

PRESS RELEASE

OJK ANNOUNCES HIGHER FINANCIAL LITERACY AND INCLUSION INDICES

Jakarta, January 24, 2017 — The second National Survey on Financial Literacy and Inclusion (SNLIK) that the Financial Services Authority (OJK) conducted in 2016 showed that the financial literacy and inclusion indices stood at 29.66 percent and 67.82 percent respectively.

Those figures were higher compared with results from the previous survey in 2013 that recorded the financial literacy and inclusion indices at 21.84 percent and 59.74 percent respectively. Thus, now more people are well versed in finance following the rise of the financial literacy index to 29.66 percent from 21.84 percent previously. Also, today the public has more access to financial products and services, as indicated by the increase in the financial inclusion index to 67.82 percent from 59.74 percent earlier.

“The improvement came from all the hard work that the OJK and the financial services industry had done, as both have made continued efforts to raise the public’s financial literacy and inclusion,” said Kusumaningtuti S. Soetiono, OJK Commissioner for Consumer Education and Protection.

She explained that the OJK together with the financial services industry would always promote and implement financial literacy and inclusion programs in order to achieve the financial inclusion index target of 75 percent by 2019, which the government has stated in Presidential Regulation No. 82 of 2016 on the National Strategy of Financial Inclusion (SNKI).

The OJK conducted the SNLIK 2016 to measure whether the 2013 survey had been implemented effectively and to make another mapping that reflects the latest public financial literacy and inclusion rates.

The 2016 survey involved 9,680 respondents from 34 provinces that scattered over 64 cities/regencies across Indonesia. They were selected based on a number of factors, including gender, domicile, age, spending, occupation, and educational level.

Last year’s survey for the first time measured the public’s Sharia financial literacy and inclusion rates that reached 8.11 percent and 11.06 percent respectively. Moreover, results of the survey also showed financial literacy and inclusion indices for each province and each financial services sector—for both conventional and Sharia financial services sectors.

The OJK, in compliance with the mandate from Law No. 21 of 2011, should perform its functions to regulate and supervise the financial services industry as well as protect consumers, especially in their interaction with the industry. There are aspects of financial literacy and education and capacity building, in efforts to protect the public for preventive purposes. Thus, specific strategies are needed to implement these efforts effectively.

The OJK conducted the first National Survey on Financial Literacy (SNLK) in 2013 and the survey found that only 21 out of every 100 Indonesia residents were financial literate (as indicated by the financial literacy index that stood at 21.84 percent). Similarly, in terms of financial inclusion, only 59 of 100 Indonesia residents had access to financial products/services (as shown by the financial inclusion index of 59.74 percent).

Based on those results, the OJK together with the financial services industry drafted the National Strategy of Indonesia Financial Literacy (SNLKI), which comprises a variety of strategic and initiative programs that aim to raise the public's financial literacy and inclusion.

Both the OJK and the financial services industry have continuously held a range of financial education and inclusion programs. They have provided financial education through different types of activities, such as community education, training of trainers, outreach programs, general lecture, maritime education, public service advertising, education expo, mobile theaters, shadow puppets (*wayang*) plays and financial education cars (SiMOLEK). The targeted participants for all these programs include women/homemakers, MSMEs, farmers/fishermen, Indonesian migrant workers (TKI)/ Indonesian migrant worker candidates (CTKI), high school students/university students, employees and retirees.

Between 2013 and 2016, 289 financial education activities were carried out in 144 cities. Moreover, as part of its efforts to boost financial literacy among pupils and university students, the OJK has produced and launched a series of financial literacy books for different formal educational levels, from elementary, junior high, and senior high school to university.

On the other hand, the measures taken to raise financial inclusion include various programs that aim to provide wider financial access, such as *Laku Pandai* (branchless banking), *Jaring* (Reach, Synergy and Guideline) and Micro-Finance services (*Laku Mikro*), as well as development of microfinance products, such as Student Savings Accounts (SimPel), microinsurance, micromutual funds, let's save in shares and let's save in gold.

The OJK, as member of the National Council for Inclusive Finance, also has held many financial inclusion activities in the form of action synergy, in partnership with related ministries/agencies, such as development of the Action Synergy for People's Economy, the Action Synergy to Promote Financial Access for the Public, the National Savings Movement, and the non-cash, social aid distribution program.

For more information:

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