

*Good afternoon to all the participants,*

*Let me start by thanking EFAMA and Better Finance for their kind invitation. I am very happy to be able to speak at today's event which contributes to the goal of the Global Money Week.*

*I think today's conference addresses a very important topic, which needs to become more prominent in our European debates: how to engage and better involve young citizens in the Capital Markets Union? Without a clear answer to this question, a truly integrated Capital Markets Union will not see the light of day.*

*Financial education can take many shapes and forms. It can be adding financial skills to the school curricula, learning how to manage pocket money or encourage our younger generations to look for funding when they have a project.*

*Financial education can remain quite abstract. This is why I prefer talking about financial coaching which I find more appropriate:*

- to engage people in this discussion , and*
- to outline what it really is: a never ending learning process - starting from the youngest age until our retirement.*

*Financial coaching can happen at different places and with the help of many different actors. It mobilises everyone at any possible time.*

- Financial coaching can happen at university, at the workplace, and at many other social occasions.*
- Financial coaching can involve teachers, employers, trade unions, NGOs, local associations, financial advisers.*

*This is why our objective must be clear: Citizens should be aware of the financial possibilities that are available to them, for example, to finance a project. But*

*they should also be coached to use what I like to call “the power of their savings” to the best of their ability.*

*Compared to the US, the EU is lagging behind. Our market is still highly fragmented, our financial sector is highly overbanked and the retail investors are not incentivised to invest.*

*As compared to other countries, where finance is introduced at early ages in the school system, financial education remains neglected in the European Union. So why don't we introduce finance classes in high schools or earlier in Europe?*

*One of the reasons for the lack of engagement by retail investors in financial markets can also be explained by the lack of trust and fear of the unknown. Consumers prefer saving rather than investing money.*

*Very interestingly, the rise in crypto has awoken the eagerness of younger generations to participate in financial markets. Why? Well, it is much more attractive for younger persons to go on an app than to talk about investment possibilities with their banker.*

*However, this can very quickly become dangerous because without any proper information and guidance this could lead young investors to take a lot of undue risks. Why? Because they don't have all the information in their hands to make an informed decision.*

*The FTX collapse was for example quite alarming in that sense. It became very clear that those new channels to do finance and which attract a new generation of investors need to be watched carefully.*

*How can we remedy the situation, shift the dynamics and incentivise the next generations to engage in financial markets?*

*The first question we should ask ourselves is: why do consumers prefer saving rather than investing? Understanding how to break this cycle will be the first step for regulators to move forward.*

*The drivers and incentives for saving are quite varied.*

*Saving for retirement for example is more of a one-off decision for citizens, and very dependent on national incentives - taxation in most part. It signals that citizens are mostly confident that public pensions will be appropriate. But it also most importantly outlines that they are not exploiting the potential of what investing this money could bring to them in the future.*

*The upcoming Retail Investment Strategy precisely aims to address this. Our discussion comes therefore very timely. Many have high hopes for this piece of legislation, including me. However, will it be up to the task ?*

*The inducement debate should not overshadow other fundamental topics that need to be addressed in the frame of this strategy. A particular emphasis should be put on facilitating access to financial markets, reducing red tape, better regulating investment advice and most importantly, emphasise the urgent need to promote financial literacy.*

*Enhancing our current system will serve the long-term interest of the end investors and enable them to have affordable and personalised financial advice as well as equal access to a broad range of financial products, with safeguards.*

*We are running out of time and it is up to us regulators to take this opportunity, with this strategy, to push for meaningful change. However, we need to keep in mind that whatever we decide today will not materialise in the short term but will have long lasting effects.*

*This is why I believe, now, is the right moment to act.*