

# **IFIE/JSDA Joint Seminars on Investor Education**

## **Financial/Investment Education Promotion Structures in Japan**

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# **1. Background to the Promotion of Financial and Investment Education**

- **“From Savings to Investment”**  
Need to train independent-minded individual investors
- **Continued low interest rates in a mature economy**  
Increasing difficulty of building wealth through deposits and savings
- **Concerns about public pension system in an aging society**
- **Complex financial products supplied through familiar channels**  
Unexpected losses, financial fraud
- **Some experts point out that the sub-prime loan problem in the United States, which triggered a global economic and financial crisis, was brought about in part by a “lack of financial literacy among general consumers.”**

**Need for increased “Financial literacy” among Japanese citizens**



# 2 . Financial/Investment Education Promotion Structures

## Government Activities

- **Koizumi's structural reforms (2005-06)**  
“Enhancement and promotion of financial/economic education” included in basic government policies under Koizumi's structural reforms
- **Cabinet Office (2005)**  
Established “Liaison Committee on Economic Education”, “Study Group on Economic Education”, “Economic Education Summit” ; strengthens collaborations with related agencies, educators, etc.
- **Financial Services Agency (2007)**  
Working on resolving the problem of multiple-creditor driven excessive debt of consumers, and included “Increasing citizens' financial literacy by enhancing financial and economic education” as a key theme in a “Plan for strengthening financial and capital markets”
- **MEXT (2008-09)**  
Included enhanced contents related to financial education in new courses of study for junior high schools and high schools
- **Consumer Affairs Agency (2009.9-)**  
Newly established in September 2009. One of its goals is to ensure that consumers can select products and services independently and rationally.

## 2 . Financial/Investment Education Promotion Structures

### Activities by Other Associations

- **Activities by the Central Council for Financial Services Information (Bank of Japan)**
  - Comprised of a broad range of members, including financial and economic organizations, consumer groups, and scholars.
  - Conducts practical activities targeting citizens on a nationwide scale, with the goal of “Providing financial and economic information” and “Supporting financial and economic education.”
- **Activities by financial and economic organizations and NPOs**
- **Activities by individual companies including financial institutions and securities companies**

# 3 . Financial/Investment Education

## Promotion Structures in the Securities Industry

- **Feb. 2001: Start of “Five organization project on securities education”**
- **Apr. 2002: Formation of “Securities Knowledge Proliferation Project” by nine securities related organizations, and start of full-scale activities**
  - **Nine participating organizations:**
    - Japan Securities Dealers Association
    - Osaka Securities Exchange
    - Fukuoka Stock Exchange
    - Jasdaq Securities Exchange
    - Association of Nagoya Stock Exchange Trading Participants
    - Tokyo Stock Exchange Group, Inc.
    - Nagoya Stock Exchange
    - Sapporo Securities Exchange
    - Investment Trusts Association
  - **Two targets of activities**
    - Financial and economic education for schools
    - Providing securities-related knowledge and education for general consumers and individual investors
- **“Financial Instruments and Exchange Act” (Article 77-4), implemented at the end of September 2007, clearly states that one of the duties of the Japan Securities Dealers Association is to provide financial knowledge and education**



## **4 . Financial and Economic Education for Schools**

- **Create and provide experience-based teaching materials**
- **Create and provide education programs**
- **Hold seminars for teachers**
- **Support independent study meetings for teachers**
- **Create and distribute information magazines for teachers**
- **Set up websites for teachers and students**
- **Support securities research activities by university students**
- **Offer donated courses on securities through the Open University of Japan**





## **5 . Providing Securities-Related Knowledge and Education for General Consumers and Individual Investors**

- **Hold “Investment Day” commemorative events and “Spring Securities Investment Seminars”**
- **Hold IR seminars**
- **Produce and distribute publications**
- **Set up securities information offices**
- **Conduct PR activities related to securities systems**



# 6 . Issues for the Future

- **Financial and economic education in schools:**
  - Incorporate educational programs related to personal finance into curriculums
  - Ensure an understanding of financial education among school staff, and improve financial literacy among teachers.
    - The JSDA plans to hold seminars for school principals
- **Providing financial and securities-related knowledge and education for general consumers and individual investors:**
  - Expand activities on the “Grass-roots” level
    - The JSDA fully supports the activities of the NPO APROSIS (Association for PROMoting Securities Investment and Study)

# 6 . Issues for the Future

- **Create consistent “National strategies” from a long-term perspective, aimed at increasing financial literacy among all Japanese citizens**
  - “Financial literacy should not be limited to protective measures for preventing consumers from becoming victims of financial misconduct. The goal should be to foster ‘civic character’ based on participation in the economy and in society through investment activities, thereby contributing to the formation of a healthy and active ‘Society of Citizen Investors’” (from a report on an “Informal gathering on financial and capital market policies” at the Japan Securities Dealers Association; June 2009)
  - Establish financial and investment education systems on a national scale with appropriate collaborations between the public and private sectors, and with an appropriate division of responsibilities
  - Provide efficient financial and investment education from the perspective of Japanese citizens (consumers)

**Thank you for your kind  
attention.**