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University Lifelong Learning to Live a Better Life – Continuing Education for Sustainable Quality of Life in Europe

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Strand: Active Citizenship and Humanity Engagement

Financial adulteracy: A Lifelong Learning (LLL) social engagement of the university to the development of better citizenship

Life is not free of charge, and although we live in times of rapid change, everyone continues to have to provide for their needs. It is in this context that the concept of savings has to be refocused. The lightness money is treated also accelerates the people's desires. Hence, many advance future incomes for the immediate satisfaction of needs and desires. As is known, the cycle is not infinitely reproducible. Investment and progress only will take place if there are savings. Preparing for the future requires a degree of sobriety in income management.

No matter how well informed are the citizens, how great are their qualifications, it is certain that there have been situations of increasing indebtedness of families and governments. The search for higher levels of wellbeing has led to behaviours that are inconsistent with a strictly economic rationality, to retake to the basis of a certain family budget contention, to secure the future not only at the expense of future incomes but also by deferral of consumptions.

It is thinking of a certain limited rationality of human behaviour in relation to money that we will deal here with the subject of financial "adulteracy". There is no lack of, financial management disciplines, regulatory bodies and control mechanisms. There is a concern to teach from early ages what is the meaning of the money and its importance for the acquisition of goods and services. Nonetheless, the numbers and the behaviour do not seem to correspond to these teachings: the choice of credit mechanisms for personal consumption is markedly increasing, even for those with high incomes.

Recognizing that, in the course of learning, human feelings overcome these rationalities, adulterating the good principles of budget management and savings that should support a future security, was created in 2012 (DL 227/2012) the Network of Indebted Consumer Support (RACE) under the supervision of the Directorate-General for Consumer Affairs (DGC). The Office for Consumer Indebtedness (GOEC), linked to the University of Lisbon's Higher Institute of Economics and Management (ISEG) and the University of Aveiro Extrajudicial Consumer Support Office (GEACE-UA) were created, respectively, in October 2006 and October 2013 and are members of this Network since its inception. It is their function to inform, advise and assist consumers, free of charge and confidentially, in the management of their family budget, and support in the renegotiation of their charges/credits. The GOEC and GEACE-UA are aware of the problems leading to an intervention in society forming and informing to the matters of financial literacy, and the need for more informed, responsible and active consumers/citizens.

Considering the good practices promoted internationally, in particular by the Organization for Economic Co-operation and Development (OECD), conveyed by RACE, and in particular by GOEC and GEACE-UA, it is intended to assess these practices application by Portuguese consumers, in particular with regard to their relationship with credit, based on the behaviour revealed by the official statistics, namely Banco de Portugal.