



# Financial education at school

## An Italian perspective

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# Financial Education

- Information



- 



Skills

- Behaviors



# Behavioral economics



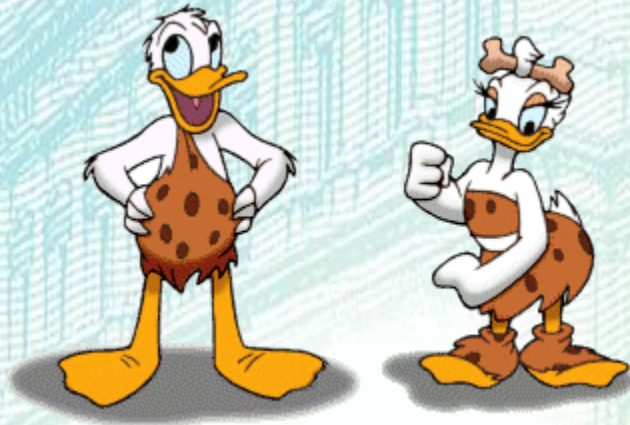
- The average consumer does not act as a rational agent



- Familiarity with financial issues can play a positive role in sound decision making

# Behavioral economics

Awareness

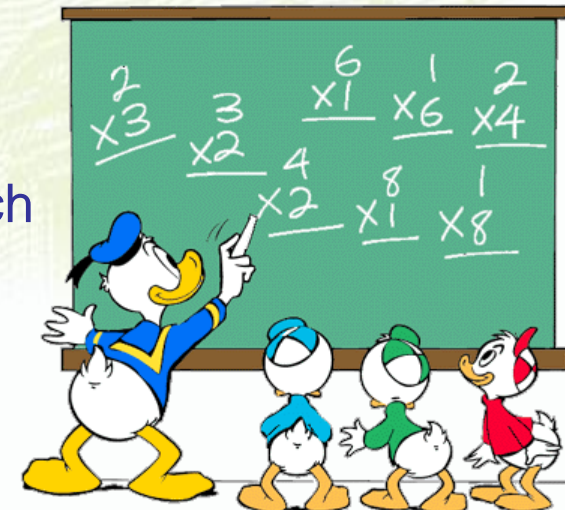


Familiarity



# Why at School

- Financial literacy is a critical life skill for individuals
- Financial education is a fundamental right
- It is one of the OECD and European Commission recommendations
- Children have pocket money to spend and have influence on household spending
- Children are often the target of marketing and advertising campaigns
- Children are not aware of the importance of providing for their future needs
- There is a spill over effect on families
- Children are extremely receptive
- Schools can be an optimal channel through which to deliver financial education



# Why at School

## Cognitive Psychology



Familiarity as soon as possible



# Young people and money

## An Italian survey



- Children rarely hear they parents talk about money and are not involved in making decisions about money;
- are not used to make any financial planning;
- are not prone to save and spend their pocket money without thinking enough about it;
- 48% of respondents declared they often remain penniless before the end of the month;
- young people have consumeristic behaviors; 42% of respondents declared that if they had more money they would use it all for shopping;
- 32% often do not know how to better use their money;
- 43% have no familiarity at all with saving and investing.

WE NEED TO TEACH CHILDREN  
THE WISE USE OF MONEY



BANCA D'ITALIA  
EUROSISTEMA

# MIUR+Bank of Italy

- A new project devised at the highest institutional level to face the problem of the lack of basic financial knowledge
- It goes beyond providing students with basic FE notions
- It is an experimental project to incorporate financial education into school curricula.



# Key responses to the challenges of financial education at school

- Financial education delivered by teachers in the context of various curricular subjects
- Our school system is flexible enough to accommodate FE
- Teachers are provided with the appropriate tools to identify subjects and issues having a bearing on financial education
- FE starts at primary school
- Financial issues are treated in close relations with students' school curriculum as well as with their every-day life
- Parents are involved in the financial education process both as participants in their children's financial choices and as indirect beneficiaries

# General features of the project

- Two editions: 2008-09 and 2009-10
- All school levels are involved ( 4<sup>th</sup>, 7<sup>th</sup> and 12<sup>th</sup> grade)
- Bank of Italy experts provide a “kit” and teach teachers
- Teachers in turn provide students with a series of lessons linking financial issues to their subject matter (10-12 hours)
- Before and after the series of lessons students are tested to measure any improvement in their financial literacy

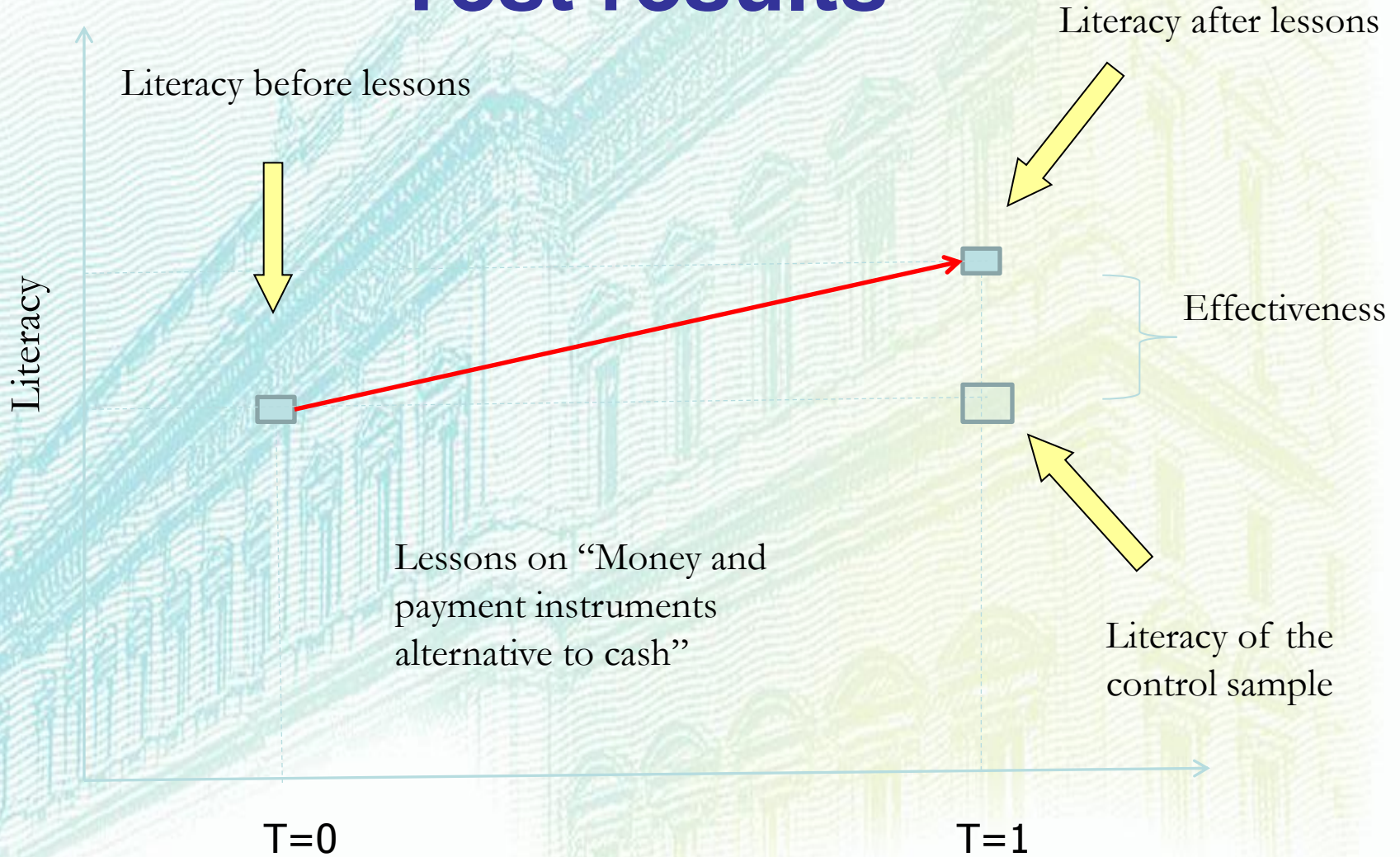
# The 2009-10 edition

- Focused on “money and payment instruments”
- 250 schools, 435 classes and 8,500 students involved in all Italian regions.
- The implementation of the project (teacher training, pre-teaching testing session and lessons in class) went as expected.
- The test results confirm last year evidence.

## Percentages of correct answers

| Year 2010          | 1st Test | 2nd Test | Variation |
|--------------------|----------|----------|-----------|
| Primary school     | 71,6%    | 85,7%    | 19,7%     |
| Junior high school | 69,4%    | 77,7%    | 12,0%     |
| High school        | 57,0%    | 67,4%    | 18,3%     |

# Test results



# Children's response



# Children's response

Heigh, kid, are you happy about what you have learned?



Well ..... the more I learn the more I want to know!!!

# Thank you for your attention

