, 2019). Digital transactions can remain psychologically "lighter" than cash-based spending, reducing felt cost and making impulse control more difficult.

Capability Gaps

At this stage, capability gaps are often developmental and behavioural rather than purely informational. Studies identify limited understanding and application of scarcity, delayed gratification, and trade-offs, alongside a weak conceptual link between effort, income, and reward (Furnham, 1999; Otto et al., 2015; Drever et al., 2015). Children may demonstrate saving behaviour without understanding underlying principles such as prioritisation and opportunity cost, or without translating intentions into sustained routines (Webley & Nyhus, 2013). The gap is frequently between "knowing" and "doing."

The literature also highlights widening inequalities in capability formation. Children from lower-income or financially stressed households often have fewer opportunities for structured financial learning and experimentation and may be exposed to more anxious or avoidant money climates, shaping confidence and engagement (Sherraden et al., 2011; Friedline & West, 2016).

Behavioural and Contextual Drivers

Behaviour in this life-course phase remains strongly shaped by parental modelling and household norms. Financial socialisation theory shows that children internalise observed behaviours, emotional cues, and implicit attitudes toward money long before they can articulate financial concepts (Gudmunson & Danes, 2011; Shim et al., 2010). Parental stress, anxiety, or avoidance around money is associated with similar affective responses in children, and these patterns can persist into later adolescence and adulthood (Conger et al., 2010; Sherraden et al., 2011).

As autonomy increases, peer norms and identity processes gain importance. Spending can become socially performative, and decision-making may be shaped by belonging and comparison. Digital ecosystems amplify these pressures by increasing exposure to targeted marketing, influencer consumption norms, and frictionless spending pathways (Zaloom, 2019; OECD, 2022e). Nevertheless, evidence suggests that school-only interventions have limited impact unless aligned with family practices and reinforced in everyday contexts (Johnson & Sherraden, 2007; OECD/INFE, 2019).

Focus Group Insights

Focus group discussions with children in this age band highlighted the centrality of family practices and emotional cues in shaping early money attitudes. Participants consistently described learning about money indirectly through observation rather than instruction, with spending often framed around parental permission rather than independent choice.

Many expressed confusion about digital money, reporting difficulty linking card or app-based payments to the concept of limited resources. Where households experienced financial stress, children demonstrated heightened anxiety and avoidance around money-related discussions, reinforcing evidence on intergenerational transmission of financial emotions (Conger et al., 2010; Sherraden et al., 2011).

Potential Learning Objectives

Learning objectives for children aged 11–14 should reflect the developmental shift toward consolidation and internalisation. Objectives should be framed in behavioural and affective terms rather than primarily technical knowledge acquisition (Webley & Nyhus, 2013; Drever et al., 2015; OECD/INFE, 2019).

A first objective is reinforcing scarcity, prioritisation and trade-offs in ways that translate into consistent behaviour. This cohort may understand money is finite yet still struggle to apply that knowledge under peer influence, emotional arousal, or digital frictionlessness (Drever et al., 2015). Learning should therefore target the "knowing–doing" gap through repeated practice in realistic scenarios.

A second objective is establishing structured saving routines over short-to-medium time horizons (weeks to months), including goal-setting, tracking, and managing temptation (Webley & Nyhus, 2013; OECD/INFE, 2019). The emphasis should be habit consolidation and identity formation ("I am someone who plans/saves"), rather than one-off saving acts.

A third objective is strengthening the effort–income–reward link by explicitly connecting money to time, work and choices. This helps counter unrealistic consumption norms and supports a more grounded understanding of value (Furnham, 1999; Gudmunson & Danes, 2011; Webley & Nyhus, 2006).

A fourth objective is improving digital spending realism: understanding that cashless payments still reduce a finite balance, recognising that repeated small transactions accumulate, and practising basic self-monitoring (Soman et al., 2010; OECD, 2022e; Zaloom, 2019). For this cohort, the goal can extend beyond awareness to simple behaviours such as weekly tracking or budgeting a small allowance.

A fifth objective should address the affective dimension of money. Where anxiety or avoidance is transmitted intergenerationally, objectives should include building confidence to discuss money, normalising planning and restraint as positive behaviours, and avoiding shame-based framing (Conger et al., 2010; Sherraden et al., 2011; OECD/INFE, 2019).

The literature cautions against premature introduction of complex concepts such as interest, credit, or investment, which show low retention and may increase confusion at this stage unless tightly anchored to relevant lived decisions (Miller, 2011; OECD, 2020c).

Learning Preferences

Children aged 11–14 learn effectively through experiential and socially interactive approaches, but with increased capacity for reflection compared to younger children. Games, simulations and scenario-based learning remain effective, and evidence suggests they outperform abstract instruction in shaping behaviour and attitudes (Webley & Nyhus, 2006; Amagir et al., 2018; OECD/INFE, 2019). Focus group feedback also indicates a preference for short, focused segments with repetition and immediate feedback, which are important for consolidating routines (Drever et al., 2015).

At this stage, learning can more explicitly incorporate "why" reasoning — why digital money feels different, why peer contexts change choices — enabling guided reflection to support norm internalisation (Steinberg, 2008). However, learning should remain behaviourally anchored and connected to real decisions in adolescents' lives.

Learning Environments

The strongest evidence supports blended learning environments integrating school with household and, where relevant, community contexts. School-based programmes are most effective when reinforced through parental engagement, homework-linked activities, and everyday financial practices at home (Johnson & Sherraden, 2007; Friedline & Elliott, 2017; OECD/INFE, 2019). Community initiatives (youth clubs, savings-linked projects) can provide additional reinforcement where household capacity is limited and can help mitigate inequality in learning opportunities (Friedline & Elliott, 2017; Sherraden et al., 2011).

Digital tools should be designed to increase visibility of balances and cumulative totals, countering reduced price salience in cashless environments (Soman et al., 2010; Zaloom, 2019; OECD, 2022e). Used appropriately, they can support self-monitoring as a habit scaffold rather than a technical exercise.

Strategic Implications

For policy, interventions targeting children aged 11–14 should prioritise family-centred alignment, cultivation of habits and norms, and confidence-building rather than early technical proficiency. Evidence indicates that interventions that neglect the parental and contextual dimension are unlikely to generate durable gains, regardless of curriculum quality (Johnson & Sherraden, 2007; OECD/INFE, 2019).

Strategically, this cohort represents a consolidation window in which early familiarisation (from the 6–10 phase) can be translated into consistent routines. Programmes should therefore target behavioural bottlenecks — present bias, temptation, peer pressure, and digital frictionlessness — through practical scaffolds such as goal tracking, planning prompts and repeated applied decision-making (Drever et al., 2015; Soman et al., 2010). Inequality should be treated as cumulative: differences in household resources and modelling widen during this stage, making school- and community-based reinforcement particularly important (Sherraden et al., 2011; Friedline & West, 2016; Friedline & Elliott, 2017).

Overall success should be defined in terms of sustained routines, improved self-regulation, healthier emotional associations with money, and improved navigation of digital consumption pressures — not mastery of complex financial products (OECD/INFE, 2019; OECD, 2020c).

Transition: Guided Dependence to Emerging Autonomy

The shift from late childhood to adolescence marks a critical transition from guided financial dependence to emerging autonomy. During this phase, young people move from highly mediated financial experiences within the family to increased control over spending, earning, and digital transactions.

Parental rules and routines begin to coexist—often uneasily—with peer norms, identity formation, and experimentation. This transition explains the sharp change in behavioural dynamics observed between the previous and next sections, including rising overconfidence, increased susceptibility to social influence, and the need for guided autonomy rather than protection or instruction alone.

Teenagers (15–17 years): Experimentation, Identity, and Emerging Autonomy

Financial Reality

Teenagers increasingly engage with money through allowances, gifts, part-time employment, and digital financial environments, while remaining largely insulated from full legal and contractual responsibility. Financial interactions at this stage are frequent but typically low in immediate material stakes, creating a context in which experimentation is common, and consequences are often delayed or externalised. The expansion of cashless and digital payments reduces the salience of spending and weakens intuitive links between effort, money, and consumption (OECD, 2020c; Drever et al., 2015). Although parental oversight persists, it becomes more indirect, with day-to-day financial behaviour increasingly shaped by peer norms, platform design, and social media cues rather than explicit adult guidance (Gudmunson & Danes, 2011).

Capability Gaps

Capability gaps during adolescence are primarily developmental and contextual rather than informational. Empirical studies show that teenagers often struggle to interpret financial commitments, particularly those embedded in digital interfaces where recurring payments, data exchanges, or contractual terms are obscured (OECD/INFE, 2019). Temporal budgeting and forward planning remain underdeveloped, with limited ability to anticipate how repeated small expenditures accumulate over time (Webley & Nyhus, 2013). Understanding of opportunity cost, risk, and delayed consequences is emerging but inconsistent, especially when decisions are framed socially or emotionally rather than economically (Batty, Collins, & Odders-White, 2015). These gaps reflect cognitive and experiential constraints rather than an absence of exposure to financial concepts.

Behavioural and Contextual Drivers

Adolescent decision-making is shaped by heightened reward sensitivity, social comparison, and identity formation. Developmental psychology and neuroscience literature consistently finds that executive control systems mature later than socio-emotional systems, increasing susceptibility to impulsivity and peer influence during adolescence (Steinberg, 2014). Confidence frequently outpaces competence, leading to overestimation of control and underestimation of risk (OECD, 2020c). Digital environments amplify these tendencies through frictionless payment mechanisms, algorithmic nudges, and visibility of peer consumption, reinforcing short-term salience over reflective decision-making (Drever et al., 2015; OECD/INFE, 2019). At the same time, the relative reversibility of errors and the presence of parental safety nets reduce perceived risk, encouraging experimentation while delaying engagement with longer-term consequences.

Focus Group Insights (Lived Experience)

Focus group participants consistently expressed high confidence in their ability to manage money despite limited forward planning. Digital spending was described as effortless and difficult to track, with subscriptions often forgotten once initiated. Participants frequently referenced peers, influencers, or online content as benchmarks for financial behaviour, while parental input was characterised as background reassurance rather than active instruction. Few participants reported systematic budgeting practices, and most perceived financial mistakes as temporary or inconsequential—an interpretation consistent with the buffered decision environments described in the literature (OECD, 2020c).

Potential Learning Objectives

Learning objectives for this cohort focus on shaping norms, calibrating confidence, and introducing reflective habits rather than building technical proficiency. Evidence indicates that early formation of attitudes and behavioural routines has stronger predictive power for later financial outcomes than factual knowledge acquired in isolation (Sherraden, 2013; Drever et al., 2015). Priority objectives therefore include strengthening awareness of commitments and cumulative effects, distinguishing between reversible and binding decisions, and fostering anticipatory thinking. The discipline of saving can be reinforced by linking to short- and medium-term goals, thereby allowing teens to experience delayed gratification and value-building over time. Promoting responsible digital habits needs to be a primary objective, recognising manipulative content, and understanding the longer-term consequences of digital financial decisions. Developing comfort with questioning digital prompts and pausing before committing aligns with findings that behavioural scaffolding is more effective than information provision at this stage (Fernandes, Lynch, & Netemeyer, 2014)

Learning Preferences

Teenagers respond most effectively to interactive, experiential, and socially grounded learning formats. Reviews of financial education for adolescents show stronger effects for scenario-based activities, simulations, and peer discussion than for didactic instruction (Amagir et al., 2018; Batty et al., 2015). From the focus group it also emerged that visual formats and short-form videos can be particularly useful, especially when styled similarly to familiar social media content. The participants also argued in favour of the use of digital platforms such as Instagram and YouTube, using trusted, verified, accessible and relatable content, to counter misinformation in those spaces where teenagers are most active. Messaging that acknowledges autonomy while clearly signalling boundaries and consequences is better received than paternalistic framing, particularly in peer-mediated environments. Repetition and reinforcement across contexts are important given the instability of habits during adolescence (Webley & Nyhus, 2013).

Learning Environments

Effective learning environments include secondary schools, youth programmes, and digital platforms where financial decisions are already occurring. School-based interventions are most effective when they move beyond classroom instruction to include experiential components and links to everyday financial behaviour (OECD/INFE, 2019). Digital environments offer opportunities for embedded prompts, spending summaries, and commitment alerts that reinforce learning without constraining autonomy. Parental involvement remains relevant but is most effective when aligned with institutional and platform-based cues rather than relying solely on household instruction (Gudmunson & Danes, 2011).

Strategic Implications

Adolescence represents a critical window for shaping financial norms, confidence calibration, and early behavioural patterns before exposure to irreversible financial commitments. The literature consistently shows that interventions at this stage are most effective when they support guided autonomy—enabling experimentation while embedding proportionate safeguards and clear signals about commitments and cumulative consequences (OECD/INFE, 2019; OECD, 2020c). Overly technical education yields limited durable effects; experiential learning, behavioural scaffolding, and supportive choice architecture provide a stronger foundation for financial capability development across the life course.

Transition: From Experimentation to Consequential Autonomy & Exposure

The transition from adolescence to early adulthood marks a shift from financially buffered experimentation to decisions with immediate and lasting consequences. Protective structures recede as individuals assume legal responsibility for contracts, taxation, and formal financial relationships, often within a compressed timeframe. Financial behaviours that were previously low-risk and reversible become path-dependent, while institutional complexity increases sharply. This transition transforms financial capability challenges from issues of confidence calibration and norm formation into challenges of navigation, engagement, and error avoidance, making timing and decision-context support critical determinants of outcomes, observed between the previous and next sections, including rising overconfidence, increased susceptibility to social influence, and the need for guided autonomy rather than protection or instruction alone.

Young Adults (18–25 years): Transition Shocks and Path Dependence

Financial Reality

Young adulthood represents the first sustained exposure to formal financial institutions and legally binding financial decisions. Individuals in this cohort encounter employment contracts, taxation, credit markets, housing systems, and social security arrangements, often simultaneously and under conditions of income volatility and labour market insecurity. Comparative evidence shows that this life stage is characterised by compressed transitions, with multiple high-stakes decisions occurring within a short period of time (OECD, 2020c; Bell & Blanchflower, 2018). Financial behaviours established during this phase—such as credit use, bill payment, and engagement with institutions—have persistent effects on future access to housing, employment, and financial resilience (Lusardi & Mitchell, 2014).

Capability Gaps

Capability gaps at this stage are concentrated in procedural and institutional understanding rather than basic financial concepts. Empirical studies consistently identify difficulties in understanding taxation, interpreting payslips, navigating social security entitlements, evaluating credit terms, and managing irregular income streams (Allgood & Walstad, 2016; OECD/INFE, 2019). Administrative complexity and unfamiliar terminology increase the likelihood of avoidance, delayed action, and early errors, such as missed filings, penalties, or suboptimal credit use. These gaps reflect the speed and density of institutional exposure rather than a lack of motivation or general literacy.

Behavioural and Contextual Drivers

At this stage, most individuals are either transitioning into the workforce, higher-education or both, while beginning to take full financial responsibility. A significant portion will be enrolled in tertiary or vocational programmes, managing stipends, part-time or full-time income and/or first loans, while planning their next steps. Living arrangements and commitments thereon will vary and many will be opening their first salary-linked accounts. This cohort often navigates major firsts, from filing their first tax return to planning for travel or to further their studies, to buying a property. It is therefore no surprise that decision-making among young adults is shaped by cognitive overload, present bias, and avoidance in the face of complexity. Behavioural economics literature shows that when multiple unfamiliar decisions are encountered simultaneously, individuals are more likely to defer engagement or rely on heuristics and informal advice (Mullainathan & Shafir, 2013; Gennaioli, Shleifer, & Vishny, 2018). Optimism regarding future income growth can encourage short-term trade-offs that become path-dependent, while low institutional familiarity reduces confidence and discourages proactive engagement (Lusardi & Mitchell, 2017). Once early decisions are made, inertia and fear of error further reduce the likelihood of reassessment.

Focus Group Insights (Lived Experience)

Focus group participants described a steep and often stressful learning curve following the end of compulsory education. Many reported confusion regarding taxation, employment deductions, and eligibility for public benefits, alongside anxiety related to housing affordability and debt. Delayed engagement with institutions was common, driven by uncertainty, lack of confidence, or fear of making mistakes. Participants frequently relied on peers, family members, or online sources of uneven quality for guidance, reinforcing variability in outcomes. Financial stress and instability were often normalised, particularly in relation to housing and early employment experiences, consistent with international qualitative findings (OECD, 2020c).

Potential Learning Objectives

Learning objectives for this cohort prioritise procedural competence, institutional navigation, and confidence to engage rather than abstract financial knowledge. Evidence indicates that early mastery of administrative and contractual processes is strongly associated with improved long-term financial outcomes and reduced accumulation of disadvantage (Johnson & Sherraden, 2007; Lusardi & Mitchell, 2014). Priority objectives therefore include understanding rights and obligations, recognising the long-term implications of early decisions, and developing the confidence to seek clarification or assistance when needed.

Learning Preferences

Young adults demonstrate a strong preference for practical, just-in-time guidance that is directly linked to immediate decisions. Modular, problem-oriented information delivered at the point of action has been shown to be more effective than comprehensive or classroom-based instruction for this age group (Fernandes, Lynch, & Netemeyer, 2014; Kaiser & Menkhoff, 2020). Digital formats are generally preferred; however, clarity, credibility, and ease of access are decisive determinants of engagement, particularly in high-stakes contexts. Focus group participants confirmed this arguing in favour of scenario-based tools such as rent or loan calculators and salary simulators. Well-received is also mobile-first and self-paced content, including short-term modules and video explanations. Positive feedback was also given on peer-led or co-learning approaches such as workshops, discussion groups or testimonials.

Learning Environments

Effective learning environments include workplaces, post-secondary education settings, housing application and tenancy processes, and digital public service platforms. Embedding guidance, prompts, and decision aids within these environments reduces cognitive load and increases uptake, consistent with evidence on choice architecture and behavioural design (Madrian & Shea, 2001; Benartzi & Thaler, 2013). Tertiary and vocational institutions emerge as a natural setting to embed financial capability, whether through curriculum content, career services, or student-focused workshops. Similarly, workplaces can offer a timely delivery channel, particularly for guidance to new employees related to salaries, benefits, payslip literacy, and employment related entitlements. Social media platforms once again can be used to disseminate relevant, engaging financial content, including through trusted personalities or institutional campaigns that reflect the tone and formats used by this age group. Stand-alone financial education programmes, on the other hand, are less effective unless closely aligned with real decision contexts and institutional touchpoints.

Strategic Implications

Young adulthood constitutes a primary prevention window for avoiding long-term financial scarring. The literature consistently indicates that early errors—particularly in credit use, tax compliance, and institutional disengagement—can generate persistent disadvantage that is difficult and costly to reverse (Elder, 1998; Lusardi & Mitchell, 2014). Policy interventions at this stage should therefore prioritise simplification, navigational support, and decision-embedded guidance at first points of institutional contact. Reducing administrative friction and providing timely, actionable support during transition moments is likely to yield high returns relative to later remedial interventions.

Transition: Exposure to Commitment Lock-In

The move from early adulthood into early career and family formation represents a shift from initial exposure to commitment lock-in. Financial decisions increasingly take the form of long-term contractual obligations—particularly in housing, childcare, and insurance—that substantially reduce future flexibility. Errors at this stage are costly not because of unfamiliarity, but because they become structurally embedded. This transition explains the need to shift learning objectives from navigation toward risk appraisal, trade-off evaluation, and safeguards at the point of commitment.

Early Career & Family Starters (26–34 years): Commitment Under Constraint

Financial Reality

Individuals in the early career and family formation stage typically consolidate labour market attachment while simultaneously undertaking long-term and often irreversible financial commitments. Home purchase or long-term rental contracts dominate financial decision-making for this cohort, frequently absorbing a substantial share of household income and sharply reducing liquidity (OECD, 2021). At the same time, family-related expenditures—including childcare, education, and health costs—rise rapidly, increasing fixed obligations and limiting financial flexibility. These commitments are often entered into during periods of incomplete income stabilisation, exposing households to interest rate risk, employment shocks, and cost-of-living volatility. Comparative evidence shows that this life stage is associated with the highest growth in leverage relative to income across the life course (Campbell, 2006; Lusardi & Mitchell, 2017).

Capability Gaps

Capability gaps at this stage are concentrated in understanding long-term risk, product complexity, and the cumulative interaction of multiple commitments. Empirical studies identify persistent difficulties in interpreting mortgage structures, refinancing conditions, insurance coverage, and pension contribution decisions, particularly when these are made under time pressure (OECD/INFE, 2019; Lusardi & Mitchell, 2014). Contingency planning for income disruption, health shocks, or changes in household composition is frequently inadequate, despite relatively high levels of general financial knowledge. These gaps reflect constraints on attention, time, and cognitive bandwidth rather than informational deficits.

Behavioural and Contextual Drivers

Decision-making in this cohort is shaped by optimism bias, present-focused planning, and strong social norms surrounding home ownership and family formation. Behavioural research shows that individuals systematically underestimate long-term risk and overestimate future income growth during periods of early career progression (Gennaioli, Shleifer, & Vishny, 2018). Financial products such as personal loans, private health and/or life insurance, and investment-linked savings plans therefore become increasingly relevant. At the same time, time scarcity arising from work and care responsibilities reduces capacity for reflection and increases reliance on heuristics, defaults, and informal advice (Mullainathan & Shafir, 2013). Once commitments are made, loss aversion and fear of regret discourage reassessment, reinforcing lock-in effects even when circumstances change (Thaler & Sunstein, 2008).

Focus Group Insights (Lived Experience)

Focus group participants consistently described this life stage as financially high-stakes but time-poor. Housing decisions dominated narratives and were frequently framed as unavoidable rather than discretionary. Participants reported limited opportunity to evaluate long-term implications due to work and family pressures and a strong reliance on informal advice from peers, relatives, or intermediaries. While awareness of financial risk was present, optimism regarding future income growth often reduced engagement with contingency planning and active review. Anxiety about future shocks coexisted with a perception that corrective action could be deferred.

Potential Learning Objectives

Learning objectives for this cohort focus on strengthening risk appraisal, improving understanding of long-term trade-offs, and supporting active contingency planning rather than expanding general financial knowledge. The objective is to strengthen financial planning not only for long-term goals or rainy days but also in relation to retirement planning, by improving one's understanding of saving strategies and pension schemes. Promoting adaptable financial behaviours by encouraging review of established habits in light of new priorities (e.g. joint finances, dependants or career changes) is imperative. Evidence indicates that the ability to periodically reassess commitments and adjust behaviour is more predictive of long-term financial resilience than initial product choice alone (Campbell, 2006; Lusardi & Mitchell, 2017). Priority objectives therefore include recognising cumulative risk exposure, understanding options for adjustment or exit, and developing routines for periodic review. Increasing awareness and responsible use of financial tools, including certified investment platforms, budgeting software and digital services that support long-term planning, should also be addressed.

Learning Preferences

Adults in this cohort favour concise, problem-oriented guidance that is directly linked to imminent or ongoing decisions. Time-efficient formats, clear framing of trade-offs, and actionable decision aids are more effective than comprehensive courses or abstract instruction, particularly under conditions of cognitive and time scarcity (Fernandes, Lynch, & Netemeyer, 2014; Kaiser & Menkhoff, 2020). This cohort values structured formats such as checklists, short digital modules, or step-by-step tools that guide users through key decisions. They also favour consistent, well-designed digital experiences with minimal interface changes. Trust in the source and perceived neutrality are important determinants of engagement.

Learning Environments

Effective learning environments include mortgage origination and refinancing processes, employer benefit platforms, childcare- and family-related public services, and regulated digital tools embedded within existing decision pathways. Interventions integrated into these environments achieve higher engagement and relevance than stand-alone programmes, consistent with evidence on behavioural design and choice architecture (Madrian & Shea, 2001; Benartzi & Thaler, 2013). Workplace-based delivery can be particularly effective given the concentration of financial decisions around employment transitions especially when integrated into HR programmes or onboarding processes. Such sessions can be held in-person or online and can focus on topics such as tax literacy, pension enrolment, or family-related benefits.

Strategic Implications

Early career and family formation represent a critical phase of commitment lock-in, where decisions substantially constrain future choice sets. The literature consistently shows that errors or inattention at this stage are difficult and costly to reverse, with long-term implications for wealth accumulation and financial security (Elder, 1998; Lusardi & Mitchell, 2014). Policy interventions should therefore treat major commitments as mandatory financial capability touchpoints, providing neutral, plain-language guidance, decision aids, and prompts at the point of commitment. Reducing complexity and supporting periodic reassessment are likely to yield greater returns than ex post remediation.

Transition: From Commitment Lock-In to Accumulated Complexity

The transition from early career and family formation into mid-career marks a shift from discrete, high-stakes commitments to the cumulative management of multiple, interlocking financial responsibilities. While the defining feature of the preceding stage is lock-in—where housing, childcare, and insurance decisions structurally constrain future choices—the defining feature of mid-career is complexity saturation. Financial products, obligations, and life roles accumulate over time, increasing cognitive load and reducing the capacity for active reassessment. Financial capability challenges therefore evolve from evaluating individual commitments to sustaining engagement, managing inertia, and navigating complexity across a fragmented decision environment.

Synthesis:
Transition Versus Lock-In Phases (Young Adults and Early Career Families)

The comparison between young adults (18–25) and early career and family starters (26–34) illustrates a critical but often overlooked distinction in the life-course dynamics of financial capability: the difference between transition-driven risk and lock-in-driven risk.

Young adulthood is defined by first exposure to formal financial systems under conditions of volatility, limited experience, and high cognitive load. Errors at this stage arise primarily from unfamiliarity, timing, and institutional complexity, rather than from poor judgement or long-term preference misalignment. The long-term effects of these errors operate through behavioural scarring and path dependence, meaning that early missteps—such as arrears, disengagement, or avoidance—can persist even when income and circumstances improve. Policy leverage in this phase is therefore highest before or at the moment of first exposure, through just-in-time guidance, simplified administrative processes, and embedded navigation support.

By contrast, the early career and family formation phase is characterised less by novelty than by commitment. Financial decisions taken during this period—particularly in housing, childcare, and insurance—become structurally embedded, substantially reducing future flexibility and increasing the cost of reversal. Errors at this stage are not primarily the result of inexperience, but of optimism bias, time scarcity, and constrained deliberation at the point of commitment. Once decisions are locked in, loss aversion and fear of regret further inhibit reassessment, even where circumstances change. Policy leverage in this phase therefore lies not in navigation, but in decision framing, risk appraisal, safeguards, and cooling-off mechanisms at commitment points.

This distinction has direct implications for intervention design and sequencing. While both phases are highly consequential, they require fundamentally different policy instruments. Applying navigation-focused or educational interventions designed for transition phases to lock-in contexts is unlikely to improve outcomes and may create false reassurance. Conversely, delaying intervention until commitments are already embedded significantly reduces policy effectiveness. Recognising the transition-versus-lock-in distinction is therefore essential for prioritising resources, selecting appropriate delivery mechanisms, and preventing the accumulation of irreversible disadvantage across the life course.

Mid-Career & Established Adults (35–59 years): Accumulated Complexity and Behavioural Inertia

Financial Reality
Mid-career adults typically manage the most complex and consequential financial portfolios across the life course. This period is characterised by simultaneous exposure to mortgages or other secured debt, pension accumulation decisions, insurance coverage, education-related expenses for dependants, and often financial support to both children and ageing parents. Despite comparatively higher average incomes, cross-national evidence shows that this cohort experiences high levels of financial stress and disengagement, driven less by scarcity than by complexity and time pressure (OECD, 2020c; Lusardi & Mitchell, 2017; European Commission, 2023).This cohort tends to place greater emphasis on wealth preservation and retirement planning, showing a preference for capital safe options such as government bonds and property alongside a growing interest in voluntary pension schemes and other low-to medium-risk investments. Longitudinal studies indicate that decisions made during this phase—particularly regarding pension contribution rates, investment allocation, and debt management—have disproportionate effects on retirement adequacy due to the narrowing time horizon for adjustment (Agarwal et al., 2009; Lusardi & Mitchell, 2017).

Capability Gaps
Empirical research consistently documents limited understanding of pension system rules, contribution adequacy, and decumulation implications, even among individuals with high formal education (Lusardi & Mitchell, 2017; OECD, 2020c). Additional gaps include weak diversification awareness, poor insurance optimisation, and limited engagement with long-term financial planning tools (Campbell, 2006; van Rooij et al., 2011). Importantly, these gaps coexist with high self-reported confidence, suggesting a mismatch between perceived and actual capability that reduces help-seeking behaviour (OECD/INFE, 2019).

Behavioural and Contextual Drivers
Behavioural economics identifies inertia, procrastination, and decision fatigue as dominant constraints on engagement at this stage (Madrian & Shea, 2001; Thaler & Sunstein, 2008). Cognitive overload arising from the sheer number of financial decisions, combined with competing work and care responsibilities, leads to postponement and reliance on defaults or outdated arrangements (Mullainathan & Shafir, 2013; OECD, 2023c). Social norms and status quo bias further reinforce disengagement, particularly in pension and insurance contexts where complexity and fear of making irreversible mistakes discourage active choice (Benartzi & Thaler, 2013).

Focus Group Insights
Mid-career focus groups highlighted disengagement driven by overload rather than ignorance. Participants described feeling overwhelmed by pensions, insurance, and long-term planning, often postponing decisions despite awareness of their importance. Time scarcity, competing responsibilities, and fear of making irreversible mistakes were frequently cited. Many expressed distrust of complex financial information and a preference for defaults or reassurance from trusted sources.

Potential Learning Objectives
Learning objectives for this cohort should prioritise re-engagement rather than foundational education. Evidence supports objectives focused on improving understanding of pension adequacy, reassessing risk exposure, recognising the need for periodic review, and building confidence to make adjustments rather than optimise from scratch (OECD, 2020c; Lusardi & Mitchell, 2017).

Learning Preferences

Research consistently shows that this cohort responds poorly to traditional courses or workshops due to time scarcity. Simplified tools, personalised prompts, defaults, and short, targeted communications outperform information-heavy approaches (Benartzi & Thaler, 2013; OECD/INFE, 2019). Behaviourally informed nudges delivered at natural review points are particularly effective. Participants in the focus group confirmed their preference for concise, time-efficient tools such as retirement planning checklists, contribution estimators or risk assessment guides while valuing plain-language guidance on complex issues. The participants are also willing to rely on trusted, self-paced tools like comparison calculators and official planning portals for long-term decision making.

Learning Environments

High-impact learning environments include workplaces (through pension communications and benefits platforms), employer-linked financial wellbeing tools, pension provider communications, and trusted public or regulated advisory channels, with tailored outreach for self-employed networks. Interventions embedded within existing systems show higher uptake than stand-alone programmes (OECD, 2020c). Official digital tools and trusted information platforms, including government benefit portals, retirement-calculators, financial regulator and consumer-protection websites could be paired with assisted digital options, such as helplines, to ensure inclusive access.

Strategic Implications

Policy interventions should prioritise simplification, default optimisation, and structured decision checkpoints. The objective is not to increase financial knowledge per se, but to reduce friction and enable timely action in systems that are already overly complex.

Transition: Complexity Saturation to Vulnerability Management

The transition into later life reflects a shift from managing complexity to managing vulnerability. While mid-career challenges are dominated by overload and disengagement within still-recoverable time horizons, later-life decision environments are shaped by decumulation, shorter recovery horizons, cognitive ageing, and increased exposure to fraud and exclusion. The consequences of error become more immediate and less reversible, necessitating a transition from autonomy-focused interventions toward protection, trust-building, and supported decision-making.

Retirees & Seniors (60+ years): Decumulation, Trust, and Cognitive Load

Financial Reality

Later life is characterised by a shift from income accumulation to decumulation, shorter recovery horizons, and increased exposure to irreversible financial outcomes. Income is typically derived from a combination of public and occupational pensions, private savings drawdown, and, for some individuals, continued labour market participation. At the same time, expenditure profiles become more uncertain due to rising healthcare, and housing-related costs (OECD, 2022c). Empirical evidence shows that financial decisions made during this stage—such as drawdown rates, annuitisation choices, or responses to shocks—have immediate and lasting welfare implications because opportunities to offset losses through future earnings are limited (Agarwal et al., 2009; Lusardi & Mitchell, 2017). Rapid digitalisation of financial and public services further alters the decision environment, creating efficiency gains for some while increasing exclusion risks for others.

Capability Gaps

Capability gaps in later life relate less to basic financial knowledge and more to managing complexity under declining cognitive, physical, or digital capacity. Studies consistently identify difficulties in evaluating decumulation strategies, understanding longevity and inflation risk, comparing insurance and care-related products, and identifying fraudulent or misleading communications (OECD, 2022e; DeLiema et al., 2019). Digital confidence often declines faster than functional financial literacy, increasing reliance on intermediaries and informal support (OECD, 2020e). While heterogeneity within this cohort is substantial, population-level evidence shows that vulnerability to error increases sharply with age, health shocks, and social isolation (Agarwal et al., 2009). Younger retirees tend to use ATMs, online banking and mobile payments confidently when compared to older or less tech-experienced seniors who prefer face-to-face or telephone channels, creating a clear digital divide within the same cohort.

Behavioural and Contextual Drivers

Behavioural dynamics in later life are shaped by cognitive ageing, changes in risk perception, and heightened loss aversion. Research in household finance and behavioural economics demonstrates that declines in processing speed, working memory, and numeracy increase reliance on heuristics and reduce tolerance for complex choice environments (Agarwal et al., 2009; Lusardi & Mitchell, 2014). Fear of irreversible error encourages decision avoidance, particularly in unfamiliar or digital-only contexts. Trust asymmetries become more pronounced, with individuals often over-weighting authority, familiarity, or social proximity while underestimating exposure to sophisticated fraud (DeLiema et al., 2019). Social isolation, bereavement, and declining health further reduce cognitive bandwidth and access to timely advice, compounding risk.

Focus Group Insights (Lived Experience)

Focus group participants consistently emphasised trust, reassurance, and fear of error as dominant themes in later-life financial decision-making. Many expressed discomfort with digital-only services and anxiety about scams, reporting reliance on family members, trusted professionals, or community intermediaries to interpret information and support decisions. Participants frequently described delaying or avoiding financial decisions due to fear of making irreversible mistakes, even when aware that inaction carried its own risks. These experiences closely mirror international qualitative findings on later-life financial behaviour (OECD, 2022e).

Potential Learning Objectives

Learning objectives for this cohort prioritise safeguards awareness, confidence, and supported decision-making rather than optimisation or technical mastery. Enhancing digital confidence so older adults feel safe using ATMs, online banking and mobile payments is a necessity. Evidence suggests that improving awareness of fraud risks, strengthening confidence to ask for help, clarifying rights and safeguards, and supporting understanding of income sustainability are more effective than attempting to expand detailed financial knowledge at this stage (Sherraden et al., 2018; OECD/INFE, 2019). Enabling informed consent, safe delegation, and timely escalation is central to maintaining financial wellbeing.

Learning Preferences

Older adults demonstrate a strong preference for relational, reassurance-oriented learning that is paced, repetitive, and delivered through trusted sources. One-off information campaigns and self-directed digital tools are less effective than ongoing engagement and personalised explanation, particularly where decisions are complex or emotionally charged (DeLiema et al., 2019; OECD, 2022f). Trust in the messenger frequently outweighs the technical sophistication of the message in determining engagement and uptake. Participants in the focus group expressed their preference for plain-language, scenario-based content, particularly for practical tasks like spotting scams, reading pension statements or completing payment authorisations. Accessible design features were also mentioned, making it practical for seniors with declining vision, hearing or dexterity. For printed resources, this means larger fonts and high-contrast layouts, while for digital content it includes voice-or screen-reader compatibility and simplified navigation.

Learning Environments

Effective learning and support environments include community centres, public service counters, regulated financial intermediaries, counselling services, and health or social care touchpoints. These environments enable integration of financial capability support with broader wellbeing and care planning, consistent with evidence that cross-sector delivery improves accessibility and trust for older adults (Sherraden et al., 2018). Traditional media (TV, radio and newspapers) remain effective for reaching the wider older population, including home-based or less-mobile seniors, and provide consistent, accessible reinforcement of key messages. Digital tools can play a complementary role but should be optional, supported, and designed with accessibility, redundancy, and error tolerance in mind.

Strategic Implications

Later life represents a phase where financial capability policy converges with consumer protection and service design. The literature consistently shows that reducing complexity, strengthening safeguards, and providing assisted pathways are more effective than autonomy-maximising approaches under conditions of vulnerability and irreversibility (Thaler & Sunstein, 2008; Benartzi & Thaler, 2013; OECD, 2022e). Policy interventions should therefore prioritise accessibility, trust, and protection, embedding non-digital options, trusted intermediaries, and proactive fraud prevention within financial and public service systems.

Vulnerability as a Cross-Cutting Risk Multiplier

Vulnerability operates across the life course as a risk multiplier rather than a distinct financial capability category. Empirical evidence consistently shows that vulnerability does not introduce fundamentally different financial capability mechanisms; instead, it amplifies existing constraints by reducing cognitive bandwidth, limiting access to supportive environments, and increasing the consequences of error. As a result, the same life-course transitions identified in this chapter—such as first exposure, commitment lock-in, complexity saturation, and decumulation—are experienced more intensely and with lower margins for recovery by individuals facing vulnerability.

Across cohorts, vulnerability is most commonly associated with reduced material resources, health limitations, care responsibilities, migration status, digital exclusion, and social isolation. These factors interact with behavioural constraints in predictable ways. Scarcity and stress reduce attention, planning capacity, and tolerance for complexity, increasing reliance on heuristics and short-term decision-making. Time poverty and administrative burden further undermine engagement with formal systems, even where information is available. Importantly, these dynamics affect not only low-income individuals but also those experiencing temporary shocks, cumulative disadvantage, or declining capacity later in life.

The interaction between vulnerability and institutional design is particularly consequential. Complex choice architectures, fragmented service delivery, and digitally exclusive systems disproportionately disadvantage vulnerable individuals by increasing error rates and discouraging engagement. Conversely, well-designed institutional features—such as defaults, simplification, trusted intermediaries, and timely prompts—mitigate vulnerability effects by reducing cognitive and administrative load. This reinforces the finding that financial capability outcomes are jointly produced by individual capacity and system design, rather than being attributable to individual characteristics alone.

Vulnerability also alters the risk profile of inaction. While inaction may be a rational response to complexity for non-vulnerable individuals with recovery capacity, it carries significantly higher costs for those facing vulnerability. Delayed decisions, missed entitlements, and unreviewed commitments compound disadvantage over time, particularly at transition points where choices become irreversible. This dynamic is especially pronounced in later life, where shortened time horizons and trust asymmetries increase exposure to harm.

For these reasons, the Strategy embeds vulnerability within each cohort rather than treating it as a separate analytical or policy domain. This approach aligns with the principle of proportionate universalism: maintaining universal cohort frameworks while varying the intensity, timing, and mode of intervention according to the degree of constraint. Embedding vulnerability avoids categorical targeting that risks stigma or exclusion, while ensuring that interventions remain responsive to differential capacity and risk.

From a strategic perspective, treating vulnerability as a cross-cutting risk multiplier has three implications. First, it requires that all interventions be assessed for their accessibility, cognitive load, and error tolerance, rather than assuming uniform capacity. Second, it prioritises delivery through environments where vulnerable individuals already interact with systems, such as workplaces, public services, community organisations, health and care settings, and regulated intermediaries. Third, it reinforces the need for coordination between financial capability policy, consumer protection, and social support systems, recognising that effective capability building cannot be separated from broader institutional safeguards.

In sum, vulnerability shapes how financial capability challenges are experienced, not which challenges exist. Integrating vulnerability into life-course analysis strengthens both analytical coherence and policy effectiveness, ensuring that interventions are proportionate, inclusive, and responsive to the realities of constrained decision-making across the population.

Priority Groups Identified

The following groups were identified during the strategy's consultation phase as facing the most significant barriers to financial capability:

- Women and older women, especially those with limited labour market participation and exclusion from financial decision-making, face persistent financial knowledge gaps and reduced opportunities to build autonomy.
- Older adults and pensioners, particularly those with low pensions or low digital confidence, and/ or cognitive and health decline, who struggle to cover basic needs, manage declining income after retirement, and navigate digital financial tools.
- Young people, especially those entering the workforce without prior financial education, who are vulnerable to poor budgeting habits, over-indebtedness, and digital misinformation.
- Migrant populations, who face linguistic, cultural, and bureaucratic barriers, and may lack support networks, especially in contexts of motherhood.
- Persons with disabilities, who encounter systemic barriers to accessible financial services when trying to use financial products.
- Low-income individuals and households, who are unable to meet basic needs or save due to wage constraints, rising living costs, and structural limitations that overshadow financial planning efforts.
- People with low educational attainment or digital access, who struggle to understand financial concepts and use basic tools, increasing their vulnerability to misinformation and exclusion.
- People in situations of extreme vulnerability, including individuals facing homelessness, addiction, or incarceration, who are systematically excluded from financial systems and stigmatised in reintegration efforts.
- Unpaid caregivers and socially isolated individuals, including homebound people or families caring for someone with mental health issues, who often face overbudgeting, limited support, and increased exposure to scams due to low connectivity.

These actions align with the strategy's commitment to inclusive and equitable financial capability and are reflected in the implementation roadmap in Chapter 6 and monitoring and evaluation in Chapter 7.

Table 4 illustrates that vulnerability does not create distinct financial capability challenges, but magnifies exposure, reduces recovery capacity, and increases the cost of error at each life stage. The table also emphasises that effective intervention requires adjusting intensity, timing, and delivery mode within universal cohort frameworks rather than creating parallel vulnerability-specific tracks.

Table 4 - Core Risk, vulnerabilities and intervention logic by cohort.

Life-Course Phase	Core Financial Decision Environment	Core Risks (Life-Course Baseline)	How Vulnerability Amplifies Risk	Implications for Intervention Design
Children (6– 10)	Familiarisation with money, needs vs wants, price salience, simple routines	Weak foundational habits; limited understanding of money, value, and trade-offs; poor self-regulation; low price salience	Household stress, low parental guidance, limited access to positive role models, or early exposure to frictionless digital spending increase impulsivity and weaken habit formation	Adult- and family-centred approaches; guided, experiential learning; repetitive, low-cognitive-load activities; preservation of price visibility; age-appropriate support of saving and spending routines
Children (11–14)	Habit formation, early digital spending cues, family-mediated decisions	Weak habit formation; poor emotional associations with money; early normalisation of scarcity or avoidance	Household stress, low income, or disability transmit anxiety, reduce positive modelling, and limit guided practice	Family-centred interventions; alignment between school and household practices; low cognitive load and emotional safety
Teenagers (15–17)	Emerging autonomy, subscriptions, impulsive digital spending	Overconfidence; impulsivity; misunderstanding of commitments; susceptibility to social influence	Social exclusion, weak parental support, or high digital exposure increase impulsivity and misinformation	Guided autonomy models; safeguards around commitments; credibility assessment and digital literacy support
Young Adults (18–25)	First exposure to tax, credit, housing, formal institutions	Path-dependent errors; administrative avoidance; early debt mismanagement; institutional disengagement	Income instability, migration status, or weak institutional familiarity increase avoidance and long-term scarring	Just-in-time navigation support; simplified administrative processes; decision-embedded guidance
Early Career & Family (26–34)	Long-term commitments (mortgages, childcare, insurance)	Lock-in to suboptimal commitments; underestimation of long-term risk; weak contingency planning	Housing stress, care burdens, or single parenthood reduce review capacity and increase irreversibility	Safeguards at commitment points; trade-off framing; neutral, plain-language decision aids
Mid-Career (35–59)	Complexity saturation (pensions, insurance, multiple responsibilities)	Inertia; procrastination; disengagement; accumulation of outdated or misaligned products	Time scarcity, health shocks, or care responsibilities intensify overload and delay corrective action	Simplification, defaults, structured review checkpoints; workplace and trusted-channel delivery
Retirees & Seniors (60+)	Decumulation, fraud exposure, digitalisation	Irreversibility of error; fraud and exploitation risk; declining confidence; avoidance	Isolation, declining health, cognitive change, or low digital trust increase harm from mistakes	Assisted access, trusted intermediaries, protection mechanisms, and clear escalation routes

Explicit Mapping to OECD/INFE Financial Capability Competency Domains

To ensure full alignment with international standards, this section explicitly maps the cohort-based analysis to the OECD/INFE financial capability competency framework, which defines financial capability across four interrelated domains: Knowledge, Behaviours, Attitudes, and Confidence/Agency (OECD/INFE, 2015; OECD/INFE, 2019). This mapping demonstrates that the Strategy's cohort approach is not an addition to OECD/INFE guidance, but a structured application of it across the life course. Each cohort emphasises different domains depending on cognitive development, institutional exposure, and vulnerability context, consistent with OECD evidence that capability domains evolve in relative importance over time.

This mapping reinforces four critical points supported by OECD/INFE guidance:

1. No single competency domain is universally dominant across the life course; effective strategies must rebalance domains as individuals age (OECD/INFE, 2019).
2. Behavioural and attitudinal domains become increasingly important once individuals are exposed to real financial products and constraints (OECD, 2020c).
3. Confidence and agency are essential mediators between knowledge and action, particularly in complex or digitally mediated environments (OECD/INFE, 2023).
4. Vulnerability affects domains asymmetrically, typically undermining confidence and behaviours before knowledge, reinforcing the need for proportionate support.

Table 5 below operationalises this mapping by specifying, for each life-course cohort, the primary and secondary OECD/INFE competency domains, the corresponding monitoring focus, and the supporting evidence base. It translates the conceptual alignment outlined above into an evaluable structure, clarifying how shifts in decision environments and vulnerability context are reflected in domain salience over time.

By making these linkages explicit, the table provides a practical reference for indicator selection and assessment, ensuring that monitoring efforts remain proportionate to life-stage risks and consistent with internationally validated measurement approaches. This mapping also provides a direct bridge to the monitoring and evaluation framework set out in chapter 7, enabling cohort-specific KPIs to be structured consistently with OECD/INFE measurement tools.

Table 5 - Mapping of Cohorts to OECD/INFE Financial Capability Domains.

Life-Course Phase	Primary OECD/ INFE Domains	Secondary Domains	Monitoring Focus	Evidence-Based Rationale
Children (6 -10)	Attitudes, Behaviours	Knowledge	Familiarisation with money, needs vs wants, price salience, simple routines	Early financial capability is shaped by adult-mediated routines and experiential learning not abstract knowledge. Habit formation, modelling, and visible price prompts develop early value perceptions and self-regulation.
Children (11–14)	Attitudes; Behaviours	Knowledge	Habit formation, emotional comfort with money, basic routines	Early financial outcomes are driven by socialisation, modelling, and repeated behaviour; abstract knowledge has limited retention without experience (Webley & Nyhus, 2013; Drever et al., 2015; OECD/INFE, 2019).
Teenagers (15–17)	Attitudes; Confidence/ Agency	Behaviours	Confidence calibration, commitment awareness, impulsive digital spending	Identity formation and peer influence shape decision-making; overconfidence is common and precedes competence (Steinberg, 2014; Batty et al., 2015; OECD, 2020e).
Young Adults (18–25)	Knowledge; Confidence/ Agency	Behaviours	Procedural knowledge, institutional navigation, self-efficacy	First exposure to formal systems makes contextual knowledge and confidence decisive for engagement and error avoidance (Lusardi & Mitchell, 2014; Allgood & Walstad, 2016; OECD, 2020e).
Early Career & Family (26–34)	Behaviours; Knowledge	Attitudes	Risk appraisal, contingency planning, review of commitments	Long-term commitments require sustained behavioural translation of knowledge under time and cost constraints (Campbell, 2006; Fernandes et al., 2014; OECD/INFE, 2023).
Mid-Career (35–59)	Behaviours; Confidence/ Agency	Knowledge	Engagement, review frequency, action-taking	Inertia, cognitive overload, and time scarcity dominate; behavioural activation and confidence matter more than additional information (Madrian & Shea, 2001; Benartzi & Thaler, 2013; Lusardi & Mitchell, 2017).
Retirees & Seniors (60+)	Confidence/ Agency; Behaviours	Knowledge	Trust, help-seeking behaviour, fraud avoidance	Reduced recovery horizons, cognitive ageing, and trust asymmetries increase reliance on confidence and supported action (Agarwal et al., 2009; DeLiema et al., 2019; OECD, 2022e).

CHAPTER 5
The Strategic Priorities and Goals

By synthesising the diagnostic findings and cohort-level insights from the analysis, four (4) interlinked strategic priorities emerged. Together these form a comprehensive framework for strengthening financial capability:

Priority 1
Lifelong Financial Learning

Priority 2
Personalised and Targeted Support

Priority 3
Bridging Digital Access and Trust

Priority 4
Cross-Sectoral Collaboration

These priorities respond directly to the identified areas of concern and vulnerability profiles, ensuring that interventions are proportionate, inclusive, and aligned with real-life financial challenges across different population groups and life stages. Moreover, the priorities, goals and tools are aligned with the recommendations of the Technical Support Instrument (TSI) project led by the Malta Financial Services Authority.

Strategic Framework and Common Features

Each priority area establishes:

- A clear strategic goal, defining the intended long-term outcome and direction of action.
- General description of the implementation tools and delivery mechanisms, tailored to relevant population groups, institutional systems, or service environments (with specific measures mentioned in Chapter 6).

Across all four priorities, a dual approach is required—combining targeted measures for high-risk groups with embedded, mainstream actions that strengthen financial capability across the broader population.

Ensuring Inclusion and Effectiveness: Core Implementation Principles

To address the vulnerability profiles identified in the analysis, financial capability initiatives must incorporate the following cross-cutting measures:

1. Targeted, Group-Specific Interventions

Tailored initiatives should be developed to address the distinct needs, barriers, and risk factors faced by specific groups. Examples include:

- Practical, hands-on budgeting and debt management workshops for low-income earners or financially strained households.
- Digital finance confidence-building programmes for older adults, focusing on online banking safety and fraud awareness.
- Financial orientation and system-navigation support for newly arrived migrants.
- Early financial resilience modules for young adults transitioning into employment or higher education.

Such targeted measures ensure that interventions are relevant, accessible, and responsive to lived experience rather than adopting a one-size-fits-all model.

2. Inclusive Mainstream Delivery Channels

Mainstream financial education and awareness initiatives—delivered through schools, public campaigns, workplaces, and community platforms—must be designed to avoid unintentional exclusion. This requires:

- Use of plain language and culturally sensitive communication.
- Provision of accessible formats (e.g., simplified materials, multilingual content, alternative formats for persons with disabilities).
- Integration of referral pathways and support services within broader campaigns.
- Embedding financial capability content into existing systems such as education curricula, employment training, and social protection processes.

Embedding financial learning within universal systems promotes equity and prevents the stigmatisation of targeted groups.

3. Leveraging Trusted Intermediaries

Trusted intermediaries play a critical role in reaching vulnerable populations. Social workers, educators, community leaders, frontline public service staff, and NGO personnel are often the first point of contact for individuals experiencing financial stress. To maximise their impact:

- Train-the-Trainer programmes should be implemented to equip intermediaries with foundational financial capability knowledge and communication tools.
- Standardised toolkits and referral guidelines should be developed.
- Ongoing capacity-building and peer-learning networks should be supported.

This approach enhances credibility, reinforces messages in trusted environments, and strengthens early identification of financial vulnerability.

4. Bridging the Digital Divide

As financial services become increasingly digital, strategies must explicitly guard against deepening exclusion. Digital initiatives should therefore:

- Promote assisted digital access through community hubs, libraries, and service centres.
- Offer low-tech and offline alternatives for essential financial services and learning materials.
- Provide practical digital literacy support focused on online banking, e-payments, and fraud prevention.
- Build trust through transparency, cybersecurity awareness, and consumer protection messaging.

Digital transformation must be inclusive by design, ensuring that vulnerable users are supported rather than marginalised.

A Cohesive Roadmap for Systemic Impact

Taken together, the four strategic priorities and their associated implementation tools form a coherent and mutually reinforcing roadmap. This roadmap:

- Spans all life stages—from childhood and adolescence to retirement.
- Integrates universal prevention with targeted intervention.
- Strengthens coordination across institutions and sectors.
- Grounds action in evidence derived from diagnostic and cohort analyses.
- Responds directly to the structural, behavioural, and digital challenges identified in the assessment.

By combining lifelong learning, personalised support, inclusive digital strategies, and cross-sectoral collaboration, the framework establishes a sustainable foundation for improving financial capability and resilience at both individual and systemic levels.

Priority

1

Lifelong Financial Learning

Building financial capability requires a structured and lifelong approach that supports individuals in developing the knowledge, skills, and confidence to make informed financial decisions. This Priority establishes universal financial capability foundations through education systems, workplaces, and community delivery channels, mirroring international practices that embed capability across the ecosystem (Financial Consumer Agency of Canada [FCAC], 2021; MoneySense, 2023). For instance, strategies in Australia and Canada emphasize whole-of-ecosystem delivery and behavioural design to reach priority groups at key life moments (Australian Securities and Investments Commission [ASIC], 2022; FCAC, 2021). Similarly, the UK's Money and Pensions Service (2022) and Singapore's MoneySense (2023) demonstrate the effectiveness of using workplace signposting and school-based outreach to ensure inclusive access. These models are particularly vital for supporting cohorts in vulnerable situations, including women, young people, migrant populations, and low-income households. In Malta, there is a need to raise baseline financial knowledge while also addressing challenges that emerge at key transitions points such as leaving education, entering work, managing debt, raising a family, or preparing for retirement where evidence shows individuals are particularly vulnerable to poor financial decisions (Agarwal et al., 2009; OECD, 2020c).

A continuous learning approach ensures that capability-building is not confined to school years or one-off initiatives, but embedded throughout the education system, public services, and everyday life, reflecting good practice in financial socialisation and adult learning (Gudmunson and Danes, 2011; OECD/INFE, 2019). Content must be age-appropriate, timely, and accessible, delivered through platforms that reach people where they are, from schools and workplaces to community settings and digital channels recognising differences in cognitive capacity, access and digital confidence across the life course (Bjorklund, 2018; OECD, 2018). This investment in lifelong financial learning is essential for building resilience and preparing citizens for a rapidly evolving financial environment (Lusardi and Mitchell, 2014; OECD, 2020c).

1.1 Strengthen Financial Education in the Formal Education System

The formal education system plays a central role in equipping young people with essential financial knowledge and behaviours. Embedding financial capability across curricula ensures that students develop practical skills needed for financial independence and workforce participation, while promoting equitable outcomes for students from vulnerable or disadvantaged backgrounds.

GOAL

Ensure that all young people develop strong financial capability foundations through structured, progressive, and inclusive financial education embedded across the formal education system. For children, financial education will be age-appropriate, participatory, protective, and consistent with children's rights principles. This goal will be achieved through measures that integrate financial capability across curricula, equip students with practical financial decision-making skills, and prepare young persons for financial independence and entry into the workforce. Particular attention will be given to ensuring equitable access for students from low-income households, migrant backgrounds, and those with disabilities or limited digital access, to prevent early financial exclusion and support long-term financial resilience. These measures will contribute to reducing structural inequalities over time, including those affecting women and elderly women with historically lower labour market participation.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 1.1 in the Implementation Roadmap, which focus on integrating financial capability across curricula, strengthening practical financial learning, and ensuring inclusive delivery to all students, including those from vulnerable or disadvantaged backgrounds.

1.2 Embed Financial Capability across the Life Course

Financial capability must be strengthened throughout adulthood to support individuals in managing financial responsibilities and transitions. Delivering accessible financial capability support through workplaces, adult education, public services, and community settings ensures individuals can make informed decisions and maintain financial resilience, particularly among cohorts which are more prone to make poor financial decisions (Agarwal et al., 2009; OECD, 2020c).

GOAL

Ensure that individuals have access to timely, relevant, and accessible financial capability support throughout adulthood, recognising that financial capability must be strengthened continuously across the life course. This goal will be achieved through measures that deliver financial education and guidance at key life stages, including entry into employment, family formation, caregiving, borrowing, and retirement planning, through workplaces, adult education systems, community services, and public platforms.

Particular attention will be given to vulnerable cohorts, including women and elderly women, older adults and pensioners, migrant populations, persons with disabilities, individuals with low educational attainment or digital access, and low-income households. Measures will also ensure outreach to unpaid caregivers, socially isolated individuals, and persons experiencing extreme vulnerability, including homelessness or addiction, ensuring inclusive access to financial capability support throughout life.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 1.2 in the Implementation Roadmap, which provide financial capability support across workplaces, adult education systems, public services, and community settings, with targeted outreach to vulnerable cohorts and individuals at key life stages.

Priority

2

Personalised and Targeted Support

While universal education provides a foundation, some individuals require targeted and personalised financial capability support due to financial vulnerability, life transitions, or structural barriers. This Priority focuses on delivering tailored support through frontline services, targeted interventions, and strengthened professional capacity, with particular attention to vulnerable cohorts, including low-income households, older adults, migrant populations, persons with disabilities, and individuals experiencing social or economic vulnerability.

2.1 Tailored Support for Vulnerable or Complex Situations

Individuals facing financial vulnerability or complex circumstances often require personalised and accessible guidance to support financial stability and decision-making. Delivering tailored support through trusted services and community channels helps address barriers and improve outcomes, particularly for vulnerable cohorts (Mullainathan & Shafir, 2013; OECD, 2020a; DeLiema et al., 2019; Agarwal et al., 2009).

GOAL

Ensure that individuals facing vulnerable or complex financial circumstances receive personalised, accessible, and trust-based financial guidance that supports informed decision-making and financial stability. This goal will be achieved through measures that provide tailored coaching, integrate financial guidance into frontline and community services, and deliver culturally and linguistically appropriate support through trusted channels.

Particular attention will be given to vulnerable cohorts, including women and elderly women with limited labour market participation, older adults and pensioners with low income or digital confidence or declining health, cognitive capacity and care needs, migrant populations, persons with disabilities, individuals with low educational attainment or digital exclusion, and low-income households experiencing financial stress. Measures will also prioritise support for individuals experiencing extreme vulnerability, including debt, financial stress, homelessness, addiction including gambling-related financial harm, chronic ill health, mental health difficulties, unpaid caregiving responsibilities, and social isolation, ensuring that financial capability interventions reach those most in need.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 2.1 in the Implementation Framework, which deliver personalised financial guidance through frontline services, community-based programmes, and specialised support mechanisms targeting individuals facing financial vulnerability or complex circumstances.

2.2 Support at Key Life Transitions

Key life transitions present critical moments where individuals must make important financial decisions. Providing timely and targeted financial capability support at these stages helps strengthen financial resilience and reduce the risk of long-term financial vulnerability.

GOAL

Ensure that individuals receive timely and relevant financial capability support at critical life transitions, enabling them to make informed and confident financial decisions at key moments. This goal will be achieved through measures that provide targeted financial guidance during transitions such as entering employment, managing housing costs, supporting family responsibilities, and transitioning into retirement. Particular attention will be given to vulnerable cohorts, including young people entering the workforce, women and elderly women, older adults and pensioners, migrant populations, persons with disabilities, individuals with low educational attainment or digital confidence, and low-income households. Measures will also ensure accessible support for unpaid caregivers and socially isolated individuals, recognising that life transitions may increase financial vulnerability and require targeted intervention

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 2.2 in the Implementation Framework, which provide targeted financial capability interventions at critical life transitions, including entry into employment, family formation, and retirement, ensuring timely and accessible support.

2.3 Equip Frontline Professionals to Provide Support

Frontline professionals play a key role in supporting individuals facing financial challenges. Strengthening their capacity ensures consistent identification of financial vulnerability and improves access to appropriate guidance and support services. (Gudmunson and Danes, 2011; OECD, 2020a).

GOAL

Ensure that frontline professionals are equipped with the knowledge, tools, and training necessary to provide consistent, accessible, and effective financial capability support and referrals. This goal will be achieved through measures that strengthen professional capacity across social, employment, education, health, and community services, enabling professionals to identify financial vulnerability and provide appropriate guidance or referrals.

Particular attention will be given to strengthening the capacity of professionals working with vulnerable cohorts, including older adults and pensioners, migrant populations, persons with disabilities, low-income households, women and elderly women, and individuals with low educational attainment or digital exclusion. These measures will also ensure improved support for individuals experiencing extreme vulnerability, including homelessness, addiction, unpaid caregiving responsibilities, and social isolation.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 2.3 in the Implementation Framework, which strengthen the capacity of frontline professionals through training, tools, and referral pathways to provide effective financial capability support and identify financial vulnerability Policy Priority 3. Bridging Digital Access and Trust

Priority

3

Bridging Digital Access and Trust

Whilst digitalisation is transforming financial services, it also created new risks of exclusion. While younger people often adopt digital tools quickly, many older adults and groups with low financial capability face obstacles ranging from literacy and accessibility to fear of scams (Eurostat, 2024; DeLiema et al., 2019; OECD/INFE, 2018).

Thus, this Priority focuses on ensuring inclusive access, strengthening trust, and leveraging digital innovation responsibly, particularly for individuals with low digital confidence, limited access, or increased vulnerability (OECD/INFE, 2019; Bjorklund, 2018).

3.1 Ensure Inclusive Access to Financial Tools and Services

Ensuring inclusive access to financial tools and services is essential for full financial participation. Removing digital and accessibility barriers helps ensure equitable access, particularly for vulnerable and digitally excluded groups (OECD, 2020a; Zaloom, 2019).

GOAL

Ensure that all individuals can access and use financial tools and services regardless of age, income, disability, literacy, or digital confidence. This goal will be achieved through measures that remove digital and physical barriers, promote inclusive design, and maintain assisted and non-digital access options to financial services. Particular attention will be given to vulnerable cohorts, including older adults and pensioners with low digital confidence, persons with disabilities, migrant populations, individuals with low educational attainment or limited digital access, and low-income households. Measures will also support women, particularly elderly women, unpaid caregivers, socially isolated individuals, and persons experiencing extreme vulnerability, ensuring equitable access to essential financial services.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 3.1 in the Implementation Framework, which improve accessibility, remove digital barriers, and ensure inclusive access to financial tools and services through both digital and non-digital delivery channels.

3.2 Build Trust and Safety

Trust and confidence are essential for effective engagement with financial systems. Clear communication and fraud prevention measures help protect individuals and strengthen financial inclusion.

GOAL

Ensure that individuals can engage confidently and safely with financial systems by strengthening trust, transparency, and protection from fraud and financial exploitation. This goal will be achieved through measures that promote clear and accessible financial communication, strengthen fraud awareness and prevention, and provide accessible financial guidance through trusted channels. Particular attention will be given to vulnerable cohorts, including older adults and pensioners, migrant populations, persons with disabilities, individuals with low digital literacy, low-income households, and persons with low educational attainment. Measures will also support women, particularly elderly women, unpaid caregivers, and socially isolated individuals, who may face increased risks of financial exclusion or exploitation.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 3.2 in the Implementation Framework, which strengthen trust through clear communication, fraud prevention initiatives, and accessible financial guidance delivered through trusted institutions and service providers.

3.3. Leverage Digital Innovation Responsibly

Digital innovation offers opportunities to expand access to financial capability support. Ensuring inclusive and accessible digital delivery helps maximise benefits while preventing exclusion.

GOAL

Ensure that digital innovation is used to expand access to financial capability support while maintaining inclusivity, accessibility, and public trust. This goal will be achieved through measures that develop accessible digital tools, maintain hybrid delivery models combining digital and human support, and ensure that digital services are designed to meet diverse user needs. Particular attention will be given to ensuring accessibility for vulnerable cohorts, including older adults, persons with disabilities, migrant populations, individuals with low digital confidence or educational attainment, and low-income households. Measures will also ensure that women, elderly women, unpaid caregivers, socially isolated individuals, and persons experiencing extreme vulnerability are not from excluded from financial capability support due to digital barriers.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 3.3 in the Implementation Framework, which expand access to financial capability support through inclusive digital tools while maintaining hybrid delivery models to ensure accessibility for all population groups.olicy Priority 4.

Priority

4

Cross-Sectoral Collaboration

The OECD recommends that an effective delivery of the Strategy requires collaboration across ministries, regulators, service providers, NGOs, and community actors (OECD, 2020c; OECD/INFE, 2018; Bjorklund, 2018). Evidence from stakeholder consultations highlighted the risks of fragmented efforts, duplicated campaigns, and uneven access (OECD, 2020a; DeLiema et al., 2019). Stronger coordination will allow institutions to pool resources, reach more citizens, and reinforce public trust (OECD/INFE, 2019; Lusardi & Mitchell, 2014).

This Priority strengthens governance, resource alignment, and professional capacity to ensure coherent, inclusive, and effective implementation of the Strategy (OECD/INFE, 2018; Gudmunson & Danes, 2011).

4.1. Improve Institutional Coordination and Governance

Strengthening coordination across institutions ensures consistent and effective delivery of financial capability initiatives and improves outreach to vulnerable populations.

GOAL

Ensure coherent, inclusive, and effective delivery of financial capability initiatives through strengthened coordination and governance across relevant institutions and sectors. This goal will be achieved through measures that align policies, programmes, and services across government, regulators, service providers, and community organisations, ensuring consistent and equitable delivery. Particular attention will be given to ensuring coordinated outreach to vulnerable cohorts, including women and elderly women, older adults and pensioners, migrant populations, persons with disabilities, individuals with low educational attainment or digital access, and low-income households. These measures will also ensure that individuals experiencing extreme vulnerability, including homelessness, addiction, unpaid caregiving responsibilities, and social isolation, are effectively reached through coordinated support systems.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 4.1 in the Implementation Framework, which strengthen coordination, governance structures, and institutional alignment to ensure coherent and effective delivery of financial capability initiatives.

4.2 Consolidate Resources in a Central Repository

Consolidating materials into a single national repository is key to ensuring coherence, efficiency, and equity in financial capability efforts. A centralised platform, serving both service providers and the public, will offer consistent access to reliable content, tools, training materials, and communication resources.

Establishing shared standards in methodology, language, and pedagogical quality through cross-institutional partnerships will reinforce public trust, reduce duplication of effort, and enhance the overall impact of financial capability initiatives (OECD/INFE, 2019; OECD, 2020c; Lusardi & Mitchell, 2014).

GOAL

Ensure that individuals and service providers have access to reliable, consistent, and accessible financial capability information and tools through a centralised national repository. This goal will be achieved through measures that consolidate resources, establish shared standards, and ensure accessibility across platforms and delivery channels. Particular attention will be given to ensuring accessibility for vulnerable cohorts, including migrant populations, persons with disabilities, older adults, individuals with low educational attainment or digital access, and low-income households. Measures will also support frontline professionals working with vulnerable individuals, including women with limited labour market participation, unpaid caregivers, socially isolated individuals, and persons experiencing extreme vulnerability.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 4.2 in the Implementation Framework, which establish and maintain a centralised national repository of financial capability resources to ensure consistent, reliable, and accessible information.

4.3 Establish a Training Accreditation Pathway

Frontline professionals, such as social workers, teachers, and mental health providers, play a key role in supporting people who need financial support or facing financial stress (Gudmunson & Danes, 2011; OECD/INFE, 2018). Beyond day-to-day delivery, Malta needs a sustainable system to build and maintain the capacity of frontline professionals across sectors. This includes standardised curricula, accreditation, and integration into professional training pathways (OECD/INFE, 2019; OECD, 2020c). A Train-the-Trainer model ensures consistent, high-quality training across sectors, using standardised materials and messaging (OECD/INFE, 2019). Continuous professional development is also essential to keep staff informed about digital tools, scams, and new challenges in the financial landscape (OECD, 2020a; DeLiema et al., 2019).

GOAL

Ensure that professionals across sectors are equipped with accredited training and standardised tools to deliver consistent and effective financial capability support. This goal will be achieved through measures that establish training pathways, develop professional toolkits, and integrate financial capability into professional education and continuous development. Particular attention will be given to strengthening the capacity of professionals supporting vulnerable cohorts, including older adults and pensioners, migrant populations, persons with disabilities, women and elderly women, low-income households, and individuals with low educational attainment or digital exclusion. These measures will ensure that professionals are equipped to support individuals experiencing extreme vulnerability, including homelessness, addiction, unpaid caregiving responsibilities, and social isolation.

IMPLEMENTATION GUIDE

This goal will be achieved through measures outlined under Priority 4.3 in the Implementation Framework, which strengthen professional capacity through accredited training pathways, standardised tools, and continuous professional development.

CHAPTER 6 Implementation Roadmap

Together, these four policy priorities form the backbone of the Strategy. Lifelong financial learning provides a universal foundation for building capability across all life stages (OECD, 2020a; OECD/INFE, 2018). Personalised and targeted support that merges seamlessly with general guidance ensures that additional assistance is available when and where it is most needed, particularly for vulnerable groups and individuals undergoing key life transitions (Gudmunson & Danes, 2011; DeLiema et al., 2019; Mullainathan & Shafir, 2013). Digital inclusion and public confidence bridge access and trust in an increasingly technology-driven financial system, ensuring that all citizens can participate safely and effectively (OECD, 2020a; Bjorklund, 2018). Stronger cross-sectoral collaboration underpins delivery by aligning institutions, resources and frontline capacity to provide coherent and sustainable support (OECD/INFE, 2019; Lusardi & Mitchell, 2014).

The roadmap is grounded in established evidence on financial socialisation, behavioural drivers and capability development across the life course (Gudmunson & Danes, 2011; Lusardi & Mitchell, 2014; OECD/INFE, 2018) and aligns with Malta's wider social and economic policy frameworks. Financial capability efforts are therefore designed to reinforce national priorities including digital inclusion, education reform, labour market participation, consumer protection and social protection.

Implementation will be sequenced between 2026 and 2031, with selected measures continuing on an ongoing basis. The early phase (2026–2027) establishes key foundations: the development of modular life-stage resources, culturally adapted materials, the retirement preparedness portal, debt advice service strengthening, governance committees, programme mapping, and core communication standards. The period 2027–2028 marks the main expansion phase, embedding structured financial education within the formal education system, launching toolkits across major life events, operationalising inclusive access frameworks, introducing accreditation pathways, and rolling out Financial Wellbeing Hubs and national repositories. By 2029–2030, the Strategy consolidates more advanced system integration measures, including life-event trigger mechanisms, early debt prevention initiatives, hybrid service models, institutional capacity strengthening, sector-specific toolkits, and continuous professional upskilling frameworks.

Priority 1 – Lifelong Financial Planning

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Strengthen Financial Education in the Formal Education System	1.1	Consolidate structured financial education through OECD financial literacy framework aligned outcomes across primary and secondary levels, linked to real-life behaviours such as saving, spending, goal-setting, and informed consumption.	Ministry responsible for Social Policy Ministry responsible for Education	2028
	1.2	Integrate financial topics into relevant subjects, including, but not limited to, the cross-curricular Maths Integration and ICT Digital Finance Module.	Ministry responsible for Social Policy Ministry responsible for Education Ministry	2028
	1.3	Support hands-on, digital, and peer-led initiatives for students including, but not limited to, a school simulation platform (gamification of income and budgeting via a simulator) and the Peer Financial Ambassador Programme (training of student ambassadors for peer-led sessions).	Ministry responsible for Social Policy Ministry responsible for Education Ministry responsible for the voluntary Sector Ministry responsible for Health and Active Ageing Ministry responsible for Employment	2029
	1.4	Introduce financial preparedness module in later secondary years.	Ministry responsible for Social Policy Ministry responsible for Education	2027
	1.5	Integrate early financial capability and life-skills education in national out of school and school holiday programmes (such as Skolasajf and Klabb 3-16) administered through financial capability experts such as ĠEMMA.	Ministry responsible for Social Policy	Ongoing
Embed Financial Capability across the Life Course	1.6	Develop short, modular learning resources linked to life transitions co-delivered through trusted services or online platforms.	Ministry responsible for Social Policy Ministry responsible for Education Ministry responsible for the voluntary Sector Ministry responsible for Health and Active Ageing Ministry responsible for Employment	2026
	1.7	Enhance collaboration with employers, training providers, and unions to integrate universal workplace-based financial education on payslips, deductions, credit, and retirement planning.	Ministry responsible for Social Policy Ministry responsible for Employment Ministry responsible for social dialogue	Ongoing
	1.8	Enhance the embedding of financial education in adult and lifelong learning programmes delivered through community centres, local councils, public education providers, online platforms, and trusted private or voluntary sector initiatives.	Ministry responsible for Education Ministry responsible for Social Policy Ministry responsible for the voluntary Sector Ministry responsible for local councils Ministry responsible for health and active ageing Ministry responsible for finance	Ongoing
	1.9	Provide clear, accessible guidance on financial products and systems, including credit, tax, savings schemes, and housing finance, tailored to the specific needs of the targeted life stage.	Ministry responsible for Finance (Malta Financial Services Authority, Malta Tax / Customs Administration)	2027
	1.10	Repeatedly promote retirement readiness through measurable public campaigns, pension simulators, and promote the option to provide access to one-to-one guidance, especially for workers in precarious or informal employment.	Ministries responsible for Education Ministry responsible Social Policy	Ongoing
	1.11	Strengthen and enhance the development and delivery of pre-retirement financial capability programmes.	Ministry responsible for Health and Active Ageing Ministry responsible for Social Policy	2026

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Embed Financial Capability across the Life Course	1.12	Continue to deliver retirement and 60 + financial capability programmes (including, but not limited to, sessions related to budgeting, scams and fraud prevention sessions).	Ministry responsible for Health and Active ageing Ministry responsible for social policy.	Ongoing
	1.13	Develop and deliver budget conscious cooking and household financial management programmes and resources.	Ministry responsible for Social Policy Ministry responsible for Education	2027
	1.14	Develop and deliver a parental engagement toolkit focusing on home-based financial learning activities.	Ministry responsible for Social Policy	2027
	1.15	Develop and deliver a first job toolkit focusing on payslip literacy (elements including the basic wages, non-basic wages, taxation, and social security payments), and a contract awareness guidance.	Ministry responsible for Social Policy	2027
	1.16	Develop and deliver a parenthood financial toolkit focusing on the interactions between home budgeting, child benefits and maternity planning guidance.	Ministry responsible for Social Policy	2027
	1.17	Develop and deliver an entrepreneur start-up toolkit focusing on the provision of information pertaining to cash-flow, budgeting and tax compliance guidance.	Ministry responsible for Social Policy	2028
	1.18	Develop and deliver a divorce and separation toolkit focusing on financial rights, joint account literacy, etc.	Ministry responsible for Social Policy	2028
	1.19	Develop and deliver a Youth Digital Myth Busting campaign, aimed at strengthening young people's ability to identify, question and resist financial misinformation, misleading online narratives and digitally amplified myths related to money, investing, debt, entrepreneurship and "quick wealth" culture.	Ministry responsible for Finance Ministry responsible for Education Ministry responsible for Social Policy	2027
	1.20	Integrate basic investment education into financial capability programmes and resources aimed at youths, young adults and early labour market entrants.	Ministry responsible for Finance Ministry responsible for Education Ministry responsible for Social Policy	2028
	1.21	Promote investment literacy among women through targeted financial capability education programmes	Ministry responsible for Finance Ministry responsible for Social Policy	2027
	1.22	Develop targeted financial capability and awareness initiatives to improve women's retirement preparedness and reduce the gender pension gap.	Ministry responsible for Social Policy Ministry responsible for Finance	2027
	1.23	Promote the development of micro-savings buffers through targeted tools and programmes to enhance household resilience.	Ministry responsible for Finance Ministry responsible for Social Policy	2028
	1.24	Maintain and expand existing financial capability outreach programmes tailored to different cohort groups.	Ministry responsible for Finance Ministry responsible for Social Policy	Ongoing
	1.25	Maintain and expand the creation and distribution of numerous resources and information mediums (physical and otherwise) tailored to different cohort groups.	Ministry responsible for Finance Ministry responsible for Social Policy	Ongoing
	1.26	Strengthen and expand the financial capability podcast series to improve outreach, awareness and financial capability across different cohorts.	Minister responsible for Social Policy	Ongoing

Priority 2 – Personalised and Targeted Support

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Embed Financial Capability across the Life Course	2.1	Embed brief "money check-ups" in frontline public services. This includes the development of a short, structured financial wellbeing screening tool that can be embedded into frontline services such as employment offices, social services, health centres and local councils.	Ministry responsible for Social Policy	2027
	2.2	Partner with NGOs to co-design safe spaces (Financial Wellbeing Hubs) where clients (service users) can discuss financial stress alongside practical needs such as (bill management, benefit claims, employment, etc.).	Ministry responsible for Inclusion and Voluntary Sector Ministry responsible for Social Policy	2028
	2.3	Develop and deliver a small business and micro-entrepreneur support pathway. Move beyond webinars by creating a structured micro-entrepreneur pathway including a starter financial planning toolkits, cashflow tracking templates, simplified tax and compliance guides, mentorship pairing with experienced entrepreneurs, quarterly group clinics, etc.	Ministry responsible for Social Policy Ministry responsible for Finance	2028
	2.4	Offer peer-support networks or group learning sessions, which allow individuals in a vulnerable situation, to share experiences, build social learning, and normalise help-seeking behaviour.	Ministry responsible for Social Policy	2027
	2.5	Provide trauma- and stress-informed financial guidance. This will involve the creation of official service standards (CPD-based) requiring frontline professionals to adopt trauma-sensitive practices, including non-judgmental language, flexible pacing of information, simplified documentation processes, avoidance of overwhelming information overload, structured follow-up after high-stress consultations, etc.	Ministry responsible for Social Policy	2028
	2.6	Deliver proactive, life-stage nudges at key transition through trusted channels. This can take the form for an automated but human-centred "life-event trigger" system. When individuals interact with government services at key moments (e.g., school completion, first job registration, childbirth registration, retirement claim), they receive access to the specific tool kit.	All Ministries	2029
	2.7	Create culturally and linguistically adapted materials, ensuring accessibility for non-native speakers or minority groups enhancing comprehension and engagement.	Ministry responsible for Social Policy Ministry responsible for Home Affairs	2026
	2.8	Distribute a "Money Support Toolkit" with checklists, guides and referral maps for use in everyday practice.	Ministry responsible for Social Policy	2027
	2.9	Develop and enhance a debt advice service supported by legal framework.	Ministry responsible for Social Policy	2026
	2.10	Create a protocol allowing any front-liner to connect a client quickly to accredited professional coaches, debt-advice services or specialist helplines and to track follow-up.	Ministry responsible for Social Policy	2027
	2.11	Offer periodic refresher sessions and peer-learning forums so practitioners share emerging challenges and good practices.	Ministry responsible for Social Policy	2027 (Ongoing)
	2.12	Develop coordinated early debt prevention initiatives for young people, incorporating early warning tools, financial coaching and referral pathways.	Ministry responsible for Social Policy Ministry responsible for Education	2029
	2.13	Provide confidential financial coaching service to support individuals experiencing financial abuse.	Ministry responsible for Social Policy	2028

Priority 3 – Bridging Digital Access and Trust

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Ensure Inclusive Access to Financial Tools & Services	3.1	Establish a National Inclusive Financial Access Auditing Framework.	Ministry responsible for Inclusion and Voluntary Sector Ministry responsible for Social Policy	2027
	3.2	Apply inclusive design standards to national platforms, embedding accessibility features and maintaining assisted or low-tech alternatives.	Ministry responsible for Inclusion and Voluntary Sector Ministry responsible for Social Policy	2028
	3.3	Establish clear and simplified templates for financial documents and communications to improve accessibility, understanding and informed decision-making.	Ministry responsible for Social Policy	2027
	3.4	Provide practical planning tools tailored to different life stages and literacy levels.	Ministry responsible for Social Policy Ministry responsible for Finance Ministry responsible for Active Ageing	2028
	3.5	Promote plain-language communication across institutions, supports by glossaries and a "financial terms decoder".	Ministry responsible for Social Policy	2027
Ensure Inclusive Access to Financial Tools & Services	3.6	Enhance the integration of fraud- and scam-prevention modules into financial capability programmes, with tailored design for seniors and digitally excluded groups.	Ministry responsible for Social Policy Ministry responsible for Finance	Ongoing
	3.7	Expand access to secure digital financial literacy training through community centres, NGOs and local networks.	Ministry responsible for Social Policy Ministry responsible for Finance Ministry responsible for Education Ministry responsible for Inclusion and Voluntary Sector	2029
	3.8	Implement a multichannel scam rapid-response service, including chatbot, helpline and scam verification tools to support early detection, prevention and response to financial scams.	Ministry responsible for Home Affairs	2028
	3.9	Launch, maintain and enhance a retirement preparedness app and portal to provide personalised first pillar pension projections and promote awareness of the importance of second pillar pension investment, and support retirement planning through educational feature and guidance.	Ministry responsible for Social Policy	2026
	3.10	Pilot user-friendly features in digital finance media, with continuous oversight to ensure clarity and reliability.	Ministry responsible for Finance	2027
	3.11	Maintain hybrid service models where digital financial tools are complemented by community-based or human guidance.	All Ministries	2030

Priority 4 – Cross-Sectoral Collaboration

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Improve Institutional Coordination, Governance and Capacity	4.1	Establish an inter-Ministerial Committee for Financial Capability as a mechanism to integrate coordination, provide a visible focal point, and sustain long-term leadership.	All respective Ministries	2027
	4.2	Establish an Implementation Working Committee to serve as the main operational coordination platform, translating strategic priorities into delivery.	All respective Ministries	2027
	4.3	Establish several thematic sub-committees to mainstream financial capability considerations into priority areas, while aligning with existing coordination mechanisms. These committees will include pensions, education and early capability, financial inclusion and vulnerability, and financial market engagement and consumer protection.	All respective Ministries	2027
	4.4	Establish a Financial Literacy Community to serve as the Strategy's structured stakeholder engagement platform (public authorities, regulatory bodies, financial institutions, social partners, etc.)	All respective Ministries	2027
	4.5	Establish a National Financial Capability Programme Mapping and Gap Analysis Framework to further strengthen coordination, avoid duplication and ensure equitable coverage across age cohorts and vulnerable household types.	All respective Ministries	2027
	4.6	Establish a centralised financial capability key performance indicator dashboard to monitor implementation and impact of the Strategy.	All respective Ministries	2028
	4.7	Based on identified gaps, develop targeted, evidence-based and measurable media campaigns for different cohorts.	All respective Ministries	2027 (Ongoing)
	4.8	Increase institutional capacity to support coordinated implementation and enhanced service-delivery of financial capability measures.	Ministry responsible for Social Policy	2030
	4.9	In collaboration with stakeholder Ministries, develop and administer a "Financial Capability Certified" accreditation mark for compliant organisations and materials, signalling pedagogical quality and alignment with OECD/INFE principles.	All respective Ministries	2028

Priority 4 – Cross-Sectoral Collaboration (cont.)

Goal/Objective	Measure No.	Measure	Lead Ministry	Year of Implementation
Consolidate Resources in a Central Repository	4.10	Establish a national platform as the central repository for official financial capability information, integrating content from ministries and agencies.	Ministry responsible for social policy	2027
	4.11	Implement a reporting procedure for the regular updating and expanding of the repository with tools, training resources, and communication materials.	Ministry responsible for social policy	2028
Establish a Training Accreditation Pathway	4.12	Develop and implement a Teacher Continuous Profession Development (CPD) certification which is a structured, formally recognised professional development programme that equips teachers with the knowledge, skills, and pedagogical tools to effectively deliver financial education in schools.	Ministry responsible for Education (with input from other Ministries, where necessary)	2028
	4.13	Establish a nationally standardised accreditation framework for financial capability coaches. This would include competency standards, ethical guidelines, supervision requirements, and continuing professional development modules.	All respective Ministries	2028
	4.14	Partner with educational and training institutions to develop a modular, CPD-accredited curriculum covering needs assessment, plain-language bill explanations, motivational interviewing and referral pathways.	Ministry responsible for Social Policy	2029
	4.15	Develop sector-specific toolkits tailored to different professions.	All respective Ministries	2030
	4.16	Design and provide modular, mobile-friendly learning opportunities for continuous staff upskilling on fintech tools, fraud prevention, and regulatory changes.	Ministry responsible for Finance	2030

CHAPTER 7
Monitoring and Evaluation

Rationale for Strong Governance Arrangements

The multifaceted nature of financial capability presents a valuable opportunity to strengthen alignment and coordination across government. Given that responsibilities span several ministries and agencies, structured collaboration is essential to maximise the Strategy's effectiveness. Without a clear coordination framework, there is a risk that interventions may overlap, be delivered at suboptimal moments, or vary in accessibility. Recognising this complexity allows the Strategy to proactively design mechanisms that ensure coherence, inclusivity, and impact.

The cross-cutting character of the subject means that related materials and campaigns are shaped by multiple ministries and public entities, including those responsible for social policy, education, employment, finance, health, and economic development. While many responsibilities are clearly delineated, certain topics and specialised discussions naturally fall within shared or intersecting mandates. From a life-cycle perspective, key transition points, such as entry into employment, housing acquisition, family formation, retirement, and decumulation, are governed by different ministries and public service systems. This broad institutional engagement provides a strong foundation for integrated, life-stage-based interventions.

Enhanced coordination will also ensure more efficient use of public resources. When ministries and agencies align their efforts, educational materials, campaigns, and support services can reinforce one another rather than operate in parallel. This reduces duplication, promotes consistent public messaging, and strengthens overall impact. For example, jointly developed guidance on budgeting for young adults would ensure harmonised assumptions, delivery channels, and outreach strategies, thereby maximising reach and effectiveness. At the same time, coordinated planning reduces the likelihood of gaps, ensuring that vulnerable individuals and non-standard circumstances are fully considered.

A structured approach to collaboration also enables interdependencies to be managed constructively. Financial education initiatives, social assistance programmes, and digitalisation reforms can be designed to complement one another—encouraging responsible financial behaviours while safeguarding accessibility and inclusion for older persons and vulnerable groups. With appropriate oversight, improvements in one policy area can actively support and amplify outcomes in another.

Accordingly, the Strategy advances a holistic, whole-of-government approach. Building on Malta's experience in addressing complex social challenges through inter-ministerial collaboration, it proposes the establishment of an Inter-Ministerial Committee for Financial Capability. This Committee would provide strategic oversight, strengthen policy coherence, and ensure sustained coordination across the public sector in the development and dissemination of financial literacy initiatives.

In summary, formalising inter-ministerial coordination will enable the Strategy to:

- Strengthen coherence and minimise fragmentation;
- Maximise impact at key life transitions;
- Ensure consistent attention to vulnerability and accessibility;
- Enhance monitoring, data-sharing, and accountability across institutions.

By transforming complexity into a platform for collaboration, the Strategy positions itself to deliver more efficient, inclusive, and impactful financial capability outcomes.

International Practice and Strategic Precedent

The proposed governance model would align with international best practices, with the OECD/INFE guidance explicitly recommending the establishment of formal coordination bodies—often Inter-Ministerial Committees or steering groups—to oversee national financial capability strategies, ensure policy coherence, and maintain momentum beyond political or administrative cycles (OECD/INFE, 2015; OECD/INFE, 2019). In fact, empirical evidence shows a consensus that national financial capability strategies are most effective when supported by formal governance mechanisms that align objectives, sequencing, and delivery across government (OECD/INFE, 2015; OECD, 2020c).

Comparable governance models in other jurisdictions have helped align financial literacy initiatives with broader policy priorities and strengthen cooperation among stakeholders. For example, Austria's Financial Literacy Stakeholder Council coordinates strategy implementation and dialogue across public, private, and civil society actors. OECD/INFE-supported national strategies emphasise coordinated data collection, monitoring, evaluation, and inclusive engagement, while EU approaches integrate financial capability into mainstream policy and public services to harmonise objectives and avoid duplication, particularly in digital and consumer protection contexts. These experiences demonstrate that governance arrangements are not merely administrative tools but core enabling conditions for effective strategy implementation (OECD, 2015).

Strategic Foresight and Policy Adaptation

Given the rapidly evolving financial environment, the Strategic Foresight analysis sets out to future-proof Malta's National Financial Capability Strategy (NFCS) by moving beyond linear planning assumptions and stress-testing policy against multiple plausible futures.

In reference to Annex C, drawing on structured stakeholder consultations and the OECD's foresight toolkit, the process involved horizon scanning, identifying "weak signals," mapping household pain points, framing critical uncertainties, and constructing scenarios to test the robustness of strategic priorities. Key signals in Malta's financial environment include persistent property-centric saving, uneven financial literacy, rising scam and AI-enabled fraud risks, accelerating digitalisation alongside continued demand for human support, limited insurance awareness, and compounded barriers faced by vulnerable groups From these signals, five critical uncertainties were identified: the future digital risk environment, the diffusion of financial capability across society, the balance between digital-only and assisted channels, the diversification of household portfolios beyond property, and the stability of public trust

These uncertainties define the boundaries of plausible futures and underpin four scenarios for Malta beyond 2031. "Enabled and Guided" describes a high-opportunity future where capability is embedded systemically, diversification increases, and digital progress remains inclusive. "Capable but Exposed" envisions stronger engagement and literacy in a high-risk environment of escalating scams and AI-enabled deception. "Sheltered but Stalled" reflects preserved access through human channels but slow and uneven capability gains. "The Double Bind" represents the highest-risk pathway, with widening inequality, digital exclusion, concentrated harm, and deteriorating trust.

Each scenario highlights distinct strategic implications. In positive environments, the focus shifts from awareness to behaviour change, decision confidence, and life-stage interventions. In riskier futures, "protective capability" – including scam recognition, verification habits, and strong coordination with enforcement and consumer protection – becomes central. Where reliance on assisted services persists, the priority is converting support into empowerment, while in exclusionary futures the emphasis turns to targeted inclusion, simplified communications, sustained human access, and stronger market safeguards. The stress-testing exercise concludes that certain priorities remain essential across all futures: embedding capability at key life transitions, strengthening protective behaviours, maintaining inclusive access through both digital and human channels, diversifying household financial behaviours beyond property, and safeguarding trust

Strategic foresight therefore reinforces the need for adaptive governance, continuous monitoring of early-warning indicators, and a clear distinction between no-regret priorities and scenario-contingent responses, ensuring that Malta's financial capability agenda remains resilient under evolving technological, behavioural, and systemic pressures.

Overall Governance Structure

While the Inter-Ministerial Committee constitutes a central coordination mechanism, it represents only one component of the broader institutional solution. Effective implementation requires a comprehensive governance framework capable of translating evidence into coordinated policy action, aligning institutional design with behavioural realities, and ensuring coherent, inclusive, and sustained financial capability outcomes across government.

Accordingly, the Strategy's governance architecture is structured across five distinct, yet interdependent, layers, each with their own specific function

Strategic Oversight - The Inter-Ministerial Committee for Financial Capability

The Inter-Ministerial Committee for Financial Capability will provide strategic oversight and ensure policy alignment across Government for the implementation of the Strategy. It will set financial capability priorities, address systemic barriers, and ensure coherence with related national strategies and reform agendas. Indicative core membership of the Inter-Ministerial Committee may include representatives from:

- Ministry for Social Policy and the Family
- Ministry for Education and Sports
- Ministry for Finance
- Ministry for Health and Active Ageing
- Ministry for the Economy, Enterprise and Strategic Projects
- Ministry for Inclusion and the Voluntary Sector

Namely, the key responsibilities of the Inter-Ministerial Committee on Financial Capability can be subdivided into two major strands; Strategic Coordination and Policy Coherence, and Governance Oversight and Accountability. In the case of the latter, this shall include:

1. Exercising cross-government coordination functions by systematically identifying overlaps, gaps, and inconsistencies across initiatives, and ensuring strategic coherence, efficient resource allocation, and complementarity of interventions (OECD/INFE, 2015).
2. Detecting and resolving policy misalignments at an early stage to mitigate fragmentation, duplication, and adverse distributional impacts (OECD, 2015).
3. Embedding financial capability considerations across key policy and service delivery interfaces, ensuring consistent integration of guidance, safeguards, and support mechanisms at critical transition points and institutional touchpoints.

4. Advancing equity and inclusion objectives through:
   a. Mainstreaming financial capability within service design and administrative processes;
   b. Strengthening horizontal coherence between financial guidance, consumer protection, and social protection frameworks;
   c. Joint identification and prioritisation of vulnerable cohorts and high-risk contexts requiring differentiated intervention.
5. Monitor emerging financial capability risks and behavioural trends through periodic strategic foresight exercises and horizon scanning.

In terms of the former, this shall include:

6. Providing governance oversight within a structured, multi-tier framework that clearly delineates strategic direction, operational coordination, and technical implementation.
7. Approving annual workplans and strategic milestones.
8. Endorsing key performance indicators (KPIs), monitoring frameworks, and evaluation mechanisms.
9. Endorsing quality standards for financial capability interventions, including those operationally developed and administered by ĠEMMA.

Lead Coordination – MSF

MSF shall serve as the lead operational coordinating body and Secretariat for the Strategy's governance structures. In this capacity, MSF will hold a dual role: as a member of the Inter-Ministerial Committee and as coordinator of its strategic priorities.

In addition to its coordination mandate, MSF will continue to promote financial capability among the public through ĠEMMA. ĠEMMA shall maintain its role as the public-facing delivery arm, providing information sessions, educational initiatives, tools, and outreach activities across core financial capability domains, including budgeting, saving, pensions, digital finance, and fraud awareness. This arrangement ensures continuity of service provision while preserving ĠEMMA's position as a trusted provider.

In its capacity, MSF shall:

- Maintain and update a national financial capability portal and repository of approved materials;
- Develop, curate, and quality-assure educational content and tools in alignment with Committee direction;
- Convene and service the Committee and related governance structures;
- Provide technical assistance and implementation support to participating entities;
- Coordinate monitoring, evaluation, and reporting processes;
- Publish annual implementation and performance reports;
- In collaboration with stakeholder ministries, develop and administer a "Financial Capability Certified" accreditation mark for compliant organisations and materials, signalling pedagogical quality and alignment with OECD/INFE principles.

This hybrid model aligns with international best practice and builds on the 2020 Strategic Review, tabled in the House of Representatives, which underscored the need to institutionalise and strengthen Malta's financial capability platform (Strategic Review on the Adequacy, Sustainability, and Solidarity of the Pension System 2020; MSF 2022).

Operational Implementation - Implementation Working Committee

The Implementation Working Committee will serve as the main operational coordination platform, translating strategic priorities into delivery. Chaired by MSF, it will bring together operational focal points from public bodies, regulators, private-sector partners, NGOs, and community organisations.

Its functions will include:

- Coordinating plans, campaigns, and outreach activities;
- Sharing resources, tools, and emerging needs;
- Maintaining a shared calendar of initiatives;
- Reporting on allocated implementation measures;
- Flagging implementation challenges for escalation to the Inter-Ministerial Committee.

Technical Specialisation - Thematic Sub-Committees

To support specialised implementation, a limited number of permanent or temporary thematic sub-committees will operate under the Implementation Working Committee. These technical working groups will mainstream financial capability considerations into priority areas, while aligning with existing coordination mechanisms to avoid fragmentation.

Indicative sub-committees include:

- Pension Strategy
- Education and Early Capability
- Financial Inclusion and Vulnerability
- Financial Market Engagement and Consumer Protection

Stakeholder Engagement - Financial Literacy Community

The Financial Literacy Community shall serve as the Strategy's structured stakeholder engagement platform, bringing together public authorities, regulatory bodies, financial institutions, social partners, civil society organisations, academia, and service providers active in the field of financial capability.

The Community will function as a consultative and knowledge-sharing forum, supporting the Strategy's implementation through structured dialogue, information exchange, and collaborative problem-solving. While it shall not exercise decision-making authority, it will provide a mechanism to ensure that implementation reflects on-the-ground realities, emerging risks, and diverse population needs.

Specifically, the Financial Literacy Community shall:

- Facilitate structured stakeholder consultation on priority initiatives, emerging trends, and implementation challenges;
- Promote alignment of non-governmental initiatives with national strategic objectives and agreed quality standards;
- Encourage partnership development and coordinated outreach across sectors;
- Surface innovation, evidence, and good practices for consideration by the governance structures;
- Support dissemination of key messages and campaigns to broaden national reach and impact.

These strong monitoring and evaluation arrangements are essential for the National Financial Capability Strategy to remain responsive, accountable and effective over time. Through systemic data collection, regular reporting and collaborative review among responsible institutions, implementation progress can be assessed and areas requiring adjustments can be identified. This approach supports transparency, strengthens institutional coordination and ensures that the Strategy continues to respond to emerging financial capability needs across the population.

Key Performance Indicator - Dashboard

The Key Performance Indicator (KPI) Dashboard establishes the monitoring framework for the National Financial Capability Strategy, grounded in the baseline findings of the 2023 OECD/INFE Financial Literacy Survey for Malta. This ensures alignment with internationally recognised measurement standards and provides a robust evidence base for tracking progress.

The dashboard is designed to link policy measures to measurable outcomes and to enable systematic monitoring over time. It is structured in line with the OECD/INFE financial literacy framework, covering financial knowledge, behaviour, attitudes, resilience, and financial inclusion, including digital usage. Each indicator is mapped to a corresponding survey item and baseline value, forming the basis for setting national targets over the Strategy's implementation period.

Recognising the multidimensional nature of financial capability, individual policy measures are associated with multiple indicators. This allows progress to be assessed across complementary dimensions, ensuring that improvements in knowledge are accompanied by changes in behaviour and, ultimately, financial wellbeing outcomes.

Baseline values from the 2023 survey serve as the reference point for defining medium- and long-term targets. Progress will be monitored through periodic OECD/INFE-aligned surveys, supported by administrative data and reporting mechanisms established within the Strategy's governance framework.

A comprehensive list of Key Performance Indicators is provided in table 6, presenting the full set of indicators underpinning the monitoring framework. The table links each indicator to its corresponding OECD-INFE domain, survey item, and Malta 2023 baseline value, and outlines the associated national targets. This consolidated dashboard ensures traceability between policy measures and evidence and supports consistent monitoring and benchmarking over time.

The KPI Dashboard serves as a central tool for monitoring implementation and supporting evidence-based policy adjustments throughout the lifecycle of the Strategy.

Table 6 - Key Performance Indicator Dashboard

Evidence Area	Malta 2023 finding	Baseline	Sub-section title
Planning & budgeting	Adults keeping a note of spending or otherwise tracking household finances	59%	Initiatives taken by Maltese residents for keeping track of their own/household finances
Digital budgeting / money tracking	Adults using a banking app or money management tool to track outgoings	48%	Initiatives taken for keeping track of own/household finances
Active saving	Paying money into a savings/ deposit account	73%	The ways in which Maltese residents have personally been saving money in the last 12 months
No saving behaviour	Adults not saving in the last 12 months	17%	The ways in which Maltese residents have personally been saving money in the last 12 months
Shock resilience	Adults able to cover a major expense equal to monthly income without borrowing	67%	Maltese residents' ability to face a major expense equivalent to their monthly income without borrowing money or asking family members for help
Financial goals	Adults setting financial goals	60%	Maltese residents setting themselves financial goals e.g. buying a car.
Retirement confidence	Adults confident they are doing a good job planning for retirement	38%	Maltese residents' level of confidence with having done a good job of making financial plans for their retirement
Private pension ownership	Adults owning a private pension plan	19%	Funding their retirement
Financial stress / making ends meet	Adults whose income did not cover living expenses in the last 12 months	49%	Situations where one's income did not cover living expenses in last 12 months
Resilience horizon	Adults able to cover living expenses for 6 months or more after income loss	31%	If main source of income is lost, how long may one cover living expenses without borrowing money
Digital finance usage	Internet users checking account balances online often/very often	84%	Frequency of checking own bank account's balance & transactions online
Online bill payment	Internet users paying bills online often/very often	74%	Frequency of paying bills online in the last 12 months
Product holding / inclusion	Adults holding a s avings account	93%	Financial products held personally or jointly
Knowledge gap – inflation	Adults correctly answering inflation question	67%	Whether the 5 brothers would be able to buy more, the same amount of less than they could buy today if they had to wait for one year to get their share of money and inflation stays the same
Knowledge gap – compound interest	Adults correctly answering compound interest question	42%	The amount available, at the end of five years, in a savings account of €100 at an interest rate of 2% p.a.
Programme awareness	Adults aware of ĠEMMA – Know, Plan, Act	46%	Level of Awareness of "ĠEMMA – Know, Plan, Act"

CHAPTER 8
Concluding Remarks

Malta's National Financial Capability Strategy 2026–2031 presents a comprehensive and forward-looking framework to strengthen financial capability across society. Grounded in robust evidence and aligned with international best practice, the Strategy positions financial capability as a key enabler of economic resilience, social inclusion and long-term wellbeing.

The analysis set out in this document highlights both strengths and structural challenges. While many Maltese households demonstrate prudent day-to-day financial behaviours, persistent gaps remain in financial knowledge, long-term planning and engagement with financial products and services. These challenges are shaped not only by individual capabilities, but also by broader structural, behavioural and socio-economic factors, as well as the increasing complexity and digitalisation of financial systems.

In response, the Strategy adopts a life-course approach, recognising that financial capability evolves over time and is closely linked to the financial decision environments individuals encounter at different stages of life. By aligning interventions with key transition points, such as entry into the labour market, family formation or retirement, the Strategy seeks to ensure that support is timely, relevant and proportionate to individuals' needs. This approach also reflects the understanding that vulnerability can arise across the life course.

Importantly, the Strategy places particular emphasis on supporting individuals and groups in vulnerable situations, recognising that structural constraints including low income, limited access to services, lower levels of education or other socioeconomic challenges, can significantly affect financial capability outcomes. Targeted and personalised interventions are therefore central to the Strategy, ensuring that those most at risk of financial exclusion or financial distress can access appropriate guidance, support and tools to improve their financial wellbeing.

The four strategic policy priorities being lifelong financial learning; personalised and targeted support; bridging digital access and trust; and strengthening cross-sectoral collaboration, all provide a coherent and integrated framework for action. Together, they signal a shift towards a more systemic approach, combining education, behavioural insights, institutional support and coordinated delivery mechanisms to strengthen financial capability outcomes.

Effective implementation of the Strategy will be underpinned by a clearly defined governance structure, designed to ensure strategic oversight, coordination and accountability. Strategic direction will be provided through an Inter-Ministerial Committee for Financial Capability, supported by central coordination within the Ministry for Social Policy and the Family and its dedicated financial capability platform, ĠEMMA. Operational delivery will be facilitated through an Implementation Working Committee and thematic structures, enabling collaboration across policy areas and sectors. Key institutions, including the Malta Financial Services Authority and the Central Bank of Malta, together with educational providers, financial institutions and civil society organisations, will play an important role in supporting delivery and ensuring that initiatives are accessible, relevant and effective.

Implementation will therefore require sustained commitment and effective collaboration across stakeholders. Strengthening coordination across government, regulatory bodies, industry and community actors will be essential to maximise impact, avoid duplication and embed financial capability within existing systems and services.

The Strategy also places strong emphasis on Monitoring, Evaluation and Learning as a core component of effective policy delivery. By establishing a structured framework for measuring progress, the Strategy supports accountability while enabling continuous learning and adaptation. The use of OECD/INFE surveys, national data sources and cohort-based indicators provides a robust basis for tracking changes in knowledge, behaviours and outcomes over time. Periodic reviews will ensure that the Strategy remains responsive to emerging risks and evolving financial environments.

Looking ahead, financial capability will remain increasingly important in a context of economic change, demographic shifts and technological advancement. Strengthening individuals' capacity to make informed and confident financial decisions contributes not only to personal wellbeing, but also to broader economic stability and social cohesion.

This Strategy therefore represents a long-term commitment to supporting citizens throughout their financial lives. By strengthening capability across the life course, while ensuring targeted support for those in vulnerable situations, and supported by effective governance and coordinated delivery, Malta aims to empower individuals, enhance resilience and promote inclusive and sustainable prosperity for present and future generations.

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Annex A
Methodology and Evidence Base

This annex summarises the methodology used to develop the evidence base underpinning the Strategy. The objective was to ensure that the Strategy is grounded in robust secondary evidence, including Malta-specific quantitative indicators, and structured qualitative insight from stakeholders and end users.

A1. Evidence components and timeframe

A multi-method approach was applied, combining secondary and primary sources. The work was conducted primarily in the first half of 2025, with evidence components as follows:

- Desk research (secondary sources): policy documents, academic and grey literature, national and international strategy documents, and benchmarking materials as well as quantitative sources from OECD/INFE survey data and national and EU data sources.
- Stakeholder interviews (primary): semi-structured interviews with institutions across the public, private and voluntary sectors.
- Focus groups (primary): six age-segmented focus groups (youth and adult cohorts).
- Strategic foresight session (primary): structured scenario exploration beyond 2031 using an OECD/OPSI-informed approach.

For transparency, the full list of stakeholder institutions and engagement dates is presented in Annex B (Stakeholder Engagement Register).

A2. Desk research and secondary evidence (method and sources)

A structured content analysis was used to review and synthesise secondary sources, including policy documents, academic publications and previous strategy reports. Sources were assessed for relevance to Malta's context, methodological robustness, and practical policy implications.

Quantitative insights were drawn primarily from OECD/INFE survey results, EU and national strategies and official statistical and administrative sources. International case studies and benchmarking materials were used to provide comparative context and inform feasibility of implementation tools.

Overall, the desk research served three functions:

1. Establishing baseline definitions and conceptual framing (financial capability dimensions and determinants).
2. Identifying Malta-specific trends and known gaps (knowledge, behaviour, attitudes, inclusion/resilience).
3. Informing policy design and implementation options through international experience.

A3. Stakeholder interviews (primary evidence)

A3.1 Development of the interview guide

A semi-structured interview guide was developed through:

- Preparatory discussions between the research team and the MSF project team to confirm scope and priority information needs; and
- Insights emerging from the desk research, including international and EU frameworks and the Maltese evidence base.

The guide was validated through meetings with the MSF project team and designed to support open discussion while ensuring consistent coverage of core themes. It addressed:

a) Activities and priorities related to financial capability

b) Challenges and barriers

c) Collaboration and partnerships

d) Measurement and impact

e) Resource needs

Stakeholder-specific questions were included to capture the distinct roles and perspectives of different institutions.

A3.2 Stakeholder selection and coverage

Stakeholders were identified jointly by the MSF project team and the research team on the basis of relevance to financial capability in Malta and the need to reflect diverse roles across the ecosystem (public bodies, regulators, private sector, NGOs and social services, trade unions, and education-related institutions).

Interviews were conducted between 28 February and 26 June 2025. The final contacted list comprised 25 stakeholder institutions. Annex B records (i) institutions contacted, (ii) whether engagement was completed, and (iii) dates and engagement mode. Notable exceptions were:

- the Central Bank of Malta and the Ministry of Finance, which provided responses in written form;
- the Student Organisation of the Institute of Tourism Studies, which was inactive at the time of finalisation.

A3.3 Data collection, confidentiality, and consent

Interviews were conducted online or in person depending on stakeholder availability and preference. Participants were informed that contributions would be anonymised and reported in aggregate, unless specific prior approval was granted for attribution, aligned with GDPR principles (right to be informed; right to withdraw). Participants could request the omission of sensitive remarks. Interviews were recorded with consent for the purpose of accurate reporting, with the above exceptions where written responses were provided. Data were stored on an EU-hosted, access-controlled drive.

A3.4 Analysis approach (interviews)

Interview transcripts/notes were analysed using thematic analysis. The process involved:

- familiarisation through repeated reading;
- systematic coding using a combination of deductive (predefined) and inductive (emergent) codes;
- grouping codes into themes, followed by refinement to ensure coherence and clarity; and
- attention to cross-sector insights and differences by stakeholder role.

Interpretation did not rely solely on frequency of mention. Where specialised stakeholders had extensive practical exposure to particular groups or challenges, analytically significant insights were retained even if referenced less frequently, recognising the applied nature of the evidence base.

A4. Focus groups (primary evidence)

A4.1 Design and delivery

Six focus groups were conducted between March and May 2025, each lasting 45–90 minutes, using semi-structured guides adapted by cohort. Moderation followed recognised applied research practice, using open prompts to encourage interaction and limiting factual follow-ups to avoid leading participants. Focus group guides and instructions are provided in the appendices/annexes.

Setting and mode:

- 11–14 (minors): in-person, school classroom
- 15–17 (minors): online videoconference
- Adult cohorts (18–25; 26–34; 35–60; 60+): in-person, accessible community venues

Language: mainly English, with Maltese clarification where required.
Group size: 5–11 participants per session; total qualitative sample n = 42.

Details on the composition of the single focus groups can be found in annex B.

A4.2 Sampling and recruitment

A purposive quota approach was used: age was the primary criterion, while gender balance, region and socio-economic diversity were treated as desirable secondary criteria. Recruitment drew on community networks, social media promotion, and mailing lists/contact databases. Across sessions, a majority of participants were Maltese nationals, with the remainder non-Maltese long-term residents.

No cash incentive was offered; light refreshments were provided for in-person adult sessions.

A4.3 Data collection and ethics

Sessions were audio-recorded (with consent), transcribed, and anonymised. Participants received an information sheet and provided written/digital consent, aligned with GDPR principles (right to be informed; right to withdraw). Participants were reminded they could leave at any time and could request removal of contributions. Data were stored on an EU-hosted, access-controlled drive.

A4.4 Analysis approach (focus groups)

Focus group transcripts were analysed using a structured thematic approach aligned to the Strategy's analytical needs. A hybrid deductive–inductive coding framework was applied:

- Deductive themes reflected established financial capability constructs (knowledge, attitudes, behaviours, barriers/enablers, digital readiness, inter-generational dynamics, and contextual stressors).
- Inductive coding captured cohort-specific realities and emergent issues not anticipated in advance.

Findings were structured to support strategic planning through:

- a cross-cutting lens (system-level themes recurring across cohorts);
- a life-stage lens (distinct needs, triggers, and channels across the six cohorts); and
- a comparative insights matrix to highlight convergence/divergence and inform prioritisation.

A5. Strategic foresight session (primary evidence)

A5.1 Aim and horizon

A structured strategic foresight exercise was conducted to stress-test the Strategy against multiple plausible futures and strengthen resilience and adaptability. The exercise focused on a horizon beyond 2031.

A list of institutions which participated to the session can be found in Annex B.

A5.2 Method and outputs

Drawing on OECD/OPSI-informed practice, the session explored:

- emerging signals and pain points;
- critical uncertainties (assessed for relative impact and uncertainty); and
- development of a small set of scenarios to test whether strategy priorities remain robust across different futures.

Outputs were integrated into Chapter 3, including scenario narratives and their implications for strategic choices.

A6. Triangulation and synthesis

Evidence was synthesised through triangulation across:

- desk research and international benchmarking (design feasibility and comparators);
- stakeholder interviews (service-provider and system perspectives);
- focus groups (lived experience and cohort-specific realities); and
- Strategic foresight session (stress-test the strategy for future potential scenarios).

This approach supports internal validity by checking whether themes appear consistently across different source types and whether divergences can be explained by stakeholder role, cohort, or context.

A7. Limitations and mitigation

A7.1 Self-selection bias and response bias (consultations and focus groups)

Stakeholder interviews and focus groups are voluntary by design. As in most consultation-based exercises, this introduces a risk of self-selection bias: individuals or organisations with greater interest, higher awareness, or stronger views may be more likely to participate. To mitigate this, recruitment sought breadth across sectors and roles, and qualitative findings were triangulated with quantitative and documentary evidence. Qualitative evidence is therefore interpreted as insight into lived realities and service experience, not as statistically representative prevalence estimates.

Focus groups also carry additional limitations:

- Quota slippage: secondary quotas (region, socio-economic diversity) could not always be fully achieved; age remained the primary organising lens.
- Social desirability: despite assurances, some participants, particularly minors, may have moderated responses in front of peers.

A7.2 Self-selection bias in survey-based evidence (OECD/INFE interpretation)

Survey-based financial literacy results can be influenced by participation patterns. Individuals who are more interested in, or already engaged with, financial topics may be more likely to complete such surveys, potentially leading to upwardly biased estimates of capability. For this reason, OECD/INFE results, both international and national data, are interpreted alongside other evidence sources, with emphasis placed on overall patterns, subgroup gaps, and triangulated trends, rather than reliance on single point estimates alone.

A7.3 Coverage and data constraints

Certain groups may remain under-represented in qualitative samples (e.g., individuals experiencing acute vulnerability or those with limited availability/engagement). In addition, some outcome measures require continued development of consistent national data series and clearer administrative reporting pathways, which the Strategy addresses through its Monitoring, Evaluation and Learning framework.

Annex B
Stakeholder Engagement Register

Table 7 - Stakeholder interviews and pre-consultations.

Goverment Institutions	Date
Ministry for Education and Sports, Youth	20/03/2025
MHS - Mental Health Services	26/03/2025
Ministry for Finance	05/05/2025
DSS/ISCD - Department for Social Security and Income Support and Compliance Division	21/03/2025
MFSA | Malta Financial Services Authority	04/04/2025
JobsPlus	26/03/2025
Housing Authority	11/03/2025
Ministry for Health and Active Ageing	24/03/2025
Aġenzija Sapport	06/05/2025
FSWS - Foundation for Social Welfare Services	06/03/2025
CRPD - Commission for the Rights of Persons with Disability	10/03/2025
Financial Sector	
Central Bank of Malta	16/04/2025
MBA - Malta Bankers Association	06/03/2025
Trade Unions	
General Workers Union	10/03/2025
Unjoni Haddiema Maghqudin	10/03/2025
NGOs	
Caritas Malta	12/03/2025
Saint Jeanne Antide Foundation	10/03/2025
JA Malta	28/03/2025
YMCA Malta	04/04/2025
Education Related	
Foundation for Education Services	05/03/2025
University of Malta	18/06/2025
Malta Archdiocese	22/05/2025
KSM - Kunsill Studenti MCAST	27/06/2025
KSU - Kunsill Studenti Universitarji	16/04/2025
Home Economics Seminar Centre	26/06/2025

Names of individual participants are withheld; institutions and dates are provided for transparency.

Table 8 - Focus groups (six groups).

Ref	Cohort	Date	Participants	Note
1	11 – 14 yr old	18/03/2025	11	In-person; balanced gender
2	15 – 17 yr old	14/03/2025	10	Online; balanced gender
3	18 – 25 yr old	14/04/2025	5	In-person; balanced gender
4	26 – 34 yr old	16/04/2025	5	In-person; the majority were women
5	35 – 60 yr old	17/04/2025	5	In-person; balanced gender
6	60+ yr old	17/04/2025	6	In-person; balanced gender

Table 9 - Strategic Foresight session

Ref	Institution	Sector
1	Ministry of Education	Public
2	Ministry for Health and Active Ageing	Public
3	Malta Financial Services Authority	Public
4	Foundation for Social Welfare Services	NGO's
5	Caritas Malta	NGO's
6	Malta Bankers Association	Private
7	General Workers Union	Trade Union

Note: Names of individual participants are withheld for data protection.

Annex C
Strategic Foresight

Purpose

Traditional long-term strategies rely on linear projections that can quickly become outdated amid technological disruption, behavioural change, and systemic shocks. Strategic foresight instead stress-tests policy against multiple plausible futures, identifying vulnerabilities, trade-offs, and conditions for success or adaptation. Promoted by the OECD's Observatory for Public Sector Innovation (OPSI) as a tool for anticipatory governance, this approach supports governments in managing emerging risks and adjusting delivery over time.

Building on Malta's prior use of foresight in the National Strategy for Poverty Reduction and Social Inclusion 2025–2035, this Strategy adopts an adapted framework. Given that financial capability is shaped by fast-moving forces – including digitalisation, demographic shifts, fraud innovation, market volatility, and climate risks – foresight is critical to ensure resilience and adaptability. Its role here is to explore plausible futures, identify vulnerabilities and opportunities, stress-test priorities, and embed adaptive capacity.

Methodology: How Foresight Was Applied

The foresight exercise was conducted through structured online consultation with stakeholders from government, financial services, education, social partners, and civil society, drawing on the OPSI toolkit. The process involved:

1. **Horizon scanning and signal identification**
   Participants identified "weak signals" and visible trends affecting financial behaviours and consumer vulnerability.
2. **Pain point mapping**
   Signals were translated into practical pressure points affecting households, access to financial services, and consumer outcomes.
3. **Critical uncertainty framing**
   Signals were reframed into uncertainties that could plausibly evolve in different directions.
4. **Scenario-building and stress-testing**
   Uncertainty combinations were used to construct plausible scenario environments, allowing the Strategy priorities to be tested for robustness.

Signals identified and Pain Points

During this stage, stakeholders highlighted several signals already visible in Malta's financial environment:

Property-centric saving remains the dominant investment approach

Similar to other Southern and small EU Member States such as Cyprus and Greece, Maltese households show a persistent preference for saving through property ownership. High homeownership rates and concentration of wealth in real assets and deposits — rather than diversified financial products — create balance-sheet resilience but also risks, including asset over-concentration, lower liquidity, and limited participation in long-term investments.

Persistent and uneven financial literacy

Stakeholders highlighted persistent gaps in core financial concepts (interest, inflation, risk) and limited familiarity with mainstream products such as insurance, pensions, and investments, with weaknesses emerging early and often continuing into adulthood. Social media was also noted as reinforcing consumerist norms and impulsive spending among younger cohorts, underscoring the importance of early budgeting and "needs vs wants" skills. Chapter 6 situates these influences within a broader life-course and vulnerability-informed framework, drawing on insights from behavioural economics, developmental psychology, and household finance to examine how decision environments and institutional design shape financial capability across cohorts.

Rising scams and cyber-fraud risks including AI enabled deception

Although official statistics do not yet classify AI-enabled scams separately, Eurostat and NSO data show growing exposure of Maltese consumers to online financial activity and fraud attempts. Social-engineering tactics — including AI-generated deepfakes and fabricated news using trusted public figures — are increasing. MFSA warnings confirm the use of fake news and unauthorised local personalities to promote fraudulent platforms. These trends reinforce the need to embed "protective capability" — scam recognition, verification habits, and clear reporting pathways — alongside core financial knowledge.

Accelerating digitalisation and continued demand for human support

Stakeholders reported rapid growth in digital banking and payments, particularly among younger cohorts, alongside strong expectations — especially from older and lower-capability users — that human support remains available. Official data confirm high digital engagement in Malta: in 2024, nearly all individuals aged 16–44 used the internet, compared to around 70% of those aged 65–74, reflecting persistent age gaps. Across the EU, about 72% of internet users accessed online banking services. In the same breath, Malta also records high levels of internet-connected device usage, indicating strong digital infrastructure. However, supervisory evidence shows continued reliance on traditional channels, with increased mobile and online banking enrolment but declining branch footfall, while older and lower-capability users remain more dependent on in-person or assisted support (Eurostat, 2025; NSO, 2025; MFSA, 2025).

Uneven insurance awareness particularly for long-term and climate-related risks.

Insurance was frequently treated as a compliance purchase rather than a risk-management tool, with limited understanding of coverage, exclusions, and the adequacy of protection. This highlights the need for clearer guidance and capability-building around risk, protection and long-term planning.

Additional barriers faced by vulnerable groups:

Vulnerable groups — including older adults, individuals with limited digital skills, and those experiencing mental health challenges — face additional barriers to financial capability. EU data show digital skills decline sharply with age: only about one-third of those aged 65–74 have basic digital skills, compared to roughly 70% of 25–34-year-olds (Eurostat, 2024). Stakeholders stressed that vulnerability is often multi-dimensional, combining low income, low confidence, and episodic crises, and therefore requires supportive and psychologically safe engagement rather than information alone. Chapter 6 situates these constraints within a vulnerability-informed life-course framework, highlighting how cognitive, access, and institutional factors amplify risk.

Critical Uncertainties

Overall, these signals underscore the complexity of Malta's financial capability landscape and the need for forward-looking, inclusive interventions that move beyond linear planning assumptions. Against this backdrop, stakeholders identified five key uncertainties with the greatest potential to shape Malta's financial capability over the coming decade. These uncertainties cannot be resolved in advance; rather, they define the boundaries of plausible futures and provide the basis for scenario-based stress-testing of the Strategy's priorities, trade-offs, and long-term robustness. These include:

1. **Digital risk environment**
   Will fraud and scams remain contained through regulation and awareness, or will they escalate into a rampant and systemic challenge?
2. **Diffusion of capability**
   Will financial capability become broadly embedded across society, or will it remain polarised, with widening gaps between groups?
3. **Digital inclusion**
   Will human and assisted channels continue to complement digital services, or will the financial system move towards digital-only delivery, excluding certain groups?
4. **Household portfolios**
   Will Maltese households gradually diversify their savings and investments, or will property remain the overwhelming preference?
5. **Trust and engagement**
   Will public confidence in financial institutions and information sources remain stable, or will it erode in the face of misinformation and volatility?

Scenarios Beyond 2030

To explore the implications of these uncertainties, a set of plausible future environments were outlined, reflecting different combinations of how these uncertainties may evolve. The rationale of adopting said approach stems from the fact that as previous strategies were shaped by prevailing assumptions about access, behaviour, and risk, they subsequently required adjustment as digitalisation accelerated and vulnerabilities evolved.

These scenarios therefore:

1. Provide a forward-looking lens through which the Strategy considers how priorities may need to adapt as these uncertainties unfold over time, and;
2. Reflect different combinations of capability diffusion and digital risk.

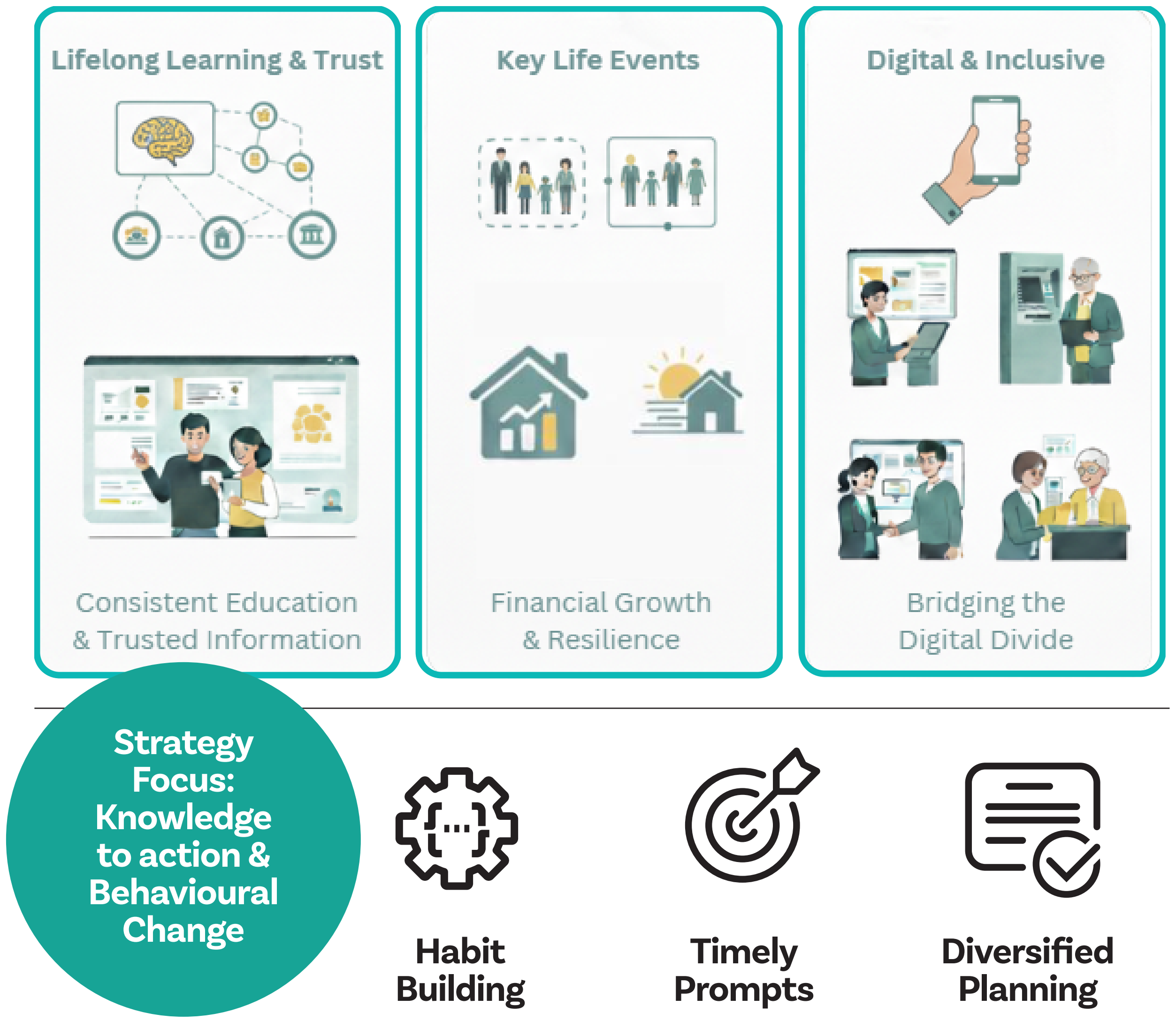
Scenario 1: Enabled and Guided

What this future looks like

In this scenario, Malta succeeds in embedding financial capability as a core national asset, supporting household resilience, consumer empowerment and long-term wellbeing. Rather than depending on isolated initiatives, financial capability is strengthened through a coherent, coordinated approach that aligns institutions, delivery partners and communications around shared goals and measurable outcomes.

This reflects international good practice, which emphasises that national progress is most sustainable where financial education and capability-building are treated as a system-wide commitment, anchored in clear strategy and governance arrangements (OECD/INFE, 2015; OECD, 2020c).

Figure 3 - Enabled & Guided: A future of financial empowerment.



While financial education is reinforced in schools, public communications become more consistent, accessible and trusted. Over time, the strengthened channels reduce confusion and improve engagement by providing the public with clearer pathways to information and support. International evidence underlines that capability cannot be achieved through one-off interventions alone; rather, improvement depends on reinforcement through multiple channels and repeated touchpoints across the life course (OECD/INFE, 2015; OECD/INFE, 2023).

Furthermore, a defining feature of this future is that learning and support are concentrated at the points when they matter most. Financial capability is actively reinforced through key life events and decision moments, such as the first payslip, first housing decisions, family formation, and pre-retirement planning. This approach reflects a broader shift in international practice, recognising that individuals are most receptive to guidance when decisions are immediate, financially significant, and often irreversible (MaPS, 2020; FCA, 2024). It aligns directly with the life-course and cohort-based framework approach adopted in Chapter 6, which emphasises timing and vulnerability-informed exposure across recurring financial decision environments, ensuring interventions are delivered when they are most likely to shape behaviour and mitigate path-dependent risk (Elder, 1998; Thaler & Sunstein, 2008; Steinberg, 2014; OECD/INFE, 2015).

As digital payments and financial services expand, they bring greater convenience and wider access. However, with current national policies (Malta Digital Innovation Authority and the Ministry for the Economy, Enterprise and Strategic Projects Digital Strategy 2022-2027) explicitly promoting inclusive digital access and the continued availability of assisted and human-centred services, Malta ensures that digital progress does not lead to exclusion, with such policies emphasising digital inclusion, skills development, and support for vulnerable groups.

In conjunction to this, assisted and human support remains visible, accessible and normalised, particularly for those who require additional help to navigate increasingly complex financial choices. International frameworks highlight that digitalisation can strengthen access, but only when accompanied by measures that support inclusion, consumer protection and confidence across all groups (World Bank, 2013; OECD/INFE, 2023).

As a result, households become more open to a broader range of financial behaviours beyond property ownership alone. Engagement with budgeting, emergency savings, insurance, pension planning and longer-term investment becomes more widespread and less intimidating. This is consistent with international evidence linking stronger financial literacy and capability to improved planning behaviour, higher participation in long-term savings and more effective management of risk and uncertainty (Lusardi, 2014; Mitchell & Lusardi, 2015; OECD/INFE, 2023).

Strategic opportunity for Malta

Malta ensures that digital progress does not lead to exclusion, with current national policies explicitly promoting inclusive digital access and the continued availability of assisted and human-centred services. Thus, this represents a high-opportunity future, in which strong financial capability supports household resilience and contributes to better long-term outcomes, including reduced vulnerability to shocks and improved readiness for major financial commitments. This aligns with the vulnerability-informed life-course framework discussed in Chapter 6. It highlights how structural, cognitive, and contextual constraints amplify financial risk across cohorts, and how targeted, proportionate interventions can mitigate these effects by embedding support at critical decision points (Sherraden et al., 2018; OECD/INFE, 2020).

From a value-added standpoint, international research increasingly treats capability as a form of human capital: it supports decision-making quality, helps households navigate uncertainty, and enables more effective participation in long-term financial systems (Lusardi, 2014; OECD, 2020c).

At the same time, Malta's strategic focus evolves as the central challenge moves beyond awareness-raising towards embedding improved capability in lasting behavioural outcomes. Evidence suggests that knowledge alone often does not lead to action unless it is supported by practical tools, timely prompts, and simplified decision pathways that make good choices easier to implement (OECD/IOSCO, 2018; OECD/INFE, 2022).

Priority focuses for the Strategy's delivery

In this scenario, the Strategy should focus on scaling impact and strengthening the bridge between understanding and action. The emphasis should therefore shift toward supporting households in building routines, confidence and decision-making, ensuring that financial capability becomes a practical skill, not simply a retained body of knowledge.

Further expanding upon this, the Strategy delivery should particularly prioritise:

Strengthening the "knowledge-to-action" pathway, by supporting habits, routines and decision confidence, and embedding behavioural design features in tools and communications. International guidance highlights that capability-building is more effective when aligned with behavioural insights, including simplification, timely prompts and structured decision supports (OECD/IOSCO, 2018; OECD/INFE, 2022).

This directly reflects the Chapter 6 finding that behavioural constraints (e.g. inertia, present bias, cognitive overload) systematically weaken the translation of knowledge into action across cohorts, particularly during those phases susceptible to complexity saturation and commitment lock-in. This reinforces the case for behaviourally informed design rather than information-intensive delivery alone (Thaler & Sunstein, 2008; Mullainathan & Shafir, 2013).

Reinforcing capability through life-stage moments, ensuring that interventions reach people when they are facing high-stakes financial choices and are most likely to engage. This aligns with international experience that support delivered at relevant transition points is more impactful than approaches that rely only on broad classroom-style delivery (MaPS, 2020; FCA, 2024).

Normalising diversification and protection behaviours, positioning insurance, pension planning, and investment engagement as mainstream practices that support resilience. Evidence consistently links financial capability to improved planning and risk-management behaviours over time (Mitchell & Lusardi, 2015; OECD/INFE, 2023).

In practical terms, the Strategy delivery should place a strong emphasis on:

Accessible budgeting and savings tools, including emergency savings supports and pension planning aids, such as simple cash-flow trackers, "rainy-day fund" calculators and pension projection tools that translate contributions into future income outcomes, helping households move from short-term money management to longer-term preparedness (OECD, 2020c).

Decision frameworks for major financial commitments, particularly housing, borrowing and insurance decisions where complexity and long-term consequences are significant, drawing on structured checklists, comparison tools and scenario prompts such as interest-rate sensitivity, affordability under stress and coverage adequacy to support informed choices at key life-stage transitions (OECD/IOSCO, 2018).

Mainstream investment and diversification literacy, focusing on practical understanding rather than product promotion, for example by illustrating the role of diversification, time horizons and risk smoothing through simple portfolio examples, so that confidence to participate in capital markets is built alongside realistic expectations and awareness of volatility (OECD/INFE, 2023).

Signals and indicators to watch

Progress toward this scenario can be tracked using indicators consistent with international measurement frameworks:

Improved population-level financial capability across age groups, measured through consistent capability constructs

Results from the OECD/INFE 2023 International Survey of Adult Financial Literacy show that, across participating economies, only around 34% of adults reached the minimum target score for overall financial literacy in 2023, reflecting scope for improvement across all age groups. The survey also confirms that capability gaps by age persist, but that countries with sustained policy investment demonstrate gradual upward shifts in average scores over successive survey waves (World Bank, 2013; OECD/INFE, 2023).

Increased uptake of long-term savings and diversified investment products

OECD/INFE evidence indicates that participation in long-term savings and investment products remains uneven: in 2023, fewer than half of adults reported holding any long-term investment product, such as voluntary pensions, mutual funds, or insurance-based savings, with ownership strongly explained by income and financial capability. This makes increased uptake of diversified products a measurable signal of progress toward a more resilient and forward-looking household financial profile (OECD/INFE, 2023; Mitchell and Lusardi, 2015).

Earlier and more widespread engagement with pension planning.

OECD/INFE 2023 survey results show that less than 50% of working-age adults have actively considered or planned for retirement, and engagement is typically delayed until later life stages. Evidence from behavioural research highlights that earlier engagement with pension planning is strongly associated with higher preparedness and better outcomes, making a shift toward earlier planning a key indicator of scenario progression (OECD/INFE, 2023; Lusardi, 2014).

Stable or increasing levels of public trust in institutions and financial information sources, supporting engagement and take-up.

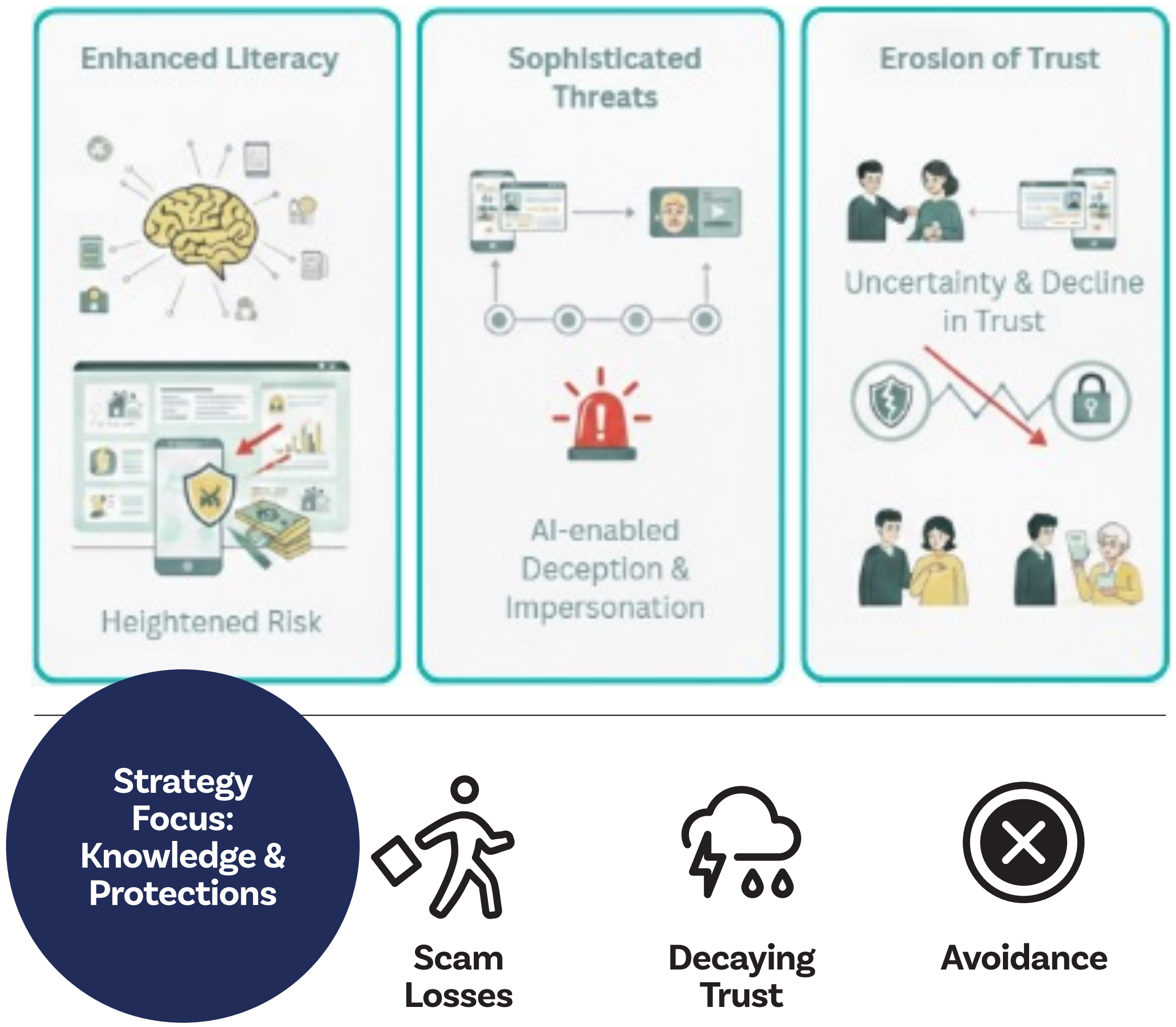
Trust indicators provide an important enabling signal. In the OECD Trust Survey (data collected in 2023, published 2024), only around 39% of adults across OECD countries reported high or moderately high trust in national institutions, underlining the importance of maintaining or improving trust to support sustained engagement with financial services and information. Complementary evidence from financial regulators shows that stable trust levels are associated with higher take-up of guidance, advice, and regulated products (OECD/INFE, 2015; FCA, 2024).

Scenario 2: Capable but Exposed

What this future looks like

In this scenario, Malta achieves clear gains in financial literacy and digital engagement. More citizens actively use digital payment tools and online financial services, whilst participation in savings and investment activity increases. However, the progress made unfolds in a rapidly deteriorating risk environment, where fraud and scams become more frequent, more sophisticated, and harder to detect. From a plausibility viewpoint, international monitoring increasingly identifies scams and fraud as among the most significant and fast-evolving consumer risks in financial markets, particularly in digital channels (OECD, 2024a).

Figure 4 - Capable & Exposed: Navigating a hostile environment.



What's more, fraud risk becomes increasingly characterised by high-volume scam "waves", impersonation tactics, and the growing use of AI-enabled deception, including deepfakes, synthetic voice cloning, fabricated content and manipulated news-like messaging. In fact, European-level analysis has flagged scam calls and AI-driven impersonation as an emerging and escalating threat, particularly where fraudsters exploit urgency, emotion, and authority to prompt immediate financial transfers (European Parliament, 2025). Similarly, EU law enforcement assessments highlight the increasing use of deepfakes and AI tools to scale online fraud, making scams both more convincing and more difficult for individuals to verify in real time (Europol, 2024).

As a result, citizens may appear more capable on paper, but remain exposed to avoidable losses due to the speed, sophistication, and emotional manipulation involved in modern scams. Hence, a scenario where consumer harm rises even as engagement with financial products increases, is created. In the same breath, if losses become more common, including among those who consider themselves financially informed, public trust may weaken over time, reducing the perceived credibility and value of capability-building efforts.

Strategic risk for Malta

The strategic risk in this scenario is that improved literacy alone is insufficient to protect consumers in an environment where fraud tactics are evolving faster than individual confidence and vigilance. International consumer protection principles increasingly emphasise that capability policies must be complemented by strong consumer protection frameworks, including safeguards against fraud, scams and misuse (OECD, 2011; OECD, 2022b).

Put differently, if the national capability agenda succeeds in encouraging greater engagement with financial markets, but scam resistance and protective behaviours do not strengthen at the same pace, the Strategy may inadvertently increase exposure to harm. In such a context, policy responses risk becoming increasingly remedial rather than preventative, shifting towards compensation, enforcement, and crisis response—approaches that are typically more complex and more costly than early, preventive interventions. In sum, the Strategy and its implementing (direct and indirect) institutions, could lose public credibility if consumers experience rising losses while being encouraged to adopt more complex products and digital services.

Priority focuses for the Strategy delivery

In this scenario, the Strategy must shift from viewing financial capability primarily as knowledge-building and instead treat capability as a combined agenda of understanding, protection, and action. A central strategic priority should be to mainstream "protective capability" as a core pillar of delivery rather than an add-on. In practical terms, this includes strengthening practical scam resistance in everyday financial life, including:

- Scam and impersonation recognition,
- Verification habits and safe digital behaviours,
- Confidence to pause, validate information, and report fraud,
- Understanding red flags and high-risk offers.

In parallel, delivery of the Strategy should be more tightly connected to existing consumer protection, enforcement, and market monitoring functions, notably those exercised by the Malta Financial Services Authority, to ensure that capability-building is reinforced by timely supervisory intervention and protection against emerging harms.

European fraud trend reporting demonstrates that even as preventative controls improve, fraud patterns adapt rapidly, requiring timely warnings, coordinated responses, and ongoing reinforcement of protective behaviours (EBA and ECB, 2024). This reinforces the importance of combining consumer learning with systems that can respond quickly to emerging scam typologies and evolving methods.

Accordingly, the Strategy delivery should place stronger emphasis on:

- Rapid, high-trust public warnings and communications (including scam alerts),
- Deterrence and visible enforcement partnership messaging,
- Streamlined reporting pathways and rapid response systems.

In so doing, this approach would align with broader international perspectives. Specifically, improving consumer outcomes depends not only on individual literacy, but also on the quality of the enabling environment, including protection mechanisms, institutional coordination, and digital safety measures (World Bank, n.d.; IMF, 2024).

Signals and indicators to watch

Progress toward this scenario can be tracked through signals capturing both consumer harm and changing patterns of deception, including:

Rising scam losses and reported fraud attempts, including shifts in scam typologies
Data from the joint 2025 European Banking Authority (EBA) and European Central Bank (ECB) payment fraud report show that total reported payment fraud losses in the European Economic Area rose to €4.2 billion in 2024, up 17% from €3.5 billion in 2023, with a growing share of fraud linked to remote and digital channels. These trends reflect both increasing overall harm and a shift in scam methods as fraudsters adapt beyond traditional payment vectors (EBA and ECB, 2025; 2024).

Increasing prevalence of impersonation and deepfake-enabled scams, including audio-visual manipulation
Emerging law-enforcement and policy assessments highlight that fraud operations increasingly exploit AI-enabled technologies such as deepfakes, voice cloning, and synthetic identities. While comprehensive EU-wide annual statistics on deepfake scams are not yet systematically reported, Europol's 2024 threat assessment emphasises the escalation of AI-assisted impersonation tactics in online fraud, signalling widening use of sophisticated deception methods (Europol, 2024; European Parliament, 2025).

Declining trust in financial services and information sources as fraud becomes more common and more visible
The OECD Survey on Drivers of Trust in Public Institutions (Trust Survey), based on data collected in late 2023 and published in 2024, reveals that across OECD countries only around 39% of adults reported high or moderately high trust in national government institutions, while 44% reported low or no trust. Low trust levels are associated with reduced engagement and heightened scepticism toward formal service providers, including financial institutions as fraud visibility increases (OECD, 2024b).

Growing fear of, or withdrawal from, legitimate financial products due to negative experiences, especially among newly engaged consumers
OECD analysis of consumer behaviour indicates that exposure to fraud, misleading practices, or negative financial shocks is linked with avoidance behaviours – such as reduced willingness to engage with formal financial products or advice – particularly among consumers who have recently begun participating in the financial system. While direct EU-wide numerical data on this phenomenon are limited, this pattern is reported in OECD consumer policy literature and supported by behavioural finance research as a response to perceived risk and loss (OECD, 2024b).

Scenario 3: Sheltered but Stalled

What this future looks like

In this scenario, Malta succeeds in preserving access to financial services through strong human and assisted service channels. Vulnerable groups, older adults, and individuals with low digital capability remain protected from severe exclusion, as face-to-face and supported pathways continue to provide practical help and reassurance. This aligns with the wider empirical literature noting that the shift towards digital service delivery can create real barriers for older people and other groups with lower digital confidence, and that maintaining alternative access channels is a key inclusion safeguard (FRA, 2023; World Bank, 2025).

Figure 5 - Sheltered but Stalled: Navigating a stagnant environment.

However, while access remains protected, financial capability does not strengthen evenly across the population. Reliance on assistance becomes a persisting pattern rather than a transitional phase toward independent decision-making. To corroborate this, international consumer policy evidence increasingly highlights that vulnerability in the digital age is often situational and widespread, and that support systems must move beyond "protection-only" approaches and actively build consumers' capability and confidence over time (OECD, 2023a; OECD, 2025).

As a result, financial behaviour remains conservative and path dependent. Property and deposits continue to dominate household choices, due to lack of changing ideology, while risk management behaviours and long-term planning remain limited. Insurance awareness improves only gradually, and engagement with pensions, protection products, and diversified investment products remains modest.

All in all, this will result in a stable but slow-moving capability environment: safe enough to prevent the worst exclusion outcomes, but not strong enough to deliver broad-based improvements in resilience, forward planning, or sustainable financial decision-making.

Strategic risk for Malta

Encapsulating the previous sub-section, the strategic risk tied to this scenario is stagnation. In spite of the fact that Malta would avoid the most severe forms of digital exclusion, institutions fail to meaningfully close capability gaps or build population-wide confidence and resilience. In practice, the system may remain safe for those who can access assisted services, but overall outcomes fail to improve, and the national capability agenda does not fully translate into empowerment.

Such an outcome would undermine the intended phased approach of the Strategy. Its core objective is to ensure that today's younger generations are equipped in advance with the skills, behaviours, and confidence required to navigate periods of vulnerability when they arise across different life stages, rather than responding only once risks have materialised.

This is particularly important in a context where financial markets, products and service channels continue to increase in complexity. Evidence from behavioural and consumer policy research indicates that even well-designed disclosures may not fully support decision-making when complexity is high and confidence is low, reinforcing dependency on intermediated support unless interventions are explicitly designed to build independence (OECD, 2017a; OECD, 2017b).

Priority focuses for the Strategy's delivery

In this scenario, the presented Strategy at hand must be capable to evolve from maintaining inclusion through support, to converting supported access into gradual empowerment. On this note, the priority is to ensure that assisted and human channels do not only solve immediate problems but also provide structured opportunities for citizens to build lasting confidence and competence.

Hence, the Strategy's delivery should therefore prioritise:
Using assisted channels as "teaching moments", ensuring that each supported interaction strengthens understanding, reduces anxiety, and builds skills needed for future independent navigation. Evidence on consumer vulnerability and empowerment highlights the importance of moving from passive support to capability-building, particularly for those experiencing persistent or episodic vulnerability (OECD, 2023a; OECD, 2025).

Designing step-by-step capability support for households facing complexity, including practical routines for planning, budgeting, debt management and basic risk protection. International experience suggests that capability gaps persist where financial tasks feel overwhelming, particularly for individuals with limited confidence or low prior exposure (OECD, 2023a; World Bank, 2025).

Strengthening behavioural interventions that support planning and risk management, recognising that confidence, habits and simplification are central to capability outcomes. Behavioural insights evidence reinforces the value of structured decision tools, simplified processes and "small steps" approaches in helping people act under complexity and uncertainty (OECD, 2017a; OECD, 2017b).

Furthermore, this scenario also highlights the need for simplified tools and communications that reduce cognitive overload and increase confidence, particularly for vulnerable users and those experiencing episodic crises. International policy literature emphasises that digital vulnerability is not limited to a small subset of consumers, and that reducing friction and complexity can materially increase self-navigation and consumer resilience over time (OECD, 2023a; OECD, 2025).

Signals and indicators to watch

Progress toward this scenario can be tracked through indicators that reflect stability in access but limited growth in independence, including:

Stable usage of human and assisted channels with limited improvement in self-navigation over time.

This is reflected in OECD/INFE evidence showing that in 2023, only around one-third of adults reach the minimum target score for financial behaviour, the dimension most closely associated with confidence and independent financial decision-making, indicating continued reliance on assisted or advised choices despite broad access to financial services (OECD, 2023a).

Persistent gaps between higher- and lower-capability groups, including age-linked and income-linked differentials

OECD/INFE results show that financial capability scores remain strongly stratified by income and age. In recent surveys, adults in the highest income quartile score on average 20–25 points higher (on a 100-point scale) than those in the lowest quartile, while older adults consistently score below working-age cohorts on measures related to planning and digital engagement (OECD, 2023a; World Bank, 2021).

Continued over-reliance on property and cash/deposit-based savings, with limited diversification

OECD household balance-sheet analysis shows that wealth composition remains heavily concentrated in real assets and deposits across many European and small economies. In 2023, housing accounted for over 50% of gross household wealth in several Southern and small EU countries, while participation in voluntary pensions, insurance-based savings and market-based investment products remained comparatively low. This concentration provides a degree of balance-sheet stability but signals limited progress towards diversified and risk-balanced household portfolios (OECD, 2023a).

Slow progress in understanding insurance adequacy, retirement planning and long-term financial preparation

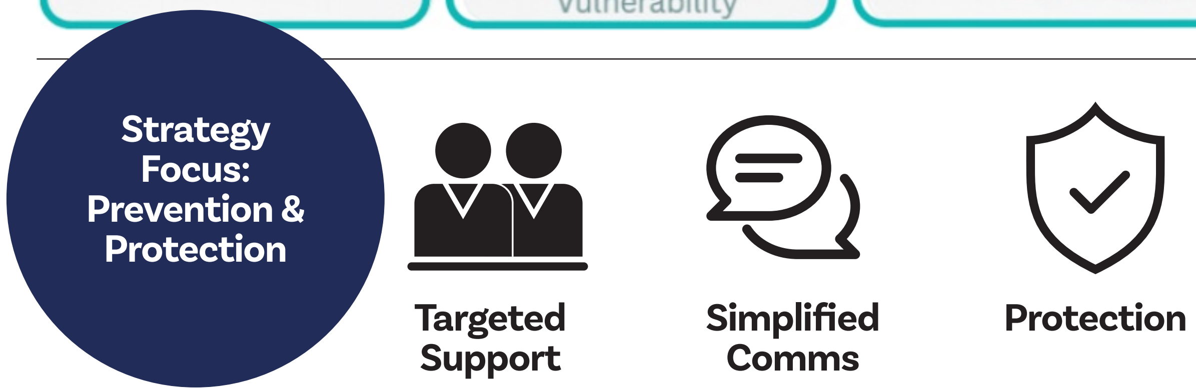
OECD evidence indicates slow progress in understanding insurance adequacy, retirement planning and long-term financial preparation. Results from the OECD/INFE 2020 International Survey of Adult Financial Literacy show that fewer than 50% of adults demonstrate adequate knowledge of long-term financial planning concepts, including insurance coverage needs and retirement preparedness, with substantially lower scores among lower-income and lower-education groups. Subsequent OECD analysis confirms that, despite continued policy efforts, improvements in these areas have been incremental rather than transformative, particularly in relation to retirement planning and insurance decision-making (2020–2025) (OECD, 2020d; OECD, 2025).

Scenario 4: The Double Bind

What this future looks like

This is the highest-risk scenario. Malta's financial system becomes increasingly digital, product-driven and complex, while human support channels become limited, uneven, or difficult to access. Those with strong digital skills, high financial confidence and robust social capital are able to navigate this environment effectively and benefit from broader access and convenience. Others fall behind, facing growing barriers not only to participation but also to protection.

Figure 6 - The Double Bind: Systematic exclusion and escalating harm



Over time, financial harm becomes disproportionately concentrated among vulnerable groups, driven by low product understanding, limited access to trusted guidance, and reduced availability of assisted support. International evidence increasingly recognises that vulnerability in the digital age is both widespread and dynamic, and that many consumers experience heightened risk as digital design, complexity and behavioural manipulation intensify (OECD, 2023a). This creates a compounding effect: the more complex the environment becomes, the more individuals who are already struggling are exposed to escalating harm, diminished confidence, and poorer financial outcomes.

At the same time, fraud risks accelerate. Scam exposure grows, including sophisticated impersonation tactics and AI-enabled deception such as deepfakes, synthetic voice cloning, and highly persuasive fabricated content. EU law enforcement reporting highlights the increasing use of AI tools in fraud and the scaling of social engineering attacks, making scams harder to detect and faster to execute, particularly in digital payment and investment contexts (Europol, 2024; Europol, 2022). As a result, citizens with lower capability are not merely excluded from opportunity but rather more exposed to exploitation.

The combined effect is a "double bind": individuals most in need of support face the greatest barriers to accessing it, while simultaneously facing the highest exposure to manipulation, fraud, and poor-value outcomes. Over time, capability gaps widen, trust deteriorates, and exclusion becomes structural rather than episodic or situational. This reflects wider concerns in international financial consumer protection frameworks that trust and inclusion depend on sustained safeguards, fair market conduct and accessible dispute and redress pathways, particularly under conditions of rapid digitalisation (OECD, 2022e).

Strategic risk for Malta

In this future, financial capability becomes a driver of inequality rather than a route to empowerment. Lower capability translates into lower access, weaker outcomes and heightened vulnerability to fraud, misinformation and unsuitable products. Crucially, the consequences extend beyond individual harm: persistent losses, rising distrust and perceived unfairness undermine confidence in the financial system and erode social cohesion.

International financial consumer protection principles emphasise that protecting consumers is not only a matter of fairness, but also a prerequisite for trust, system legitimacy and effective market functioning (OECD, 2022). Where consumer harm is concentrated among already vulnerable groups, the reputational risk for institutions increases, and avoidance behaviours can spread more widely, including disengagement from formal finance altogether.

Priority focuses for the Strategy's delivery

In this scenario, The Strategy must take an explicitly preventive stance. The priority is to avoid compounding inequality through sustained inclusion and protection measures, ensuring that the digital transition does not create structural exclusion or predictable consumer harm.

The Strategy's delivery should prioritise:
Sustained availability of human and assisted-digital support, ensuring alternative channels remain accessible, visible and well-resourced. European evidence on digital societies highlights that older people and other groups can face systematic barriers to access when services become "digital by default" without adequate support pathways (FRA, 2023).

Targeted programmes for at-risk groups, including older adults, people with low digital skills, low confidence, or limited access to trusted support. International research and policy guidance emphasise that vulnerability is often situational and requires proactive outreach and sustained reinforcement rather than passive availability of information (OECD, 2023a; World Bank, 2025).

Accessible language and simplified financial communications, reducing anxiety and decision overload. International behavioural and consumer policy work shows that complexity can reinforce disadvantage, particularly when consumers face time pressure, stress, or unfamiliar product choices (OECD, 2017a; OECD, 2017b).

Trusted intermediaries and safe support settings, especially for consumers facing overlapping vulnerabilities (financial stress, digital exclusion, low confidence, or scam exposure).

In parallel, this scenario implies that the Strategy delivery alone will not be sufficient unless matched by stronger market-facing interventions. International consumer protection principles stress the importance of transparency, product oversight, fair treatment, and accessible redress mechanisms, particularly under conditions of digitalization and rising complexity (OECD, 2022b). Accordingly, Malta's approach should include measures that reduce harmful complexity, strengthen transparency, and build a safer enabling environment that prevents foreseeable harm before it occurs.

Signals and indicators to watch

Indicators that this scenario is emerging include:

Increasing exclusion from digital-only financial services and reduced ability to access alternatives

A key proxy indicator is the level of basic digital skills in the population. The most recent EU data show that only around 56% of individuals aged 16–74 had at least basic overall digital skills (latest data reported in 2023), with substantially lower rates among older adults. This gap indicates a structural risk of exclusion as financial services increasingly shift towards digital-only delivery, particularly where assisted alternatives are limited (Eurostat, 2024).

Widening capability gaps between groups, particularly where low digital capability overlaps with financial vulnerability

OECD analysis points to persistent and widening disparities in digital and financial capability across socio-economic groups. Results from the OECD/INFE international survey on digital financial literacy show that around 34% of adults in OECD countries do not reach the minimum target score for digital financial literacy, while this share rises to around 40% among adults who use online financial services, indicating that engagement does not necessarily imply capability. Lower scores are consistently concentrated among lower-income, lower-education and older population groups, which OECD evidence also identifies as more exposed to financial vulnerability and adverse outcomes (OECD, 2023c; OECD, 2024a).

Rising scam exposure concentrated among older or otherwise vulnerable groups, including AI-enabled impersonation trends

Europol's Internet Organised Crime Threat Assessment (IOCTA) and Facing Reality? Law Enforcement and the Challenge of Deepfakes reports highlight a rapid escalation in the technological sophistication of fraud and scam activity. Europol estimates that over 80% of organised criminal networks now make systematic use of digital technologies, with increasing deployment of AI-enabled tools such as deepfakes, voice cloning and synthetic identities to support impersonation and social-engineering scams. These developments significantly increase the scale and credibility of fraudulent approaches, with Europol noting that older and less digitally confident individuals are among those most exposed to such tactics (Europol, 2022; Europol, 2024)

Declining trust, avoidance behaviours and disengagement from formal financial services

OECD evidence shows that declining trust in public institutions is associated with avoidance behaviours and disengagement from formal systems, including financial services: in the 2023 Trust Survey, only 39% of adults across OECD countries reported high or moderately high trust in national government, while 44% reported low or no trust, creating conditions that can deter engagement with formal financial channels and reinforce disengagement from regulated markets (OECD, 2024b).

In reference to table 10, translates the critical uncertainties into a set of plausible future scenarios for Malta's financial capability landscape. Each scenario outlines how capability, risk, and inclusion may evolve in practice, the main challenges that could emerge, and the corresponding strategic implications for the Strategy, alongside early indicators that can help signal which trajectory may be unfolding.

Table 10 - Overview of all scenarios.

Scenario	What it looks like	Main risk / challenge	Strategic implication for NFCS (priority focus)	Early warning indicators to monitor
Enabled and Guided	Financial capability is systematically embedded through strong education and trusted communication. Digital services expand while assisted/human channels remain accessible. Households gradually diversify beyond property and engage more with pensions, insurance and investments.	Behaviour change may lag behind knowledge (e.g., continued property bias, underinsurance, limited long-term planning), even in an enabling environment.	Scale and deepen impact: reinforce capability at life-stage transitions; focus on behaviour change and decision confidence; normalise diversification and protection decisions.	Rising capability across age groups; higher uptake of diversified products; earlier pension engagement; stable or increasing trust in institutions and information sources.
Capable but Exposed	Capability improves and financial participation rises, but the environment becomes high-risk. Scam waves, impersonation and AI-enabled deception (e.g., deepfakes) increase; misinformation spreads quickly; losses become more common.	Citizens become more active in finance but face avoidable harm; fear and mistrust may grow, reducing engagement with legitimate products and advice.	Make "protective capability" a core pillar: scam recognition, verification habits, safe digital behaviours, reporting confidence; strengthen coordination for rapid alerts and deterrence.	Increase in scam attempts/losses; more deepfake/ impersonation cases; higher reporting volumes; declining trust or avoidance of legitimate financial products.
Sheltered but Stalled	Human and assisted channels remain strong and reduce exclusion. However, capability diffusion is slow and uneven. Households remain conservative: property and deposits dominate; diversification is limited; insurance is still often treated as a compliance purchase.	A stable system that prevents exclusion but does not build independence: persistent gaps and long-term dependency on support; slow improvement in resilience.	Turn support into empowerment: use assisted channels as learning opportunities; simplify tools and communications; strengthen behavioural interventions for planning, budgeting and protection.	Stable use of human channels but limited improvement in self-navigation; persistent capability gaps; continued reliance on property/ cash savings; weak progress on insurance adequacy understanding.
The Double Bind	A two-speed system emerges. Digitally capable and confident groups thrive, while others face exclusion, low product understanding and higher scam exposure. Human support is limited or uneven; trust deteriorates and inequalities compound.	Financial capability becomes a driver of inequality and systemic vulnerability; exclusion becomes structural and damages trust in the financial system.	Intensify targeted inclusion and protection: sustain assisted-digital/human access; deploy trusted intermediaries; simplify communications; reduce complexity and strengthen transparency measures.	Rising digital-only barriers; widening capability gaps; scam harm concentrated among vulnerable groups; declining trust and disengagement from formal financial channels.

Stress-testing the Strategy

The scenarios outlined above were used as a structural basis for the stress testing. In this context, this section examines whether the Strategy remains effective and deliverable across different plausible future conditions, and whether the policy logic and delivery approach remain valid if key uncertainties develop in less favourable directions. The importance of this exercise stems from the need to ensure that the Strategy is not dependent on a single set of assumptions about how society, technology, consumer behaviour, financial markets and other socio-economic fundamentals will evolve. In other words, by testing the Strategy against multiple futures, the stress test helps identify priorities that remain essential in all circumstances, as well as areas where delivery would need to shift, strengthen, or be adjusted in response to emerging risks. Put differently, the process highlights potential structural weak points, as well as critical variables where relatively small shifts may generate significant risks or opportunities.

Particularly, building consumer confidence to make safe decisions becomes increasingly central as financial services digitalise and consumer exposure to risk grows. A strong emphasis on protective capability, including recognising scams, verifying information, pausing before taking action, and understanding reporting channels, is essential to financial capability and should not be treated as a secondary theme. Even in a high-opportunity environment, growing digital engagement and more complex decision-making create new opportunities for manipulation, misinformation and harm.

Table 11 - Scenario Matrix – Digital Financial Environment and Financial Capability.

		Digital Financial Environment	
CAPABILITY		**Supportive**	**Risky**
	Broad-Based	**Enabled & Guided**	**Capable but Exposed**
		Literacy is widespread; financial diversification from property	People are generally literate, more diversified saving and investment
		Digital gap bridged with assisted-digital options	Branch-light/self-serve landscape
		Inclusion improved	Confusing new products and frequent scam waves drive avoidable losses and frustration
	Polarised	**Sheltered but Stalled** Human/assisted channels cushion risk, yet capability remains uneven	**The Double Bind** A two-speed system: some thrive, many are excluded
		Conservative cash/property habits persist and diversification is slow	Limited human help, low product understanding and high harm exposure entrench gaps and distrust

The stress test also underlines the value of delivering support at life stages and decision moments, where consumers are more likely to engage and where financial choices are higher stakes. This strengthens the rationale for interventions aligned with key transitions such as entering employment, borrowing, housing decisions, family formation and retirement planning. These touch-points remain relevant regardless of which scenario emerges, and they help bridge the gap between knowledge and behaviour by providing timely and practical support rather than relying solely on general awareness-raising.

Another consistent finding across all scenarios is the importance of maintaining inclusivity as service channels evolve. All scenarios suggest that digitalisation will continue, but they also confirm that assisted and human support channels remain critical to prevent exclusion and build confidence, particularly for older adults, vulnerable groups, and individuals with low digital capability. To this end, a Strategy that assumes a fully digital future without safeguarding alternatives risks leaving some groups behind and may weaken overall outcomes even where general capability levels improve.

At the same time, the scenarios illustrate where the Strategy could become vulnerable if key uncertainties worsen. In particular, if Malta follows a pathway where fraud and scams intensify faster than consumer protection behaviour strengthens, the Strategy risks encouraging greater engagement with digital services and financial products without sufficient safeguards against harm. Similarly, if reliance on assisted services remains high without a corresponding increase in consumer confidence and independence, capability gaps may persist and progress may stall. The stress test also reinforces the risk of persistent over-reliance on property as the dominant form of saving, which may limit diversification, reduce liquidity and constrain long-term resilience even in otherwise positive futures.

Implications for the Strategy

The foresight exercise points to several implications that cut across the Strategy:

- Governance and coordination must include mechanisms to monitor signals and uncertainties on an ongoing basis, enabling timely course correction where needed.
- Life-stage interventions should anticipate future divides, including supporting younger cohorts in early retirement and pension planning, safeguarding older adults from digital exclusion, and helping households shift from property-only saving towards more balanced portfolios over time.
- Outreach and communication must balance digital innovation with trusted human channels, ensuring that inclusivity is maintained even as services and consumer behaviours evolve.
- Monitoring and evaluation should track indicators not only of progress against current targets, but also of systemic vulnerabilities, such as diversification levels, prevalence and patterns of scams, digital access and usage, and levels of public trust in institutions and information sources.
- Distinguishing between no-regret priorities and scenario-contingent actions will support effective prioritisation and resource allocation as conditions evolve.

Conclusion

Strategic foresight strengthens the Strategy by ensuring it remains resilient and relevant under conditions of uncertainty. Rather than relying on linear assumptions about progress, the foresight exercise identified emerging signals and pressures in Malta's financial environment, reframed them into critical uncertainties, and developed plausible scenarios to explore how household behaviours, access needs, and consumer risks may evolve over time.

The scenarios demonstrate that financial capability will increasingly be shaped by interacting forces, including digitalisation, fraud innovation, behavioural influences, uneven capability diffusion, and shifting patterns of saving and risk management. They also highlight that the Strategy must be designed not only to build knowledge, but to strengthen practical capability in real-life conditions, particularly where complexity, vulnerability or deception are present.

The stress-testing exercise confirms that certain priorities remain essential across all plausible futures, especially strengthening protective capability, embedding life-stage interventions, maintaining inclusive access through both digital and human support channels, and building trust through clear and coordinated communication. At the same time, it highlights the need for the Strategy to remain adaptable, with the capacity to shift emphasis as risks intensify or where outcomes indicate uneven progress.

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