

REFLECTIONS ON THE OCCASION OF THE NINTH 'PÉNZ7'

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The event series 'PÉNZ7' is organised in Hungary for the ninth time from 6 to 10 March 2023. This is often referred to as the week of raising financial and entrepreneurial awareness. The main objective of the world-wide promotional campaign is to prepare youth annually to be aware of financial issues and to obtain the knowledge and skills necessary to make informed financial decisions in their adult life. Primary and secondary school students are in the focus of the programme. As it holds for finance matters just as for every skill and knowledge, one should start learning about them as soon and as young as possible. The thematic week does not provide an academic description of abstract finance concepts or processes, on the contrary, it offers practical knowledge and attitude for everyday life situations through games and lively experience while also encouraging teachers to try new educational methods.

The standard of financial culture allows a glimpse into the attitude of the relevant country's population towards financial products. Recognising its value, Hungary is striving to survey the standard of financial culture in this country, to identify its deficiencies, and to improve financial awareness as part of the government's national strategy via targeted transparent and quality-assured actions. The government's standpoint is clear: the development of financial culture is of national economic interest, as the population's financial awareness can contribute to the stability of the financial system.

From a macroeconomic aspect, it is obvious that families' financial reserves can increase, their financial situation can improve and they can become more resilient to stress under economic hardships if their financial culture reaches a higher standard. It is true in the current dangerous times too: families better informed about finances are looking for more advantageous savings or investments, buying for instance inflation-linked government bonds. Savings finding their way into the financial system – in whatever form – can support and strengthen the whole economy in difficult times through their transformation into loans for growth or capital investment.

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Financial service provider institutions also have a vested interest in the improvement of the population's financial culture, since the higher popular awareness is, the more private savings can grow which can improve their creditworthiness. Clients with better solvency indicators mean a low-risk source of income and stable business operations of the financial sector.

Financial awareness has got into the limelight as a result of the impact of the 2008 financial-economic crisis. At the same time, the need to improve financial culture has become a more and more pronounced goal in the country. The citizens of Hungary play an important part in the operation of the national economy as financial consumers and potential entrepreneurs; therefore, the government has set the improvement of popular financial awareness an important policy target. In December 2017 it adopted a seven-year Strategy for the Improvement of Financial Awareness. The strategy targets the whole population, but equipping the young age groups with practical financial skills is of special importance. So, the programme 'PÉNZ7' also supports achieving both the goals of the national strategy promoting financial awareness and the SME strategy adopted in 2019 ("The strategy of strengthening Hungarian micro, small and medium-sized enterprises").

Both international and local experience supports that the development of financial culture must be started at primary level and continued throughout in secondary and higher education. Firstly, Hungary joined the initiative *European Money Week* in 2015, which is arranged in about 30 countries in Europe at the same time. Then 'PÉNZ7' joined the event series *Global Money Week* in 2017. The events of 'Global Money Week' had been launched by the international non-profit organisation 'Child and Youth Finance International' in 2012. The significance of 'Global Money Week' is best illustrated by the fact that over 170 countries have taken part in the series over the past ten years and more than 50 million youth have gained improved financial knowledge thanks to high value programmes.

'PÉNZ7' is an outstandingly successful and useful initiative. It reached 170 thousand students at over 1000 schools in Hungary in the last academic year. This ratio is a good achievement by international standards, which has darted Hungary into the TOP 5, the forefront of EU Member States.

In 2023 the activities of 'PÉNZ7' cover electronic banking channels under the title „*State-of-the-art money management – Security of finances in the cyberspace*”, while the business theme is „*Think and start a business*”. Comfortable, fast, and easily available state-of-the-art digital solutions offer many advantages, but they may also carry risks, about which one must be warned, particularly young people who are their most frequent users.

The Ministry of Finance considers the school thematic week 'PÉNZ7' a great opportunity: youth can meet knowledgeable educators, practical experts at classes. The professional volunteers are rich in financial and entrepreneurial experience and present them with some fascinating and useful workshop secrets. Experience over the years has shown that both primary and secondary school students are happy to learn about financial skills. It is also a pleasure to see that many teachers, whether they teach maths, history, or biology, are also enthusiastic and professionally ready helpers of that knowledge transfer in the school. They deserve many thanks for that.

The stability of the financial system is important from the aspect of economic policy too. One of its elements is to have as many people as possible involved in the financial infrastructure. Improving the financial readiness of students, then young adults and also of society as a whole can contribute a lot to the goal, so the programme series 'PÉNZ7' can strengthen economic stability and resilience in the long run. In that spirit, let me recommend this issue of Economy and Finance to readers' attention.