

INNOVATIVE STRATEGIES FOR PROMOTING INFORMATION LITERACY IN LIBRARIES: CHALLENGES AND OPPORTUNITIES IN FINANCIAL LITERACY

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Abstract: Acceleration of globalization and the growing complexity of the financial system have a huge impact on people's competencies and skills. The recent financial crises and economic problems, exacerbated by the pandemic, have reinforced the importance of information literacy and the need for financial education. Managing personal finances requires a diverse set of information and knowledge. From budgeting and saving to investing and debt management, understanding financial concepts and the ability to apply them helps people make informed decisions to ensure a prosperous future. The principles of information literacy are reflected in all aspects of financial literacy and are adapted to the needs and resources of society. In this context, libraries see their role in developing and implementing financial literacy programs. They are transforming themselves into community hubs for increasing the financial capabilities of citizens. Through accessible educational programs, reliable and unbiased information resources, and by strengthening partnerships with organizations and financial experts, libraries make a significant contribution to increasing citizens' understanding and application of financial skills in their communities.

The article highlights the experience of libraries in other countries regarding activities to promote financial literacy among citizens of various ages. It also analyzes the theoretical and practical perspectives in approaching innovative strategies for implementing financial education programs and services in libraries.

Keywords: information literacy, financial literacy, financial education, library services, libraries.

JEL Classification: D83; I22; I23

1 Introduction

Information has become a vital source for the world economy and a basic component of education and scientific and technical progress (Jesus, 2010).

Information literacy is also of major importance outside the library field. Depending on the needs and

resources of the community, librarians qualify as true "agents of change", actively involved in the development and implementation of information literacy educational programs. Within these activities, the librarian evolves in the role of expert-consultant, offering his services in other areas of human activity. The excess of information and the diversity of information sources is a challenge for all of society, from pupils, students or teachers, to employees or retired people. This imposes the need to develop information literacy skills and knowledge in order to be able to select, check and evaluate information from a wide variety of sources.

Information literacy is a relatively new notion and is present in documents developed by the International Federation of Library Associations and Institutions (IFLA). Attempts to define "Information Literacy" (IL) have been undertaken over the last decades, especially by librarians and library and information professionals. At a professional meeting in Bucharest in 2010, Hermina Anghelescu noted that "Information Literacy involves the formation of a set of theoretical knowledge and practical skills that allow the identification of an information need, followed by the localization, evaluation and use of the information found, in an approach to solve a problem, find an answer and communicate the information found and processed, through a new product with added value" (Jesus, 2010).

Most of the proposed definitions have many more similarities than differences. In essence, information literacy is the ability to find and use information and is the basis for lifelong learning. The most widely used explanation of "Information Literacy", as accepted by the American Library Association, is: "Information Literacy is a set of abilities requiring individuals to recognize when information is needed and have the ability to locate, evaluate, and use effectively the needed information". This notion is broad enough to encompass the entire spectrum of information skills and abilities, from traditional knowledge to high-tech search engines, and information literate people are individuals, who have learned to learn (Campbell, 2004). However, information alone does not make people informationally competent. The information is:

- a vital element for creativity and innovation;
- a basic resource for education and intellectual activity;
- a key resource for training educated citizens;
- an important resource in national socio-economic development.

Information literacy is a key factor in the process of education and training, which has expanded beyond librarianship and information literacy programs. While the concept of library education emphasizes the definition of the place of library resources, the modern concept of IL focuses on modern information strategies, the process of information retrieval and tools, as well as the skills of users in the field of information technology (Jesus, 2010).

IL is associated with other similar types of literacy or learning. Examples are information technology literacy, media literacy, Internet literacy and, more recently, the concept of financial literacy. The main definition of literacy is: "the condition of being literate" (The Chambers English Dictionary, 2003). On the other hand, the same source defines literacy as "... the ability to read and write, the study of arithmetic and mathematical operations ..." In educational science, literacy is the initial basic process of educating citizens. The merger of literacy and financial management involves acquiring the essential and necessary knowledge to make financially responsible decisions that are integrated into everyday life.

2 Financial Literacy (FL)

In the context of Information Literacy, Financial Literacy is a process of learning and understanding the concepts and skills needed to effectively manage personal financial resources, building savings, investing and of course, income planning and debt management. This educational concept can be sustainable in the digital age, if basic economic terms are explained, if the functioning of different market mechanisms is understood, if various applications are used to facilitate money transactions (Sabau, 2021).

For the first time the term financial literacy appeared at the beginning of the century. The term "literacy" was first coined in American education and economics publications in the early 20th century. This notion was presented as "having information about existing financial services and the ability to use it in decision-making".

The Organization for Economic Co-operation and Development (OECD) is an intergovernmental forum (38 member countries) and is dedicated to "identifying, disseminating and evaluating the necessary and optimal public policies to ensure economic growth, prosperity and sustainability for both member and non-member countries" (OECD, 2021). The OECD's Directorate for Education and Skills provides assistance in the design and management of education systems and expertise in implementing reforms so that citizens can develop the knowledge, skills, attitudes and values they need throughout their lives (OECD, 2024). In the field of financial education worldwide, two concepts are at work: financial education and financial literacy. OECD experts have defined financial literacy as, "the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being" (Kiszl, 2022).

OECD governments have recognized the importance of financial literacy since 2002 by designing and launching a unique project. This project was scaled up in 2008 with the creation of the International Network for Financial Literacy to collect data and evidence, develop methodologies on impact measurement, share experiences and best practices, develop research and benchmarking, design policy tools, promote effective implementation and monitoring. The results of this project have confirmed the hypothesis that financial literacy is becoming an important educational tool for society and is gaining widespread recognition and is included on the policy agenda of many countries.

3 National financial education strategies

On October 29, 2020 the OECD also adopted a set of Recommendations on Financial Literacy, which are, in fact, a unique and comprehensive tool to assist governments/public authorities in their efforts to design, implement and evaluate financial literacy policies (OECD/INFE, 2021). These recommendations cover three important areas, namely:

- Developing strategies for financial education with specific national approaches;
- Adapting to long and short-term country policy objectives;
- Determination of the target groups and stakeholders eligible for training.

The recommendations define financial literacy as: a combination of financial awareness, knowledge, skills, attitudes and behaviors needed to make sound decisions and ultimately achieve individual financial well-being. These recommendations cover: financial literacy from as young an age as

possible; providing objective and neutral information; analyzing data on people's needs in this area; building partnerships to reach as many people as possible with the message; segmenting the audience according to needs and abilities; and systematically evaluating and monitoring progress.

Increasing the financial literacy of the population is feasible through the development and implementation of National Financial Education Strategies. Such strategies first appeared on the public agenda of developed countries in the early 2000s. According to OECD surveys, in 2011- 26 countries had a national financial literacy strategy, in 2015 an expansion of such practices was observed. In that period 59 countries have developed policy to coordinate and promote collective activities to improve financial capability among the population (OECD, 2022). The overall aim of national financial education strategies is to improve people's ability to better manage their personal finances and to avoid or at least reduce financial stress and the severity of financial crises at individual and family level. The first financial education strategy in Europe was developed by UK financial expert Shaun Mundy in 2006, followed by France (2008), Czech Republic (2010), Latvia (2014), Croatia (2015), Italy (2016), and recently Romania has approved the National Strategy for Financial Education 2024-2030 (SNEF, 2024).

At national level there is still no strategy in this area. The initiative to develop a concept of a National Strategy for Financial Education in the Republic of Moldova was announced in 2014 by the National Bank of Moldova (BNM) at a conference, which brought together representatives of public authorities, civil society, experts from the educational and financial education in the country, as well as external partners. However, the action taken by the BNM on the preparation of a preliminary draft took time. Subsequently, on March 21, 2023, the BNM Governor Octavian Armasu stated during the National Forum on Financial Education that the National Strategy on Financial Education will be developed in the Republic of Moldova, and Shaun Mundy, the British financial expert will consult the Republic of Moldova in this process. The event was an eloquent part of the International Financial Education Week and the project initiated by the National Bank of Moldova (BNM, 2023), which is currently being developed by the National Bank of Moldova with the support of the USAID Moldova Institutional and Structural Reforms in Moldova (MISRA) Program. The experts emphasized that financial education is a process with broad social-economic implications, noting the importance of empowering as many institutions as possible. In identifying target groups for financial education, priority was given to children and youth in order to have a long-term impact at different levels of society

4 Financial literacy in libraries. International experience

In the context of increasingly rapid social and economic changes, libraries are increasing their role in developing and implementing educational programs designed to help people understand new financial realities. The library as a social institution enjoys authority and trust in society and is recognized for its many benefits. In addition to its traditional role of providing information, the library is increasingly taking on pedagogical, informational and communication roles.

The issue of people's financial skills and knowledge is relevant for all countries of the world. Library specialists in the United States were among the first to develop and implement this area of work. The first steps of librarians to meet the information needs of the population in the field of finance, money circulation and credit were made at the beginning of the twentieth century. During the Great Depression (1929-1939), US public libraries, while continuing to form collections and provide

bibliographic services on business issues, developed programs to teach the public how to manage personal financial resources. In the late 1960s, the theoretical concept of considering the public library as an organization providing access to information on social services spread in American librarianship. The practical implementation was the creation in the 1970s of information centers based in public libraries. An eloquent example is the Free Library in Baltimore, which continues to operate to this day, and one of its main activities is providing information about financial market services, their structure, technologies of use, etc. (Faulkner, 2016).

In 2003, the US Congress created a Commission on Financial Literacy, the result of whose work was the National Strategy for Financial Literacy (2011), which laid the groundwork for considering libraries as elements of the national infrastructure of further education, forcing significant adjustments in their work. An outstanding experience in financial education is the work of the American Library Association. Specialists in the association have developed „Financial Literacy Education in Libraries: Guidelines and Best Practices for Service” (Yr. 2014, revised in Yr. 2022.) The work provides several practical recommendations in developing financial literacy and instructional programs for the communities served. As examples:

- Establish partnerships with reliable and impartial organizations and specialists;
- Training librarians;
- Developing financial literacy programs for different categories of users;
- Using available knowledge and technologies, providing unbiased sources of financial information, etc.;
- Verification of recommended information and resources, use of authorized information (ALA, 2022).

The Guidelines also recommend that financial literacy be integrated into information literacy education programs based on community needs and resources, and that the library can address this topic on its own or in partnership with non-governmental organizations/experts to provide training and information on financial literacy topics. Looking at the experience of European Union countries a global survey conducted in 2015-2016 showed that financial literacy rates varied widely across the European Union. On average, 52% of respondents were financially literate. Among the best-performing countries are the Netherlands, Denmark, Finland and Estonia, while in central and southern Europe the level is much lower. For example, in Poland and Slovenia, the literacy rate was around 40%, while in Bulgaria only 35% of respondents were financially literate and in Romania only 22% (Berman, 2022).

The survey data was the impetus for initiating the Financial Literacy Through Public Libraries (FINLIT) project with the aim to provide librarians with skills and competences to develop the financial literacy of older users. The mentioned project is part of a long-term strategy to increase the level of financial literacy among the adult population in Bulgaria, Poland, Romania and Slovenia and was implemented in the period 2018-2021 by the Foundation for Information Society Development in partnership with Global Libraries Foundation Bulgaria, National and University Library of Slovenia, County Library Hunedoara - Deva in Romania and co-funded by Erasmus+ program. The outcome of this project is reflected in the financial literacy model for librarians, who in turn will be able to provide non- formal financial literacy courses for adults in the community. Using the platform <https://finlit.eu> librarians can individually train themselves as financial literacy trainers, and library users, can enrich their financial literacy to correctly and informedly use the products offered on the

financial services market, especially online (Morawska, 2022).

The example of the countries involved in the FINLIT project has demonstrated that libraries are those social institutions that support progress and are able to offer a wide range of educational services and activities for the community.

For libraries in the Republic of Moldova involvement in financial education is a challenge. The experience of the Technical-Scientific Republican Library (BRTȘ) is a timely example for expanding educational offers and modernizing services in all types of libraries. If we refer to financial literacy activities in the BRTȘ, we mention joint projects with partners, events and promotional campaigns that gave the opportunity to interact with a large number of people of different ages. At the initiative of researchers from the Financial and Monetary Policy Section of the National Institute of Economic Research, librarians took up the challenge to deliver financial literacy services. Initially there were actions to promote financial literacy concepts. Through traditional collections and digital resources, recommendations, educational programs and outreach activities, we were able to amplify an increased interest in the subject. This has helped initiate new partnerships with financial experts.

In 2021 BRTȘ signed a partnership agreement with the Foundation for Financial Education "OK". Together, we determined the target group of trainees, training methods, necessary materials and format of activities. We managed to considerably revise and improve the financial information resources offered to users. The experience gained in this collaboration has demonstrated the importance of organizing joint events and activities within the library. An eloquent example is the campaign "Financial Education at BRTȘ". This initiative represents an ongoing commitment to promoting and strengthening financial awareness in the community. The main objective being to improve the level of financial understanding and competence among pupils and students, to form a responsible and proactive attitude towards personal financial management and to promote healthy and efficient financial behaviors.

To disseminate financial literacy, various events were organized, tailored to the specifics of the field and the timing of the Global Money Week global actions. The most popular were training activities for students and young people, such as: "Financial education for young people" training; "Protect your money, secure your future" training.

5 Financial education through reading

All forms of training were accompanied by reading recommendations, book presentations and online exhibitions. Interactive activities were also very popular. For example, participants in the interactive game "Banking" had the opportunity to interact with a prototype ATM, discovering its functionalities in a practical and engaging way. When game elements are integrated into events, they become more attractive, especially for pupils and students.

Utilizing a variety of methods and techniques, including trainings, traditional and virtual exhibits, interactive games, and educational partnerships, the library was able to provide training to over 500 people during 2023. The focus on customizing activities to the needs and interests of the target audience, particularly students and youth, helped to increase awareness and understanding of key financial issues such as saving, investing, and budget management.

Collaboration with partner organizations has expanded the reach and facilitated the sharing of resources and best practices at the national level, thereby strengthening the library's role in promoting financial education in the community.

6 Conclusion

Today, financial literacy is seen as a lifelong educational process and is a strategic objective for all developed countries. The continuous modernization of financial services and products, imposes the need to acquire varying skills at different periods of life. Numerous initiatives, especially by non-profit organizations, aim to improve consumers' financial literacy through educational programs and outreach activities, and at the state level the importance of developing a national strategy for financial education is becoming evident.

In collaboration with other financial organizations and partners, libraries can play an even more active role in promoting responsible financial behavior and improving the financial well-being of the communities they serve. Through the effective and innovative use of information resources, librarians can offer a variety of educational programs, helping to build community financial capability and increase awareness of key financial concepts and the ability to use them in practice.

There is a clear need for continuous improvement through courses, seminars and other forms of training, both to improve librarians' knowledge of finance and to keep abreast of new developments and resources in this field. Coordinated efforts are needed to train financial literacy trainers among librarians. Equally necessary and timely would be the introduction of this topic in the educational programs of library instruction centers. Investment in staff development is extremely necessary to maintain and strengthen the positive impact of financial education activities in the community in the long term.

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