

**FINANCIAL EDUCATION
PROGRAMMES IN SCHOOLS:**

**REPORT ON SELECTED CURRENT
PROGRAMMES AND LITERATURE;
AND DRAFT RECOMMENDATIONS
FOR BEST PRACTICES**

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Financial Education in Schools report:

- Forms part of the OECD's Financial Education project
- Reviews financial education programmes – mostly in schools, but some in universities and colleges – in Australia, Canada, France, Ireland, Malaysia, Netherlands, New Zealand, Singapore, UK, US
- Analyses research on effectiveness of financial education programmes in schools
- Makes 18 recommendations

Overall picture

- Rapid growth in number and range of financial education programmes
- But patchy, both within and between countries
- Most programmes for students are for schoolchildren (especially those aged 16 or under). Far fewer programmes aimed at students in universities or colleges
- Many good examples which others can draw on

Research

- Mixed results. Some research has suggested that particular programmes have positive impact on knowledge or on savings in later life; but other research has shown no impact. Even small improvements could be significant when aggregated across population
- Some research has focused on knowledge, while other research has encompassed attitudes and behaviours
- More research is needed to determine what works best for different audiences; and on the medium/long term impact on behaviours

Why financial education in schools?

- Personal finance education (pfe) can be provided to all those in an age cohort
- Schoolchildren increasingly taking financial decisions (eg mobile phone tariffs; considering financial implications of university)
- Pfe can provide building blocks for sound financial decisions throughout their lives
- Research in some countries suggests that young people less financially capable than their elders

Challenges

- Governments and policy makers may fail to understand importance of pfe
- Pressures on curriculum
- Teachers may lack confidence/competence to teach pfe well
- If taught badly, students find it dull and uninspiring
- Lack of research on how to teach pfe most effectively

The challenges can be overcome

- PFE can be integrated into other subjects
- Teachers can be helped - training and access to good materials - to be confident/competent
- Wealth of attractive materials, lesson plans
- Many students, teachers and parents attach priority to learning to manage money
- Some research results, and feedback from students and teachers, point to ways to deliver PFE effectively

Draft recommendations

18 draft recommendations including the following:

pfe for students should form part of an overall strategy to improve financial capability

- Australia, Ireland, Malaysia, Netherlands, New Zealand, Singapore, UK and US among countries with national financial education strategies or which are developing national strategies

clear leadership and coordination needed at national level and at other key levels, including in individual educational establishments

- *examples, at national level, include NZ Retirement Commission, Bank Negara Malaysia, Australian Financial Literacy Foundation, UK's Financial Services Authority*

Draft recommendations

where possible, pfe should be included in the school curriculum as a compulsory element - either as a stand-alone subject or incorporated within other subjects

- *examples of pfe being included in a wide range of subjects, eg mathematics, economics, citizenship, business and enterprise, social sciences, languages, science, geography, history*

pfe should be provided from as early an age as possible and should continue as children progress through school

students should receive a planned, coherent and comprehensive programme of pfe

Draft recommendations

profe should be provided in ways which students will find relevant and engaging

- *the British Columbian Securities Commission's financial life skills course blends fictional characters with real-life financial activities and decisions*
- *Malaysia - interactive skit Saving – the Sensible Habit (about a bear named TRIFF and his friends), performed by a local theatre group, as well as a quiz*
- *NZ - Sorted Kids and Money website, with on-line games for children and supporting information for parents and for teachers*
- *Visa and the US National Football League have developed a financial football game... to earn yardage and score touchdowns*
- *Common characteristics are: relevant to the student, interactive and experiential, tailored to ability of the students, well taught*

Draft recommendations

there should be a clear focus on developing financially capable behaviours and responsible attitudes, as well as on developing knowledge and skills

- *can be challenging for teachers*

teachers should either deliver pfe programmes themselves or, if delivered by others, should be clearly engaged

- *experts (eg financial services staff) can bring technical knowledge and first-hand experience, but may lack expertise in delivering information and messages in the classroom*
- *UK – pfeg website to match volunteers with schools*

Draft recommendations

teachers should be trained in pfe, both as part of initial teacher training and as part of existing teachers' continuing professional development

- *Australia - National Consumer and Financial Literacy Professional Learning Strategy*
- *Bank Negara Malaysia, in collaboration with the Ministry of Education and financial institutions, arranges workshops to train teachers in charge of Student Financial Clubs (SFCs)*
- *Singapore - Ministry of Education provides teachers with lesson plans and CD-Rom "Promoting Financial Literacy in Schools"*
- *UK - teachers have opportunity to work with pfeg's trained consultants*
- *US – teacher training is a critical component of the NEFE High School Financial Planning Program*

Draft recommendations

teachers need ready access to materials and tools which can help them provide effective pfe

- *Jump\$tart's Clearinghouse of financial educational tools lists around 700 resources, including printed materials, on-line resources, CDs, DVDs and games*
- *pfe website lists around 150 resources, the majority of which have been awarded the pfe quality mark*
- *Australian Financial Literacy Foundation's website lists a range of educational materials, each of which have been assessed, through the Foundation's Essential Elements Financial Literacy Assessment (EEFLA), as being of good quality*
- *Citi's Financial Education Curriculum contains a large number of activities, from kindergarten level upward*

Draft recommendations

universities and colleges should be encouraged both to offer pfe courses and to provide financial education support for students taking other courses

- *Bank Negara Malaysia participates in seminars and workshops in universities and colleges. In the future, financial education with an emphasis on personal finance will be provided as a mandatory subject to undergraduates from 20 to 24 years old*
- *Singapore – all publicly-funded institutions of higher learning have general/cross-disciplinary financial literacy modules, or modules that incorporate financial literacy content*
- *US – NEFE website, CashCourse, for colleges, universities and alumni associations to offer students and recent graduates*
- *UK – FSA's Money Doctors toolkit for money advisers in universities and (with adaptations) further education colleges*

Draft recommendations

pfe initiatives should be rigorously evaluated to build understanding of most effective ways to deliver pfe in different contexts. Need to focus on impact on attitudes and behaviours, as well as on improvements in knowledge, understanding and skills

international cooperation should be promoted, including use of OECD as international forum to exchange information and research on national experiences and to identify and exchange international best practices and guidelines