



# **The Road from Corporate Social Responsibility to Corporate Social Opportunity by Partnering with Government**

***Dan Iannicola, Jr.  
CEO***

***The Financial Literacy Group  
23 March 2017  
Bogota, Colombia***



# My Contract with You



- ❑ **1. Introduce a New Concept / Paradigm for Sustainability**
  - ❖ CSR is Yesterday - CSO / Shared Value is Tomorrow
- ❑ **2. Make Case for Financial Literacy**
  - ❖ Re-define what Financial Education is and is NOT
  - ❖ A Tremendous Opportunity for Financial Institutions and the General Public
- ❑ **3. Provide Steps for Starting and Maintaining a Productive Partnership with Government**
- ❑ **4. Provide International Examples**
- ❑ **5. Start a Conversation**
  - ❖ Comments, Questions & Answers

# What CSR Means to Some



- Another name for “charity”
- It is the penance companies do for making their profits
- It is an obligation
- It should be separate from a company’s business efforts

*If you start with the wrong diagnosis you will give the wrong treatment.*

# Corporate Social Opportunity



- **Overlaps with “Shared Value” concept (M. Porter)**
- **Best contributions companies make is regular payment of taxes, wages and other expenses.**
- **Profit is not the enemy, poverty is.**
- **Companies should look for profitable opportunities to help solve social problems.**

***“There is no mission where there is no margin.”***

***– Sister Irene Kraus***

# My Contract with You



- ✓ **1. Introduce a New Concept / Paradigm for Sustainability**
  - ❖ CSR is Yesterday - CSO / Shared Value is Tomorrow
- ❑ **2. Make Case for Financial Literacy**
  - ❖ Re-define what Financial Education is and is NOT
  - ❖ A Tremendous Opportunity for Financial Institutions and the General Public
- ❑ **3. Provide Steps for Starting and Maintaining a Productive Partnership with Government**
- ❑ **4. Provide International Examples**
- ❑ **5. Start a Conversation**
  - ❖ Comments, Questions & Answers

# A Financial Literacy Program...



- Has a primary purpose of objectively educating the target audience about managing money and the marketplace for financial products/services
- Is not simply instructions on how to use products
- Is an opportunity to build firm trust and goodwill
- Is not an opportunity to mix education and marketing by attempting to sell products/services

***“Pigs get fat...hogs get slaughtered.”***

Financial Institutions + Financial Literacy =



- **Greater financial inclusion - banks have the tools, products and services to bring creditworthy people into the formal economy**
- **Smarter social investing - banks have the underwriting skills to distinguish good investments from bad ones**
- **Effective financial education - banks have the staff to develop and deploy financial literacy training**

***“There is no substitute for experience”***

# My Contract with You



## ✓ 1. Introduce a New Concept / Paradigm for Sustainability

- ❖ CSR is Yesterday - CSO / Shared Value is Tomorrow

## ✓ 2. Make Case for Financial Literacy

- ❖ Re-define what Financial Education is and is NOT
- ❖ A Tremendous Opportunity for Financial Institutions and the General Public

## ❑ 3. Provide Steps for Starting and Maintaining a Productive Partnership with Government

## ❑ 4. Provide International Examples

## ❑ 5. Start a Conversation

- ❖ Comments, Questions & Answers



# Win Support from Key Internal Players



- **Risk Management:** people who learn to budget, save & spend wisely are better credit risks
- **Marketing:** offering quality financial education builds consumer trust & long term brand loyalty
- **Legal:** helps meet regulatory requirements
- **Government Relations:** financially literate consumers don't misuse products or acquire unsuitable ones, lessening complaints and demand for extra legislation

***“Where you stand depends upon where you sit.” - R.E. Miles***

# Partnering with Government



## **Government ministries look for:**

- Complementary resources, such as expertise, a distribution network or funds they may not have
- Quick, tangible and high profile successes that are consistent with their leadership's priority of the day, month or year

## **Government ministries seek to avoid:**

- Controversy... or the risk of it
- Favoritism, endorsements or collusion with the private sector... or the appearance of it
- Undue influence of the regulated on the regulator

# My Contract with You



## ✓ 1. Introduce a New Concept / Paradigm for Sustainability

- ❖ CSR is Yesterday - CSO / Shared Value is Tomorrow

## ✓ 2. Make Case for Financial Literacy

- ❖ Re-define what Financial Education is and is NOT
- ❖ A Tremendous Opportunity for Financial Institutions and the General Public

## ✓ 3. Provide Steps for Starting and Maintaining a Productive Partnership with Government

### ❑ 4. Provide International Examples

### ❑ 5. Start a Conversation

- ❖ Comments, Questions & Answers

# Australian Partnership Examples



- **National Strategy:** Industry associations as well as individual financial institutions offered projects, programs and tools to help meet the priorities of the government's financial literacy strategy.
- **Financial Literacy Board:** Ten-person board advises government on financial literacy and consists of financial service executives as well as NGO leaders and academics.

# US Partnership Examples



- **National Youth Competition:** Retail investing firm provided scholarships and other major prizes for government sponsored national, on-line youth financial literacy competition.
- **National Strategy:** Solicited and received input from banks as part of strategy development process. Strategy document gave tasks to private sector.
- **Government Identified Funding Opportunity for Bank:** Provided an award to an NGO and later matched its funding needs to a major bank which made a three quarter of a million USD contribution as the first of many contributions over the years that followed.

# US Partnership Examples

- **President's Advisory Council on Financial Literacy:** Heads of several financial institutions played key roles in this citizen committee advising president on financial education issues.



# Canadian Partnership Examples



- **Seminars for older Canadians and seminars for high school students:** The bankers association partnered with the consumer financial regulator to create materials and offer free, non-commercial seminars for these two groups.
- **Workplace financial education program:** the professional accountants association partnered with the consumer financial regulator to offer financial seminars at employers across Canada.
- **Training for staff at credit unions:** The consumer financial regulator worked with the credit union association to alert credit union staff on warning signs of financial abuse of older citizens.

# UK Partnership Examples



- **Financial Education for University Students:** A bank worked with the financial services regulator to provide a financial literacy program.
- **Financial Literacy Materials for schools:** Banks and insurers worked with the financial services regulator to develop financial education resources.
- **Workplace Seminars:** Several banks and insurers permitted their volunteers to be trained by the financial services regulator. The volunteers would then provide trainings at employer locations.



# My Contract with You



## ✓ 1. Introduce a New Concept / Paradigm for Sustainability

- ❖ CSR is Yesterday - CSO / Shared Value is Tomorrow

## ✓ 2. Make Case for Financial Literacy

- ❖ Re-define what Financial Education is and is NOT
- ❖ A Tremendous Opportunity for Financial Institutions and the General Public

## ✓ 3. Provide Steps for Starting and Maintaining a Productive Partnership with Government

## ✓ 4. Provide International Examples

## ❑ 5. Start a Conversation

- ❖ Comments, Questions & Answers

# Questions



*Knowledge is Power*

**01 (202) 747-9490**  
**dan.iannicola@FinancialLiteracyGroup.com**  
**FinancialLiteracyGroup.com**