

Behavior of Financial Culture in the Economically Active Population of a Municipality in Colombia, Tuluá-Valle Del Cauca Case.

ANA MARÍA OSORIO ALVARÁN; MARIA DEL MAR VIRGEN CASTRO; LAURA JIMENA RIVAS GONZÁLEZ; ALEXANDER ROMERO SÁNCHEZ; ENEIS JARAMILLO RODRÍGUEZ; JUAN CARLOS URRIAGO FONTAL.

Valle del Cauca
Unidad Central del Valle del Cauca
Carrera 27A, south exit # 48 -144, Tuluá
COLOMBIA

anamariaosorio9627@gmail.com; mary.virgen53@gmail.com; rivasglaura@gmail.com;
aromero@uceva.edu.co; ejaramillo@uceva.edu.co; jurriago@uceva.edu.co

Abstract: - For the approach and implementation, this research project will start with a general perspective; that is, with the identification of the concept of financial culture, which in recent years has gained considerable interest from society, due to the inadequate handling of money. Therefore, it is important to know the financial culture of the municipality of Tuluá, Colombia by means of the survey instrument, in order to obtain primary information and expand the knowledge of the reader by letting them know that this concept allows to acquire skills and abilities that facilitate making better decisions regarding the management of resources, to make informed judgments and to know where to go to ask for help and advice to obtain greater profitability of this. On the other hand, in this research, it is interesting to identify the fundamental initiatives that Colombia has made in terms of inserting financial culture in its inhabitants with the purpose of moving from the general to the particular and thus have an approach and knowledge that generates greater credibility for the research regarding this concept, specifically in the municipality of Tuluá - Valle.

Key-Words: - Culture, Finance, Financial Culture, Financial Education, Financial Mechanisms, Financial Inclusion.

1 Introduction

In recent years, several international organizations have warned about the need to improve the financial culture of people by means of strategies and educational programs focused on the proper use of personal finance, since the deficiencies in this area can lead people to adopt erroneous positions about their personal economy, with the consequent risk of patrimonial losses, excessive indebtedness until financial exclusion, “In general terms, it can be affirmed that there is illiteracy in subjects related to financial education. Most people make investment decisions and/or indebtedness without having clarity about aspects such as internal rate of return, net present value, and cost of money, interest, cash flows, and budget” [1].

The deficiency in the instruction of the management of people’s personal finances has caused governments to take initiatives in the planning and implementation of national programs for financial education in the company of public and private financial institutions in order to generate a positive social impact with regard to the proper

management of personal income, allowing financial inclusion and also reducing poverty. In the case of Colombia “The idea of creating a National Strategy for Economic and Financial Education (ENEEF, for its acronym in Spanish for Estrategia Nacional de Educación Económica y Financiera) in Colombia had its origin in the evidence observed in the surveys related to the lack of basic skills of households in terms of financial decision-making, as well as the need to rationalize several initiatives that were being carried out, which suffered from orientation, coordination and resources” [2].

Based on the foregoing, this research is focused on the behavior of the financial culture of the economically active population of the municipality of Tuluá-Valle del Cauca, Colombia, on which it is aimed to identify through the application of surveys the approximation of the people to the financial education, this from the crossing of variables that allow reliable and consequent information of the factors that influence in the knowledge of the financial products and services and the behavior of the cultural one with respect to this subject.

This will begin with the presentation of the concepts, elements and characteristics that constitute the habits related to financial culture, allowing the reader to have a broader approach with the study to be developed, since it has been shown that the population faces economic situations every day that test their knowledge in this subject, therefore, it is convenient to start with the most representative theoretical bases of the research which will be based on the exploration of the most important theoretical references in the subject of culture and financial education, in addition to other concepts that are part of this study, all this, with the purpose of supporting and guiding the activities of the research project.

Having said that, it is important to consider that during the development of the theoretical framework, it was possible to demonstrate the correlation existing between the most representative subjects of the research; although it is true that the behavior of financial culture within a community is the result of the access that people have to financial education, likewise the level of knowledge of the population in this area leads directly proportional to the inclusion or financial exclusion of the use of products or services offered by financial institutions.

2 Problem Formulation

2.1 Culture

Starting from the central axis of the research project, the concept of Culture is taken first, which according to Edward Burnett Tylor who defines culture as *"that total complex that includes knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man as a member of society. The condition of culture among the various societies of mankind, in so far as it is capable of being investigated on general principles, is a subject apt for the study of laws of human thought and action"* [3]. On the other hand, during the mid-nineteenth century, some scientists used the term "culture" to refer to universal human capacity. Franz Boas defines culture as *"the totality of the mental and physical reactions and activities that characterize the behavior of the individuals composing a social group collectively and individually in relations to their natural environment, to other groups, to members of the group itself, and of each individual to himself. It also includes the products of these activities and their role in the life of the groups"* [4].

Based on these definitions, culture is the reflection of the interaction of man with his environment, which is considered learned and applied in the different experiences of people, because cultural aspects allow to show what factors influence behaviors and practices that man has in front of certain situations or events, which in turn allows identifying the factors affecting people's habits.

2.2 Finance

"To continue with the proposed topic of research, it is very important that the reader has an understanding of the financial topic, since it covers different concepts and theories that make it up and make it so complex. Nowadays, finances are a fundamental base because we live in a world where economic issues are daily. However, people do not understand exactly how this capitalist gear works, because to understand it, it is necessary for people to know, understand and manage a considerable number of variants, concepts, numbers and theories which are closely linked to factors macroeconomic, micro economic, cultural, psychological and social; all with the same objective or purpose: Generation of income or profits" [5].

According to Zvi Bodie (PhD in economics) and Robert Merton (Nobel in economics) *"finance studies the way in which scarce resources are allocated over time."* [6]. For Ferrel OC and Geoffrey Hirt, the term finance is concerned to *"all activities related to obtaining money and its effective use"* [7].

Gitman defines finance as: *"the art and science of managing money, virtually all individuals and all organizations earn or obtain money and spend or invest money. Finances occupy the process, institutions, markets, instruments related to the transformation of money between individuals, companies and government"* [8].

According to the Financial Culture, behavior analysis and decision making, *"Finance is a branch of the economy that studies the movement of money between people, companies or the state. In the same way, it studies the obtaining and administration of money for the achievement of objectives, taking into account all the risks involved"* [9].

"Finance is an economic science focused on money management; in corporate finance,

organizations give value to money with the resources they obtain; in public finances it is seen how fiscal and monetary policies give an optimal use to the collection of taxes for reinvestment; in personal finances, a family knows how much it earns and how much it needs to pay for the holiday at the end of the year. The different types of finance are closely linked to a cultural value. Where, depending on the culture of the population, money is handled differently, a monetary policy of a country with high development rates compared with policies of low-developed countries is not the same, therefore the ignorance and disinterest of the people profoundly affects the financial culture of a population” [10].

2.3 Financial Culture

“The financial culture is the domain of skills, knowledge and daily practices necessary for making financial decisions with information and in a sensible way throughout life. This is closely linked to financial education, which refers to the teaching of those skills, practices and knowledge with which one can face, in a better position, the basic challenges of a financial nature” [11].

The behavior of the financial culture is the result of events that occur in society and which influence the person to acquire appropriate financial practices that focus on savings and investment. As mentioned above, one of the definitions of Culture states that this is learned, that is to say that cultural behavior is not only innate, but it is influenced by the environment that allows the behavior of people to be molded according to the conditions it presents, *“Culture is the sum of knowledge accumulated and transmitted by humanity, considered a whole, in the course of history” [12].*

Historically, there are situations that condition the human being according to the different events that arise in the environment and address social behavior, so it is considered that a society develops and evolves, and as a result, people adapt and generate habits according to the facts they experience, *“The state of affairs that is found does not indicate that a race does or knows exactly what the other does and knows, but in different times and places appear similar stages of development ... This illustrates the degree of mental uniformity of humanity” [13]; “The acquisition of culture then continues through socialization, that is, through learning linked to life in society. Through imitation, inference and teaching (formal and informal),*

people know and adopt cultural patterns of meaning and behavior” [14].

Accordingly, financial culture can be considered as the result of a learning process which is focused on the proper management of money or personal finance, according to a Peruvian financial survey, *“financial culture is the set of knowledge, skills, attitudes and behaviors that allow people to manage their personal finances” [15]; it is necessary to state that the behavior of financial culture is influenced by a series of events based on education, which allows people to have parameters that guide the correct way to manage and use money, and at the same time, they are based on the guidelines that focus on the part of savings and investment, because “a good level of financial culture facilitates access to more and better information on financial products and allows a better control of the personal and family budget” [16].*

2.4 Financial Education

The OECD manifests the three main reasons for the importance of education and financial culture:

- “Growing risk transfer to households
- Uncertainty and Sophistication of the financial picture
- Very low level of knowledge and financial capacity of individuals” [17].

It should be noted that the financial culture of the people is the result of financial education which is defined by the National Council of Financial Inclusion, defines financial education as *“access and use of formal financial services within the framework of an appropriate regulation that guarantees consumer protection schemes and promotes financial education to improve the financial capabilities of all segments of the population” [18].* Similarly, international institutions define the concept of financial education as evidenced in Table N°. 1, obtained from the thesis *“Design of a Financial Education and Culture Program for the face-to-face students of the degree in Administration, Banking and Finance” [19].*

2.5 Financial Inclusion

Financial inclusion is defined by the INFE (Internationals Network on Financial Education) as *“the process of promoting affordable, timely and adequate access to a wide range of regulated*

financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promote financial well-being as well as economic and social inclusion” [20].

For the authors Sharit K. Bhowmik and Debdulal Saha “*the most important points about the concept of financial inclusion are:*

- *It is difficult to measure and define.*
- *People from all strata of society must have access to formal financial services.*
- *There must be no barriers to access formal credit.*
- *Timely and adequate amount of credit must be proportional.*
- *People with low and weak incomes need to be directed*
- *Financial services must be cheap and affordable” [21].*

It should be noted that the basis of financial inclusion is based on the literacy of the population on these issues “To the extent that ordinary people are educated financially, the vision of foresight for the future can be formed, to achieve a retirement calm and safe; even the government can, to that extent, allocate more resources to investment, so that it is better prepared and has basic insurance that protects and copes with potential emergencies.”

Hence, the aforementioned author issues the following recommendations that could be useful to start instructing financially those who wish to improve their personal finances and, consequently, seek a better quality of life:

1. To review the capacity that we have of general liquidity, since it is not enough to know that the income is equal to our expenses, because if we reach the end of the fortnight without a weight in the portfolio this means that the decisions about our finances are not completely correct and this will avoid securing our future.
2. To have a fund to cover contingencies, which must be equivalent to at least three months of salary, although six would be ideal. This fund is very useful to cover the expenses of a costly illness, when you lose your job, even for parties. This money must be invested in highly liquid and safe financial instruments.

3. The investment must be in instruments of yields greater than the inflation rate.

4. For the last recommendation regarding financial decisions, which is related to the security of our future and our heritage, it is necessary to consider important aspects of our lives” [22].

2.6 Factors associated with the lack of Financial Culture.

“The lack of financial culture is associated with cultural factors and other aspects linked to the race or ethnicity of the individuals among whom it can be found:

Table 2 Factors that influence the behavior of Financial Culture

Socioeconomic level	<i>Higher income means more knowledge of finances and greater savings as there is a greater capacity to cover basic needs and financial products can be used.</i>
Gender	<i>Level of financial education and use of financial resources in men and women is different.</i>
Age	<i>Adults have more experience in the use of financial products and services.</i>
Level of schooling	<i>Although higher educational levels are positively correlated with greater financial knowledge, even for the highest levels of schooling the degree of financial literacy tends to be low” [23].</i>

Source: Financial Literacy: An Essential Tool for Informed Consumer Choice? (Dartmouth College, Harvard Business School, and NBER)

2.7 Consequences of the lack of financial culture.

According to the OECD, “*the level of financial culture can be measured according to knowledge in the field of finance, such as budgeting, money management, planning in the short and long term, and choice of financial products that give a greater benefit. A study carried out by the OECD at the end of 2010, to measure the level of financial culture at the global level, found that a very high percentage of respondents lacked the minimum necessary bases in financial matters” [24].* The financial culture causes the wish for the individual to acquire guidance on this subject, thus allowing him an adequate use of his finances, because according to Walter Eyzaguirre “the basis to develop a financial culture will always start by being clear about the concepts of savings, budget and credit in its

different modalities, as well as knowing the financial system and today with a very important variable to which we do not give the necessary importance ‘pension savings’” [25].

3 Problem Solution

3.1 Benefits of Financial Culture

“Financial education is beneficial in all stages of a person’s life, regardless of their level of income. Children are made to understand the value of money and savings, young people are prepared to live independently tomorrow and adults help them to plan basic decisions, such as buying a home, maintaining a family, financing the studies of the children or preparing for retirement” [26]. In the figure N° 1 that is in the section of annexes of this document, the benefits of the financial culture are illustrated.

3.2 Importance and benefits of financial education.

The importance of financial education is based on the fact that this action “is essential for an ordinary person to take advantage of the benefits of the system. It contributes to growth, financial stability, and the reduction of poverty” [27].

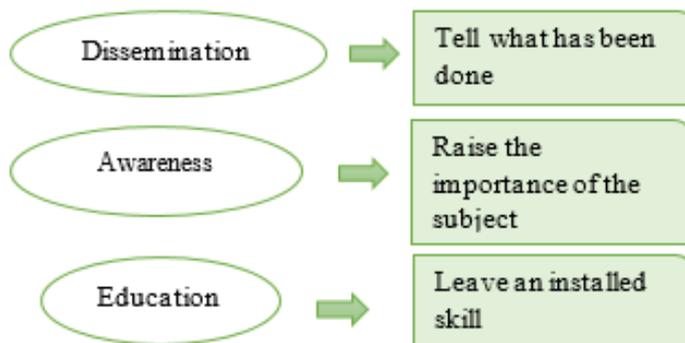
Table 3. Benefits and negative impacts due to the presence (absence) of financial culture.

Benefits of financial education.	Negative impacts due to the absence of a financial culture.
Consumers of services and financial products who are not afraid to use them.	Excessive indebtedness of consumers.
Increase in the demand for financial products.	Low level of savings for retirement.
Reduction of the information gap between consumers and suppliers of financial services.	Abusive practices of selling products and/or financial services.
Awareness of the risks implicit in financial products and services to neutralize or minimize them	Not having good coverage against unforeseen risks.
Knowledge of rights and mechanisms to enforce them.	Higher costs.
Promotion of transparency, competence and efficiency of the financial system.	Distrust in financial institutions.
Boosting financial development and economic growth.	Use of informal services” [28].

Source: National Council for Financial Inclusion (2013)

In addition to this, it is important to take into account three elements that should be incorporated in this concept.

Fig.2. Concepts that Financial Education must incorporate.

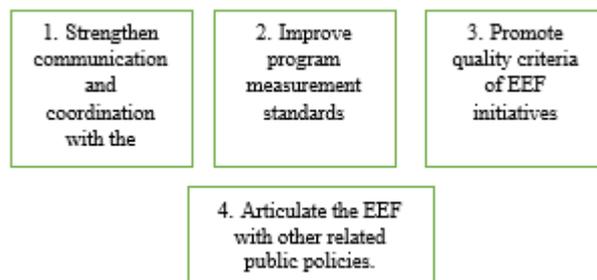


Source: Superintendency of Banks and Financial Institutions (2014)

3.3 National Strategy of Economic and Financial Education of Colombia (ENEFF)

Colombia has made various efforts to apply this strategy, many studies show that the population still lacks the knowledge and skills necessary to make assertive decisions in their lives regarding the financial system. For this reason, the government promoted a strategy that promotes the evasion of financial ignorance in Colombians, which has been oriented to improve the economic and financial situation of the community. This program was called ENEEF, which states that “The development of the Strategy has been based on international principles and standards, particularly those taught by the OECD and, in accordance with the challenges facing the implementation of the EEF, the ENEEF is built on the following four strategic pipelines” [29].

Fig.3 National Strategy of Economic and Financial Education of Colombia (ENEFF)



Source: Intersectoral Commission for Economic and Financial Education (2017)

The EEF strategy has a main objective for its implementation, which is “to encourage EEF to contribute to the development of knowledge, attitudes and behaviors or skills of the Colombian population, which impact on the responsible economic and financial decisions and informed in the different stages of life” [30]. On the other hand, the Ministry of Finance and Public Credit in 2010 stated that “it is considered that an articulated and well-directed EEF policy facilitates the reduction of poverty and inequality, allows greater effectiveness in the actions of financial inclusion and protection to the financial consumer, and contributes to the development of the financial system and in general” [31], in effect this policy is relevant from the first stages of life to adult stages, since it allows individuals to acquire excellent training towards the use of financial resources.

“Since 2009, and on a permanent basis, the Bank of the Republic has participated in different inter-institutional processes of a state nature that have allowed defining a public policy of economic and financial education (EEF for its Spanish acronym *Educación Económica y Financiera*) in Colombia” [32]. A study conducted by the “The World Bank in 2013 showed that 94% of Colombians said they planned their budget, but only 23% knew exactly how much they had spent the previous week” [33], on the other hand this entity also announced that “Although 88% of Colombians expressed concern about having to face higher expenses in the future (for example, retirement), only 41% have plans to fully pay their old age expenses and only 1 in 5 could face unforeseen significant expenses” [34]. This first-hand evidence provided by the financial institution allows an approach of greater credibility, for this reason, it is very important that government supports to intensify the insertion of this in educational models with the aim of being taught from an early age.

The development of the strategy has been based on international principles and standards, in particular those taught by the OECD and in accordance with the challenges facing the implementation of the EEF. In figure 4, the strategic pillars of the ENEEF can be evidenced.

3.4 Educational Programs of Banking in Colombia.

The Colombian banks have joined forces to ensure that there is a good level of financial education in people's lives, since it is not advisable for the

population to acquire financial products and services without knowing how to manage them. For this reason, banking entities emphasize that users know the features, benefits, features and services they provide, to generate a culture of savings and more accurate financial decision making.

Table 4 will show the different educational programs presented by the Colombian banking.

3.5 The Colombian financial system

The financial system is “the set of institutions that, previously authorized by the state, are in charge of capturing, managing and investing the money of both natural persons and legal entities (national or foreign)” [35]. Having said that, the Colombian financial system is the structure responsible for intermediating and facilitating the relationship that is generated between surplus and deficit people, the former being those that have surplus resources and the latter those that lack resources within the scheme of the financial market. According to the Bank of the Republic “in the different activities that are developed around the world with money, bonds, stocks, options or other financial tools, there are organizations or institutions that are responsible for acting as intermediaries between different people or organizations that carry out these movements, businesses or transactions” [36]. It should be noted that “intermediation occurs between surplus and deficit people, the former being those that have surplus resources and the latter those that have scarce resources within the financial market framework” [37]. In Figure 5, the structure of the Colombian financial system is illustrated.

3.6 Evolution of the Colombian Financial System.

The Colombian financial system is the reflection of different historical facts, “it has had a great evolution that has allowed it to be known as one of the most consolidated and robust sectors of the region, since it has adopted guidelines that has allowed it to reach International standards of security, supervision and risk management” [38].

Now, through a timeline presented in figure 8, it will be announced the evolution of the Colombian Financial System

3.7 Normativity.

“In the Bases of the National Development Plan 2010-2014, which is part of Law 1450 of 2011, it was attributed to the national government the

function of creating, with the participation of the private sector, a national strategy to provide quality EEf to the population of all socioeconomic strata and levels of access and use of financial services” [39].

The ENEEF is governed by a normative framework established by Colombian political constitution and the general education law. The Colombian political constitution in its article 2 establishes that the essence of the state is *"to promote general prosperity, to facilitate the participation of all in the decisions that affect them in the economic, political, administrative and cultural life of the Nation"* [40] all the authorities of the republic are created to protect all Colombian residents in the different areas of life with the aim of serving the community in the fulfillment of their rights as well as contributing to the search for alternative solutions to the problems and to the social and economic progress of the country.

The national development plan 2010-2014 was carried out under Law 1450 of 2011, which in article 145 states the creation of the education program in economics and finance. In which it is indicated that *"The Ministry of National Education will include in the design of programs for the development of basic skills, economic and financial education, in accordance with the provisions of Law 115 of 1994"* [41], likewise chapter 3 of the document sustainable growth and competitiveness argues that *"the citizen that the country needs must be able to contribute to the processes of cultural, economic, political and social development and environmental sustainability; in the exercise of an active, reflective, critical and participatory citizenship that coexists peacefully and in unity, as part of a prosperous, democratic and inclusive nation"* [42]. For this reason, the fundamental purpose of the government over the next four years will be to improve the quality of education, which is considered the most powerful instrument to reduce poverty and the most effective way to achieve prosperity.

On the other hand, there is Decree 457 of 2014, a norm that organizes the National Administrative System for Economic and Financial Education and creates the Intersectoral Commission for Economic and Financial Education.

"This decree incorporates what is proposed in Law 1328 of 2009 and Law 1450 of 2011, in which the EEf constitutes an issue that must be addressed in educational establishments as a tool in the process of citizen construction, aiming that students recognize the diverse relationships established by the human being with the management of resources for the common and individual well-being. Another of its purposes is the training of students in the awareness as economic subjects and understand how, at the local and global level, there are diverse economic dynamics and practices" [43]. On the other hand, Colombia has drafted Bill 49 of 2014 senate, so the chair of financial education in Basic and Media education in Colombia is established, in this project the congress of the Republic decrees *"Article 1° refers to the object of the law under study. Article 2° establishes the chair of economic and financial education in basic and secondary education programs. Article 3° empowers the Ministry of National Education to include in the contents of economics and financial education in elementary and secondary education programs in our country. The article 4° empowers the National Government to enter into agreements with public and private entities of national and international character, for the implementation of promotion and education programs on these issues and article 5° deals with the terms and derogatory"* [44], nowadays, the personal economy is affected by several factors, one of them and the most representative is the lack of knowledge of the community in general, because this issue has been seen mostly focused on the society with the greatest purchasing power; for this reason the actions of the government in recent years implementing the strategy from basic education has been the way to generate change in the country, since with this method what is sought is to expand entrepreneurial training whatever the segment old.

4 Conclusion

It is concluded that when carrying out the bibliographic review of the article, there is evidence of an increase in culture and financial education, both internationally and regionally, through different policies, programs and tools described.

In order to carry out the second part of the study, this type of reference is used in order to have an applicable theoretical base which supports the survey instrument that allows us to measure the

financial culture, financial education and how the persons subject to the study respond.

References:

- [1] MUÑOZ, A. (2014): "Educación Financiera: un imperativo para América Latina", América economía, mba & education ejecutiva
- [2] GARCIA, N., GRIFONI, A., LOPEZ, J., MEJIA, D. (2013): "La educación financiera en América Latina y el Caribe: situación actual", OCDE, serie políticas públicas y transformación productiva No 12; Pág. 44
- [3] BURNETT, E. (1871): La Cultura Primitiva, Capítulo I: La Ciencia de la Cultura, pág. 16.
- [4] Referente: F. Boas, The Mind of Primitive Man, 1938; Citado en <https://ocw.unican.es/mod/page/view.php?id=800> "Definiciones de la Cultura".
- [5] POLONIA F., SUAZA C., AREVALO N., GONZÁLEZ D. (2016): Tomado y modificado del trabajo "La cultura financiera como el nuevo motor para el desarrollo económico en Latinoamérica". <https://repository.ean.edu.co/bitstream/handle/10882/8951/avance%20final%20seminario.pdf?sequence=1&isAllowed=y>
- [6] Merton & Bodie, 2003; citado en <https://www.promonegocios.net/economia/definicion-finanzas.html> "Definición de Finanzas".
- [7] Referente: Ferrel O. C. y Geoffrey Hirt; citado en <https://www.promonegocios.net/economia/definicion-finanzas.html> "Definición de Finanzas".
- [8] Referente: GITMAN (2005): "Libro de fundamentos de la administración financiera": Citado en el trabajo de POLONIA F., SUAZA C., AREVALO N., GONZÁLEZ D. (2016) "La cultura financiera como el nuevo motor para el desarrollo económico en Latinoamérica" <https://repository.ean.edu.co/bitstream/handle/10882/8951/avance%20final%20seminario.pdf?sequence=1&isAllowed=y>.
- [9] Referente: Bodie, Z. and R. C. Merton (2003). Finanzas, Pearson Educación; citado en <https://www.asobancaria.com/sabermassermas/que-son-las-finanzas/> "¿Qué son las finanzas?"
- [10] POLONIA F., SUAZA C., AREVALO N., GONZÁLEZ D. (2016): "La cultura financiera como el nuevo motor para el desarrollo económico en Latinoamérica"
- [11] <https://repository.ean.edu.co/bitstream/handle/10882/8951/avance%20final%20seminario.pdf?sequence=1&isAllowed=y>
- [12] Tomado de http://www.finanzasparatodos.es/es/seccion/es/actualidad/cultura_financiera.html
- [13] CUCHE, D. (2002): "La Noción de la cultura en las ciencias sociales"; Primera Edición; Pág. 11
- [14] PALERM, A. (2004): Historia de la Etnología: Tylor y los profesionales británicos; Primera Edición; Vol. 3, pág. 31
- [15] MACÍAS, R.: Factores Culturales y Desarrollo Cultural Comunitario. Reflexiones desde la práctica, Parte II Los estudios acerca de la Cultura
- [16] PRIALÉ, G., YAMADA, G., VILADEGUT, H., MARÍN, I., SALAZAR, R. (2011): Encuesta de cultura financiera del Perú, 2011-Enfin; Pág. 10
- [17] OCDE: citado por AGUILAR, J. ORTÍZ B en la tesis (2013): "Diseño de un programa de educación y cultura financiera para los estudiantes de modalidad presencial de la titulación en administración en banca y finanzas", Pág. 7.
- [18] Referente: Consejo Nacional de Inclusión Financiera de México. Citado por RODRÍGUEZ, G. (2014): "Eficiencia de la inclusión financiera en Colombia, 2014, Pág. 72.
- [19] AGUILAR, X., ORTIZ, B. (2013): "Diseño de un programa de Educación y Cultura Financiera para los estudiantes de modalidad presencial de la titulación en Administración, Banca y Finanzas", Pág. 5
- [20] GARCIA, N., GRIFONI, A., LOPEZ, J., MEJIA, D. (2013): "La educación financiera en América Latina y el Caribe: situación actual", OCDE, serie políticas públicas y transformación productiva No 12; Pág. 22
- [21] RODRIGUEZ, G. (2017): "Inclusión financiera en Colombia. Análisis de su evolución en términos de eficiencia relativa"; Pág. 3
- [22] GÓMEZ C. (2015): Tesis "Propuesta para incrementar la cultura financiera en estudiantes universitarios en la Ciudad de San Luis Potosí"; Pág. 27 - 28

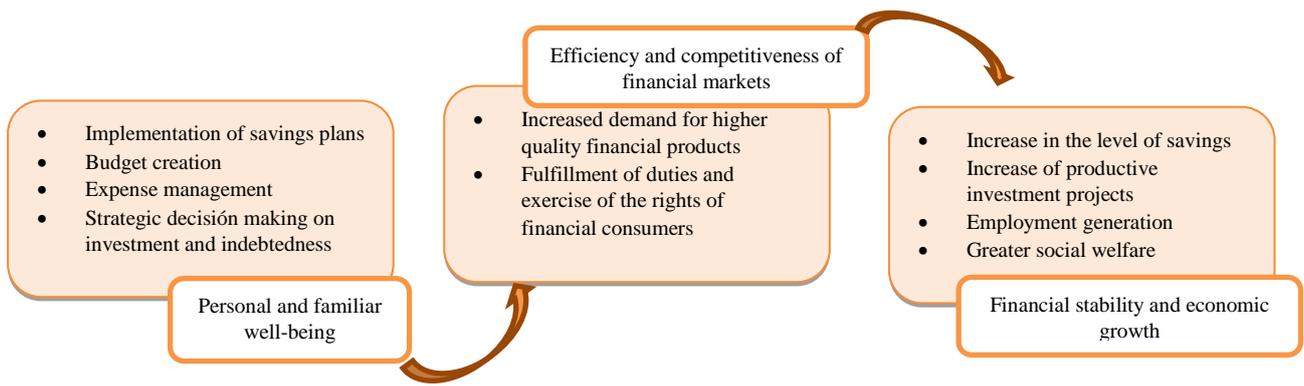
- [23] Basado en el documento: LUSARDI, A. (2008): "Financial Literacy: An Essential Tool for Informed Consumer Choice? (Dartmouth College, Harvard Business School, and NBER)".
- [24] Adele ATKINSON, A., Flore-Anne MESSY, F. (2012): "Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study," OECD Working Papers on Finance, Insurance and Private Pensions 15, OECD Publishing.
- [25] EYZAGUIRRE W, (2016): "Cultura y Educación Financiera", página web:
<https://gestion.pe/blog/cultura-financiera/2016/10/cultura-y-educacion-financiera.html?ref=gesr>
- [26] RODRÍGUEZ, M., (2013): "La importancia de la Cultura Financiera en las decisiones económicas", Unidad Nacional de Cooperativas de Crédito (UNACC), 40 Unacc. Conectando con el cliente; pág. 15
- [27] PARRADO, E. (2014): "¿Por qué es importante la Educación Financiera?: desafíos y tareas pendientes"; Superintendencia de Bancos e Instituciones Financieras (SBIF); pág. 5
- [28] Consejo Nacional de Inclusión Financiera (2013); reporte de inclusión financiera 5; pagina 174
- [29] Comisión Intersectorial para la educación Económica y Financiera (CIIEF) (2017): "Estrategia Nacional de Educación Económica y Financiera de Colombia (ENEEF), pág. 28.
- [30] Comisión Intersectorial para la educación Económica y Financiera (CIIEF) (2017): "Estrategia Nacional de Educación Económica y Financiera de Colombia (ENEEF), Parte 4.2, pág. 29.
- [31] Comisión Intersectorial para la educación Económica y Financiera (CIIEF) (2017): "Estrategia Nacional de Educación Económica y Financiera de Colombia (ENEEF), pág. 11
- [32] CARDENAS, J., GARCÍA, N., CUADROS, P. (2017): Documento Banco de la República: "Mapeo de Iniciativas de educación económica y financiera de Colombia", Pág. 1
- [33] Banco Mundial: Capacidades financieras en Colombia: Resultados de la encuesta nacional sobre comportamientos, actitudes y conocimientos financieros.
- [34] Banco Mundial: Capacidades financieras en Colombia: Resultados de la encuesta nacional sobre comportamientos, actitudes y conocimientos financieros.
- [35] DUEÑAS, R. (2008): Módulo "Introducción al sistema Financiero y Bancario"
<https://crear.poligran.edu.co/publ/00008/SFB.pdf>
- [36] Enciclopedia Banco de la República Cultural: "Sistema Financiero"
http://enciclopedia.banrepultural.org/index.php/Sistema_financiero#Qu.C3.A9_es
- [37] Basado en: PELAYO, J. Video "Sistema financiero colombiano"
<https://www.youtube.com/watch?v=q7r07X70-2E>.
- [38] Artículo de la Revista Dinero (2018) "La Nueva cara de la industria financiera en Colombia"
<https://www.dinero.com/edicion-impressa/informe-especial/articulo/evolucion-del-sistema-financiero-en-colombia/261426>
- [39] Referente: Senado de la República: Ley 1450 del 2011 citado por: Comisión Intersectorial para la educación Económica y Financiera (CIIEF) (2017): "Estrategia Nacional de Educación Económica y Financiera de Colombia (ENEEF), parte 3.1, pág. 18.
- [40] Constitución Política de Colombia: Art. 2°;
<http://www.constitucioncolombia.com/titulo-1/capitulo-0/articulo-2>
- [41] Ley 1450 de 2011 Art. 145, Pág. 65
- [42] Bases PND 2010-2014 versión 5.0 12-04-2011 CEVC: "III. Crecimiento sostenible y competitividad", pág. 85
<http://colaboracion.dnp.gov.co/CDT/PND/4C.%20Cap%C3%ADtulo%20III.pdf>
- [43] Ministerio de educación (2014): "Orientaciones pedagógicas para la educación económica y financiera", pág.16
- [44] "Proyecto Ley 49 del 2014 Senado"
<https://vlex.com.co/vid/proyecto-ley-senado-522701186>

ANNEXES

Table 1. Financial Education Concepts Chart

Author	Definition
OECD	“Financial education and financial literacy is the process by which consumers and investors improve their understanding of financial products and concepts, through information, instruction or objective advice, develop the skills and confidence to be aware of financial risks and opportunities, make informed decisions, know where to go for help and take other effective measures to improve their financial well-being and protection” (OECD 2005).
OECD Financial Commission of the United States	“Financial education consists of providing information and knowledge, as well as helping to develop the necessary skills to evaluate the options and make the best financial decisions” (FINANCIAL COMMISSION OF THE UNITED STATES 2006).
Financial Services Authority UK	“Developing the ability to manage your money, track your finances, plan for the future, choose financial products and stay informed about financial matters”. (2007)
National Commission for the protection and defense of users of financial services (Condusef). Mexico	“It consists of acquiring knowledge and developing the skills we all need to make better financial decisions, and thus raise the level of well-being of each of our stages of life” (CONDUSEF 2009)
National Bank of savings and financial services	“Financial education is a process of skills development and attitudes that, through the assimilation of understandable information and basic tools of resource management and planning, allow individuals to: a) Make personal and social decisions of economic nature in their daily lives, and b) Use financial products and services to improve their quality of life under conditions of certainty” (BANSEFI, 2010).
Enfin Peru	“Financial culture is the set of knowledge, skills, attitudes and behaviors that allow people to manage their international finances. A good level of financial culture facilitates access to more and better information about financial products and allows a better control of the personal and family budget” (FIRST ENFIN SURVEY 2011).
Communications management and institutional image and the superintendence of banking, insurance and AFP	“The ability of the population to be informed of the financial products to which they have access and the real evaluation of their capacities, both for the payment of the debts that they acquire, as for family savings, as well as the adequate knowledge capacity to benefit from the banking, insurance and retirement products that currently exist in the National market”. (SUPERINTENDENCY OF BANKING, INSURANCE AND AFP 2009)

Fig.1 Benefits of financial culture.



Source: Fogain (2013).

Fig4. Strategic pillars of the ENNEF.

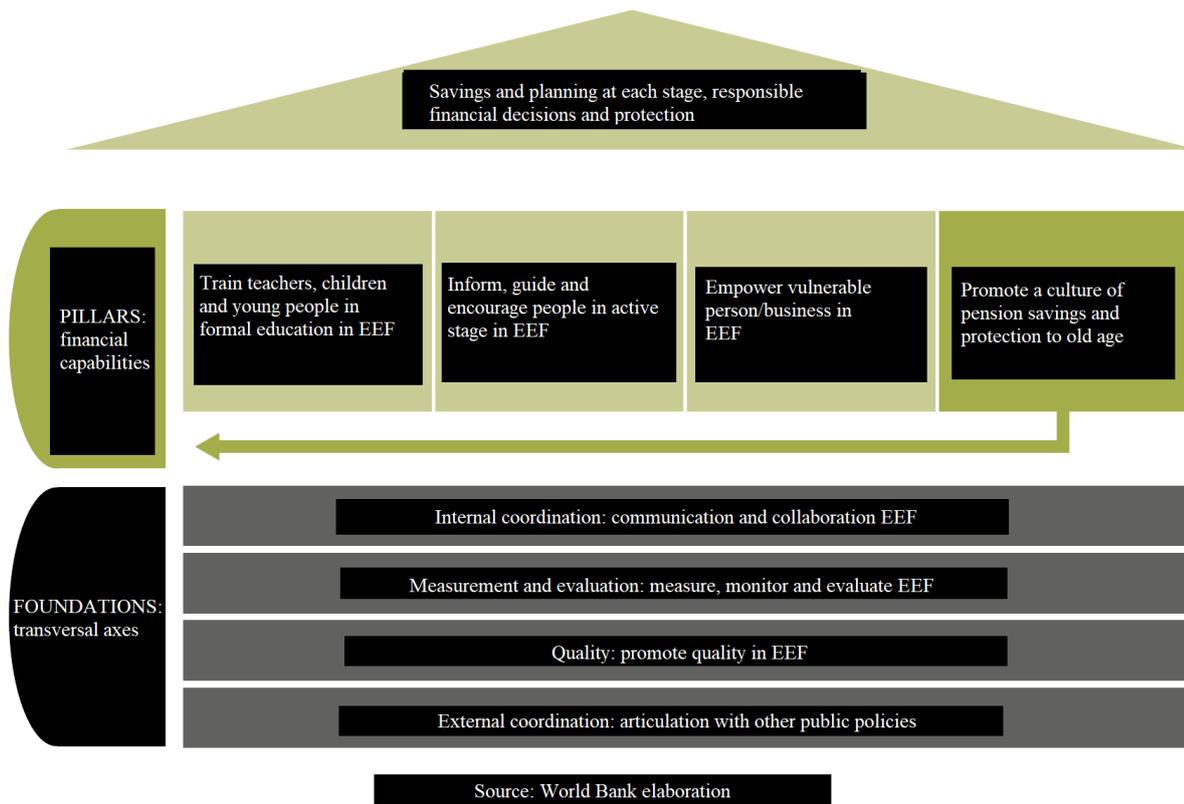


Table 4. Financial educational programs in Colombia.

Institution.	Program.
Asobancaria ¹	“ <i>Saber más, ser más</i> ” (to know more, to be more) (49) in order to sensitize the population about the importance of educating themselves financially, providing tools and knowledge about the functioning of the financial system and personal and family finances. To this end, it has a public policy that involves financial education being included in the formal education system from the first years of schooling.
Bancamía (50)	“ <i>Echemos Números</i> ” (let’s count) is a Financial Education program, and from it, plans, programs and campaigns are developed according to the different needs of the groups of interest and within a context of efficiency and effectiveness, through 'Objective Counseling', that is, advisors provide financial education at any time of contact with clients and people to whom they offer the bank's products, in addition to face-to-face workshops.
AV Villas	“ <i>Currículo Básico</i> ” (basic curriculum) is a program implemented in partnership with the Junior Achievement Foundation - Colombia Emprendedora ² , in which bank employees dedicate a few hours of their time to teach Financial, Economic and Business Education classes to low-income students in schools from different cities in the country.
Banco Agrario De Colombia	The Bank's financial programs are aimed at: Schools and Colleges, ethnic groups and minorities, trade associations, victims of the Colombian conflict, national citizen service fairs, events and commercial brigades. The contents developed in the face-to-face sessions are focused on the fulfillment of dreams and the construction of a life project; through workshops and games, provide information on the budget, savings, credit, rights and duties of the financial consumer.
Colpatria	“ <i>Maneja tus finanzas</i> ” (manage your finances) (51) is a program which consists of a web page of financial education with multi-target content for adults and children, which addresses issues related to savings, credit and investment, provides tools that complement the understanding of multiple personal finance concepts. Additionally, it has a radio program that addresses personal finance issues, conducts workshops for its officials and every Monday its social networks are dedicated to financial education.

¹ The *Asociación Bancaria y de Entidades Financieras de Colombia* (Banking and Financial Entities Association of Colombia), Asobancaria, is the representative guild of the Colombian financial sector, a non-profit entity.

² Junior Achievement Colombia (JA Colombia), commonly known as Colombia Emprendedora®, it is the Colombian chapter of Junior Achievement Worldwide, whose main objective is to develop the entrepreneurial spirit of children and young people with ethical principles and social responsibility.

Banco De Bogotá	<p>“<i>Educación Financiera para la Vida</i>” (Financial Education for Life) within the program, several strategies are outlined, which have various initiatives for children, youth and adults, such as financial security campaigns, financial freedom conferences and mobile classrooms that travel throughout the country teaching basic, business and public finances to various interest groups. It also has a complete website³ where personal and family finance contents are provided so that clients and users can consult freely, according to the specific need for knowledge.</p>
Banco De Occidente	<p>“<i>Informar al Cliente</i>” (to inform the client) has used several communication mechanisms through its Commercial Managers, Newsletter, Institutional Bulletin Boards, forums and virtual seminars where customers and users can find guidance on the correct handling and use cash of the products and services that are offered.</p>
Banco Popular	<p>The Financial Education Program of Banco Popular is aimed at employees and clients, through the development of both face-to-face and virtual activities with a playful and instructive approach based on four thematic axes: “Learning to save”, “How to make a budget”, “Credit management” and “Bank security” with activities such as conferences, workshops, contests, videos, publication of content on the website, sending printed material, mailings and text messages to cell phones, among others.</p>
Banco WWB	<p>It has spaces to give people the knowledge they need to make sound decisions for the economic well-being of their entire family. All the information disclosed in these media is supported by experts in finance, regulations, financial products and taxes, and by the Financial Consumer Advocate, within our own media such as the web magazine “<i>wwb al día</i>”, <i>WWB AL DÍA</i> television program, the website and our social networks (Facebook and Twitter).⁴</p>
Bancóldex	<p>“<i>Formación empresarial para MiPymes</i>” (Business training for MSMEs) the program seeks to improve the management, performance and competitiveness of Colombian companies through knowledge management, with financial emphasis. Through various face-to-face, virtual, publications and basic support activities, the aim is to strengthen managerial skills in order to achieve greater business growth and sustainability.</p>
Bancolombia	<p>The concept under which the education strategy works is: ‘Uso Responsable de Mi Dinero’ (Responsible Use of My Money). On the other hand, the corporate philosophy is supported in a <i>Banca Más Humana</i>, where the most important thing is people and their actions are based on primordial values of closeness, respect, warmth and inclusion, basing their financial education actions on</p>

³ (<https://www.bancaventura.com/>) for children and for the young *Banca joven* (<https://www.mibancajoven.com/>)

⁴ (<https://www.bancow.com.co/educacion-financiera/revista-wwb-al-dia/>) (<https://www.bancow.com.co/educacion-financiera/blog-w-al-dia/>)

	these Corporate values. Bancolombia's strategy is based on information, training and advice.
BBVA	“ <i>Adelante con tu Futuro</i> ” ⁵ (Forward with your Future), is an initiative that seeks to train constant savers and responsible debtors with skills to properly handle the different financial products that exist in the market. This initiative is made up of four personal finance workshops (Savings, Credit Card, Credit Health and Transactional Channels - Banking Security) that are taught in the mobile classroom.
Citibank	“ <i>Finanzas para el Cambio</i> ”, (Finance for Change), a financial education program aimed at students in grades 9, 10 and 11; “Colombia LISTA”, an education project for savings, aimed at beneficiaries of conditional cash transfers through digital channels. Additionally, the Bank develops financial education programs for the financial consumer and has a financial education section on its website ⁶ with a focus on personal finance.
Davivienda	Its financial education strategy seeks to provide sufficient knowledge so that financial consumers, through the understanding of the basic concepts, can properly manage the financial products and services they acquire through the Internet portal and the <i>Mis Finanzas en Casa</i> ⁷ (My Finance at home), tools that allow Colombian families to learn in an easy and practical way about the good management of money.
CorpBanca	The program seeks to support the achievement of dreams and goals of financial consumers, through adequate financial planning, strengthening the savings culture and using credit responsibly. Additionally, CorpBanca - Helm ⁸ uses its channels and social networks to disseminate key information that supports the financial culture of customers and users.

⁵ (<http://adelantecontufuturo.com.co/es/index.php?page=41&pkorig=76&pkitemor=24>)

⁶ <https://www.citibank.com.co/educacionfinanciera/index.htm>

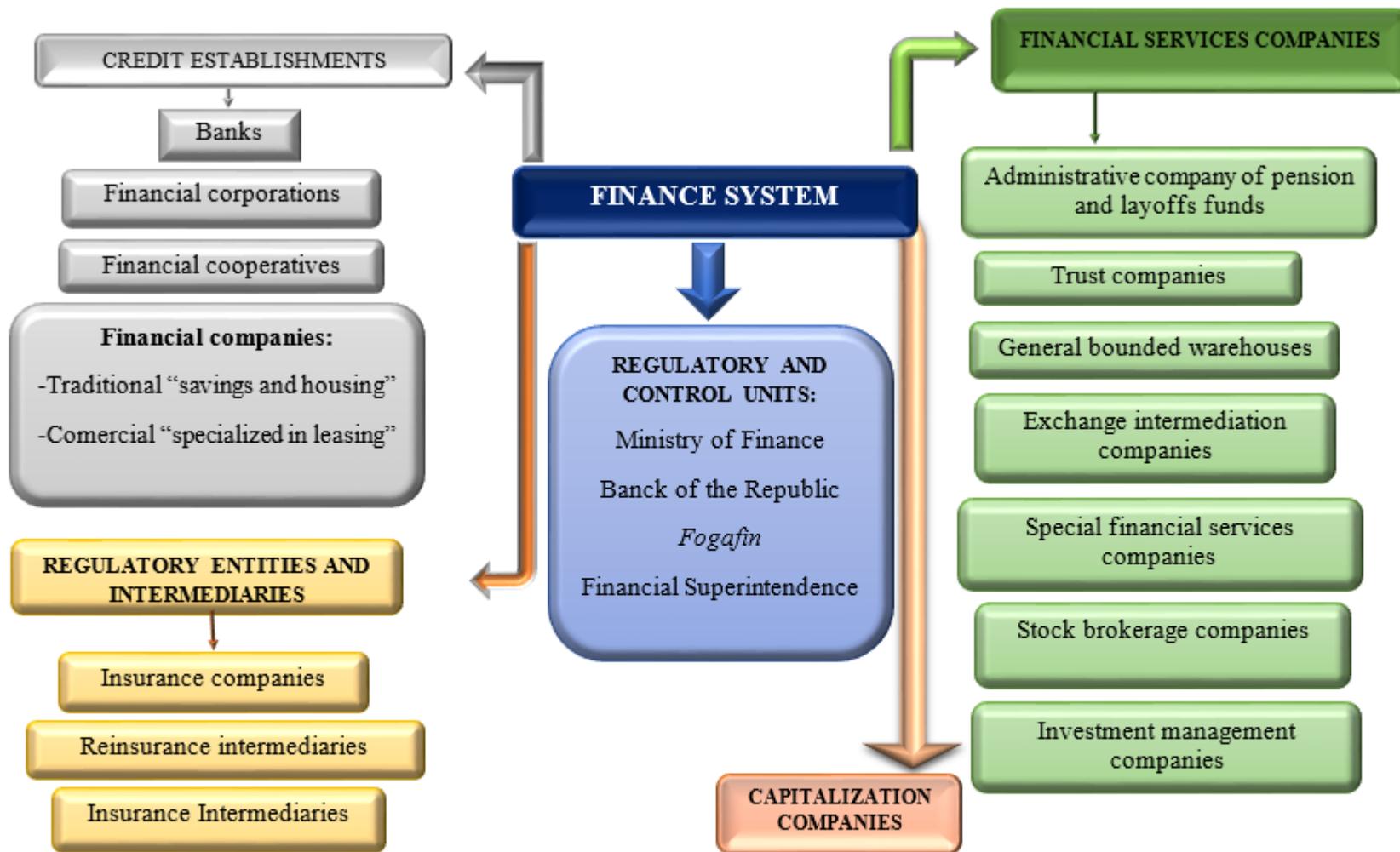
⁷ (<https://misfinanzasencasa.davivienda.com/>)

⁸ Itaú

Finagro	As a second-tier bank, with operations exclusively for the agricultural sector, it is in charge of the Financial Education program to offer training to farmers in the field through business training courses that are carried out through the Asociatividad Department. Frequently they organize training brigades in Financial Education for both producers and financial entities. As information channels, people are given access to the WEB ⁹ page, access to information through the call center, information brochures about products and a portfolio of services.,
Findeter	As a development bank committed to development, it develops the Financial Education Program aimed at beneficiary families of the National 100 Free Housing Program. The purpose of this initiative is to contribute to the construction of a social fabric and reduction of social gaps through the teaching of basic tools and knowledge about sound financial decisions, adequate and efficient use of public services and savings in the short, medium and long term. , based on priorities and desired goals through face-to-face practical workshops, developed by FINAMERICA microfinance, under the methodology “Diálogo de Gestiones” (Dialogue of Management), educational model developed by the World Organization International Action, especially designed for vulnerable population and without training academic.

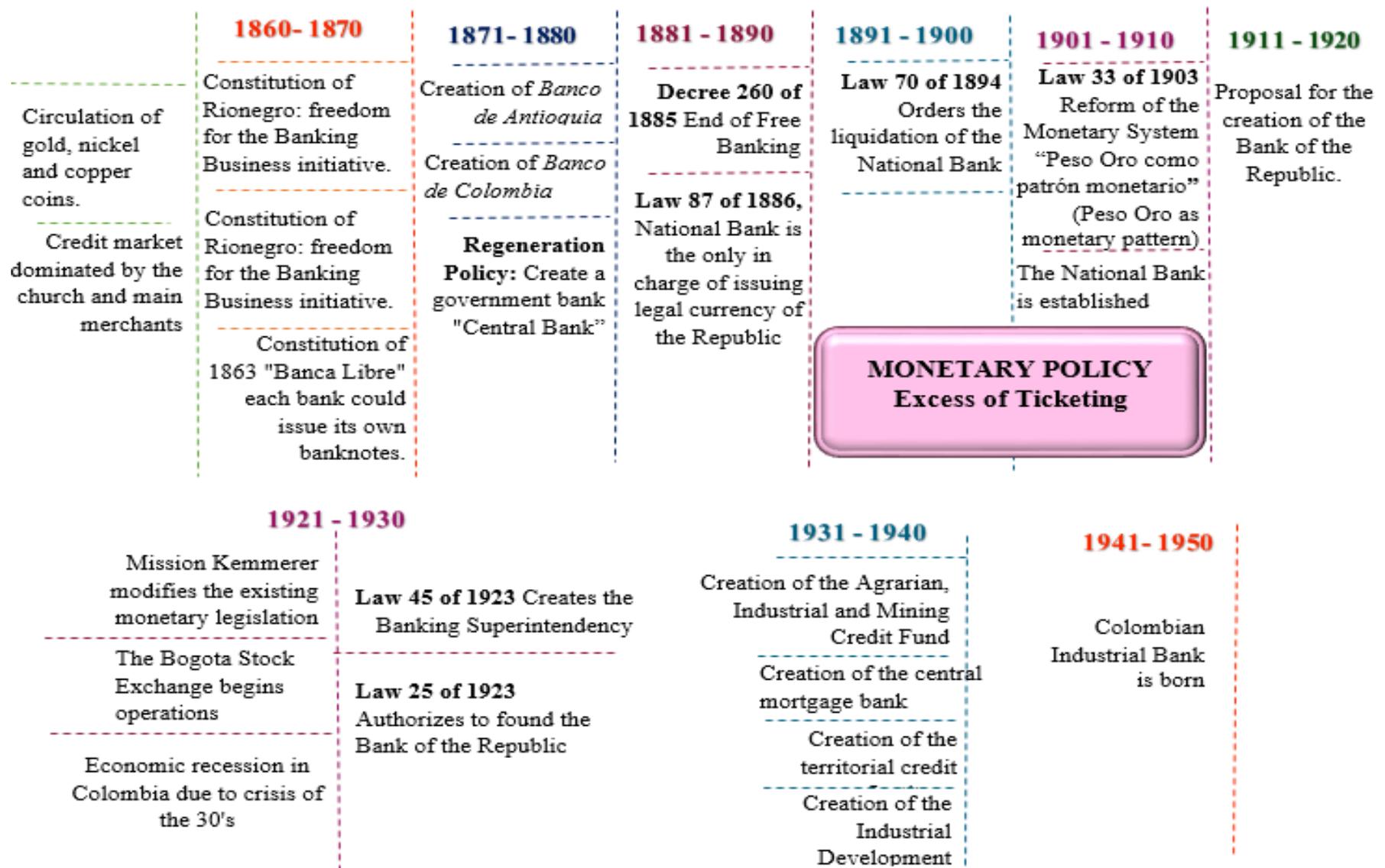
⁹ (<https://www.finagro.com.co/>)

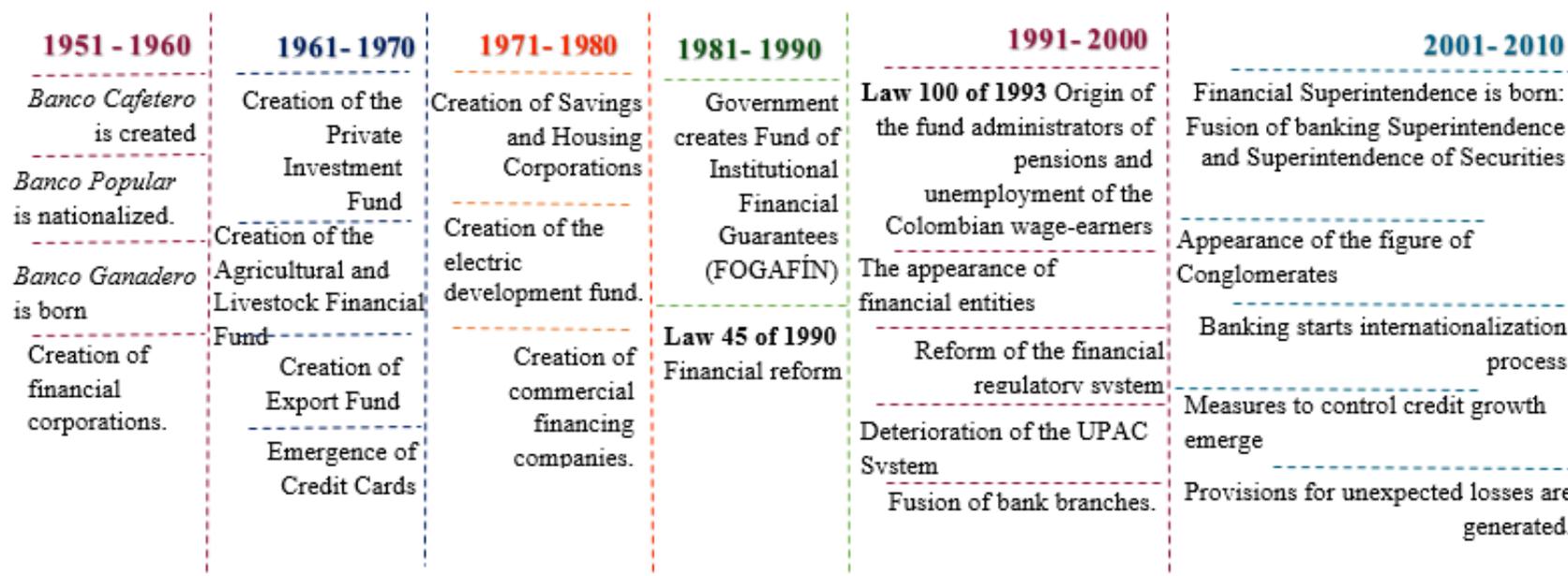
Fig5. Structure of the Colombian Financial System



Fuente: Own elaboration of the Structure of the Financial System, based on the references
 URIBE, J. *Revista del Banco de la República* N° 1023 (2013) "El sistema Financiero Colombiano: Estructura y evolución."
 FRANCO, F. *Revista SENA* (2018): "Estructura y evolución del Sistema Financiero Colombiano de la Banca Comercial a la Banca de Inversión"
 Senate of the Republic: Decree 663 of 1993 <Organic Statute of the Financial System>

Fig8. Timeline of the Colombian Financial System.





2011 - 2017

Creation of a Financial Regulation Unit (URF, for its acronym in Spanish for Unidad de Regulación Financiera)

Conglomerates Act of 2017

Rating of the Colombian Banks rises from stable to positive.

Source: Own elaboration of Timeline, based on the references
 FRANCO, F. Revista SENA (2018): “Estructura y evolución del Sistema Financiero Colombiano de la Banca Comercial a la Banca de Inversión”
 MEISEL, G. Credencial historia N°135, Banco de la República (2001): Orígenes de la banca comercial en Colombia: la banca libre, 1870-1886.
 Artículo de la Revista Dinero (2015) “¿Qué transformación ha vivido el sector financiero a lo largo de su historia”
 HERNANDEZ, G. Credencial historia N°135, Banco de la República (2001): La Banca Central en Colombia: Banco Nacional (1880), Banco Central (1905), Banco de la República (1923).
 CRISTANCHO, L., SARMIENTO, J. (2009): “Evolución del sistema financiero colombiano durante el periodo 1980-2007”