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FINANCIAL LITERACY & EDUCATION
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OECD/INFE set of criteria, principles, guidelines and policy guidance to improve financial education

PART 2: ADDRESSING YOUTHS' AND WOMEN'S NEEDS FOR FINANCIAL EDUCATION

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Background

One of the main tasks of the OECD under the aegis of the Russian/WB/OECD Russian Trust Fund on Financial Literacy and Education has been to identify and establish a set of criteria, principles, guidelines and good practices to improve financial education efficiency. Such criteria and principles should increase the visibility and relevance of financial education at a global level and ensure its applicability in both developed and emerging economies.

The OECD is particularly well positioned to achieve these objectives. It can first build on its accumulated knowledge and expertise in the development of policy instruments on financial education. The OECD established in 2002 a comprehensive project on financial education and had finalised by 2009 a set of four Recommendations on principles and good practices endorsed by the OECD Council. In addition, the creation of the OECD International Network on Financial Education (INFE) in 2008 and its broadening membership (to 107 countries) were instrumental in the identification and promotion of efficient practices in the area of financial education at a global level. The OECD, its INFE and its members were also directly involved in the preparation, review and finalisation of consistent policy instruments under the aegis of the Trust Fund.

This publication divided into **three areas of work** combines the results of this in-depth and comprehensive process through a set of strategic principles, guidelines, good practices and criteria to be used to develop, implement, measure and evaluate financial education policies and initiatives at a national level and for targeted audiences and in particular youth and women.

The **OECD/INFE High-Level Principles on National Strategies for Financial Education provide the overall framework for financial education (part 1)**. They were developed through an INFE expert subgroup and a broad survey across the OECD/INFE membership. They offer global guidance to develop appropriate and coordinated financial education policies at a national level. These High-Level Principles have achieved high visibility, with endorsement from G20 Leaders in June 2012 and support from APEC Finance Ministers in August 2012. Work is ongoing within the OECD and its INFE to develop more practical tools to help with the implementation of such national strategies. In 2013, a G20/Russia/OECD publication on national strategies for financial education, summarising the present status of national strategies in G20 economies, will be submitted to G20 leaders for approval in September 2013.

An integral component of national strategies for financial education is the identification and outreaching of target audiences with special needs for financial education. The OECD/INFE identified back in 2009/10 youth and women as groups whose needs should be particularly taken into account. These priorities were confirmed last year by G20 Leaders. Subsequent work has been carried out by the OECD/INFE over the last years on respectively **youths' and women's needs for financial education**. Related guidelines and policy guidance are contained in **part 2** of this publication.

In particular, strategic approaches to improve youths' financial competencies and the successful integration of financial education in schools are addressed through the INFE Guidelines for Financial Education in Schools. These guidelines were elaborated through a dedicated INFE expert subgroup and a large-scale survey. They were endorsed by relevant OECD committees and supported by APEC Ministers of Finance in August 2012. These Guidelines and their accompanying guidance on learning frameworks for financial education formed the basis of the OECD PISA financial literacy framework used to develop the corresponding assessment exercises in 2012 and 2015.

The OECD and its INFE has also developed more operational tools and criteria on two essential components of the implementation of financial education initiatives and strategies. These comprise **INFE High-Level Principles for the Evaluation of Financial Education Programmes and INFE Good Practices on Measuring Financial Literacy**: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy (contained in **part 3** of this publication). The evaluation tool focuses on assessing the effectiveness of financial education programmes, whilst the measurement tool is designed to capture levels of financial literacy within the population and by various subgroups (such as gender or age). Repeat use of the measurement tool will provide an insight into how levels of financial literacy change over time.

NFE Guidelines for Financial Education in Schools

At the initiative of the APEC Russian Presidency, the Guidelines on financial education in schools were transmitted to APEC Ministers of Finance for their meeting on 30 August 2012. They were subsequently **welcomed** by APEC Ministers of Finance and their **implementation encouraged in APEC economies**.

These Guidelines and accompanying Guidance on Learning Frameworks on Financial Education (in Annex to the Guidelines) built on preliminary research conducted by the OECD Committee on Financial Markets in 2008 and an international survey carried out through the OECD/INFE in 2009/2011 as well as analytical reports to be published by the OECD in 2012.

The Guidelines and accompanying Guidance were developed and finalised through a comprehensive consultative process between 2010 and 2012. This process involved a wide range of stakeholders: They were originally developed by the OECD/INFE though a dedicated group of experts, submitted to a public consultation on the OECD website and reviewed and approved by the OECD Legal Department and OECD bodies in charge of financial education (the Committee on Financial Markets and the Insurance and Private Pensions Committee) in March/April 2012.

The process for the development of these Guidelines has also provided valuable inputs for the current work on the financial literacy international option of the OECD Programme for International Student Assessment (PISA) 2012 exercise. In particular the development of the framework for the assessment has largely been drawn from the Guidelines, accompanying Guidance and background material.

Rationale

In the aftermath of the global financial crisis, financial literacy has gained international recognition as a critical life skill for individuals. In this respect, more and more countries are developing tailored financial education strategies and programmes.

The OECD has been at the forefront of these efforts establishing a comprehensive project on financial education back in 2002 and adopting a series of policy instruments including a Recommendation on Principles and Good Practices for Financial

Education and Awareness in 2005. In June 2012, the OECD/International Network on Financial Education (OECD/INFE) High-Level Principles on National Strategies for Financial Education were endorsed by G20 Leaders at their Los Cabos Summit.

Both the 2005 OECD Recommendation on Principles and Good Practices for Financial Education and Awareness and the OECD/INFE High-Level Principles on National Strategies for Financial Education "recommend the introduction of financial education as early as possible in individuals' lives and preferably through its inclusion in the school curriculum".

Most of national financial education strategies developed by countries involve the introduction of financial education into the school curriculum and the design and implementation of dedicated learning frameworks. The rationale for these new policy endeavours is multi-fold. First, while financial education concerns all ages, the education of the younger generation on financial issues has become all the more important since they will likely bear more financial risks and be faced with increasingly complex and sophisticated financial products than their parents. Second, the young have access to, and are being offered, financial services at ever earlier ages (through pocket money, cell phones, bank accounts, or even credit cards). Yet, most recent surveys show worryingly low levels of youth financial literacy and capability and, in many cases, significantly lower levels than older generations.

Against this backdrop, including financial education in the formal school curriculum is recognised as one of the most efficient and fair ways to reach a whole generation on a broad scale. In addition, since the curriculum spans several years and can start as early as kindergarten, it is a unique means to inculcate and nurture a sound financial culture and behaviours amongst future adults. This is especially important since parents are unequally equipped to transmit to their children sound financial habits. Besides, as demonstrated in other related education fields (such as health), young people are potentially good disseminators of new habits in the rest of the population.

Yet the successful integration of financial education in school curricula proves to be challenging in many respects owing to a vast range of constraints. These include: lack of resources and time; overloaded curricula; insufficient expertise and know how; lack of high quality materials; the variety of stakeholders involved; and the lack of strong and sustainable political willingness, commitment and overall accountability.

The OECD/INFE Guidelines and accompanying Guidance are aimed at addressing these challenges and stand as a tailored supplement to the OECD/INFE High-Level Principles on National Strategies for Financial Education and the OECD 2005 Recommendation. They provide high-level, non-binding international guidance and frameworks to assist policymakers and interested stakeholders in designing, introducing and implementing efficient financial education programmes in schools.

The Guidelines can be adapted as necessary to national, regional or local circumstances and in particular, to different curricula and the diversity of education systems. Depending on the structure of education systems at the different geographical levels, the Guidelines apply to school programmes starting in kindergarten until the end of formal schooling.

The term "financial education in schools" is used in these Guidelines to refer to the teaching of financial knowledge, understanding, skills, behaviours, attitudes and values which will enable students to make savvy and effective financial decisions in their daily life and when they become adults. Financial literacy (or capability) is used to refer to the intended outcomes of the educational programmes.

The guidelines and guidance recommend in particular that economies promote financial education in schools by:

1. integrating financial education into the school curriculum as part of a co-ordinated national strategy for financial education and on the basis of identified needs;
2. setting appropriate, tailored and quantifiable goals of financial education in the school curriculum, including through dedicated learning frameworks;
3. starting to teach financial education as early as possible and preferably at the beginning of formal schooling;
4. implementing financial education in schools in a flexible manner adapted to national, regional and local circumstances either through a standalone or a cross curricular approach;
5. identifying appropriate, commensurate and long-term financial and in-kind resources to ensure the sustainability and credibility of the development and implementation of financial education in schools;
6. planning and establishing, at the outset of the programme, methods and criteria to evaluate the progress and impact of financial education in schools;
7. ensuring the suitable involvement of important key stakeholders through both a top-down and bottom-up approach. This should include a leading and coordinating role for the government and ministry of education, other public authorities and the education system as well as a pivotal role for teachers and an appropriate role for parents, the local community, students and other relevant stakeholders;

8. identifying, devising and making available adequate supporting tools and means to key stakeholders in the education system to facilitate the efficient introduction of financial education in schools. These should include:

   - the appropriate information and training of teaching staff;
   - the availability and provision of high quality, objective and efficient tools;
   - the promotion of appropriate incentives; and
   - the exchange and promotion of international good practices.

I FRAMEWORK FOR THE INTEGRATION OF FINANCIAL EDUCATION INTO SCHOOL CURRICULA

Financial education in school programmes: an integral part of national coordinated strategies

Financial education should ideally be integrated into the school curriculum as part of a co-ordinated national strategy for financial education involving the wider community. School programmes should allow every child in a country or jurisdiction to be exposed to this subject matter through the school curriculum. The introduction of financial education should be preceded by, and based on, an assessment and analysis of the status and level of financial education provided through existing curricula and the current level of financial literacy of children and young people.

The identification of a public leader or co-ordinating body at national level should ensure the relevance and long-term sustainability of the programme. This could be a Government Ministry, such as Finance or Education, a financial regulator, a central bank or a committee/council gathering several public authorities. Whichever co-ordinating body is chosen, it is essential to secure the involvement and support of the Ministry of Education and of the education system at national, regional and local levels, preferably from the beginning of the project (see also box 1).

Appropriate, tailored and quantifiable goals

The overarching goals of the introduction of financial education in the school curriculum should be set through the nationally coordinated strategy and based on relevant education principles. More detailed objectives and outputs should preferably be established in dedicated learning frameworks[1] on financial education. Such learning frameworks should preferably be endorsed by the public educational authorities.

The content of the learning framework may vary according to national, regional or local circumstances, the identification of particular talents, needs, aspirations and gaps, the structure and requirements of the education system, and cultural or religious considerations, as well as the approach adopted for the introduction of financial education in schools. In this respect, in some countries or jurisdictions, learning frameworks on financial education may need to be developed at regional or local level.

[1] See also Annex: Guidance on learning frameworks on financial education.

Learning frameworks on financial education should ideally encompass knowledge and understanding; skills and behaviours; as well as attitudes and values. These may also encompass entrepreneurial skills. In general, learning frameworks on financial education in schools provide some guidance either to schools and teachers or to local authorities on:

- Learning outcomes
- Topic/content of financial education classes which can include, according to school age/grade:
- Money and transactions;
- Planning and managing finances;
- Risk and rewards; and,
- Financial landscape.
- Pedagogical approaches and methods
- Resources:
- Number of hours per week and/or per year depending on school grade;
- Time span in the curriculum.
- Assessment and monitoring criteria

Flexible implementation

The introduction of financial education in schools should ideally involve a flexible approach and be adaptable to national, regional and/or local circumstances.

It is often preferable for financial education to be introduced as a mandatory and statutory component of the national curriculum in order to ensure it is actually taught to all children through their time at school.

The introduction of financial education as a stand-alone subject or module would in principle ensure that sufficient time and resources were devoted to its teaching. However, considering the constraints on most education systems, the inclusion of financial education in some specific subjects (e.g., mathematics, economics or social sciences, home economics, citizenship, literature or history) or as a horizontal subject integrated in a wider range of classes can also be effective.

Indeed, the inclusion of financial education through a cross-curricular approach may overcome the difficulties posed by overloaded curricula, and allow for the development of more diverse and potentially innovative and engaging ways to link financial literacy to more familiar topics for teachers and students. If this approach is used, it will be important to develop mechanisms to monitor the actual teaching of financial literacy. It will also require the identification, within the dedicated learning framework on financial education, of specific links with other subjects and to provide teachers in the relevant classes with case studies and examples.

BOX 1 EDUCATION SYSTEMS' INVOLVEMENT AND SUPPORT

The involvement of the education system and of the Ministry of Education with the objective of the inclusion of financial education in schools should be encouraged and promoted by interested policy stakeholders (which may be other parts of the government and/or public financial regulatory and supervisory bodies and/or Central Banks) in various ways.

First, depending on national circumstances, stakeholders should, to the extent possible, try to take advantage of "teachable moments' when the population and the education system may be more easily convinced of the importance of financial skills and knowledge for individuals' well-being. The aftermath of the financial crisis has established, albeit in an unfortunate manner, the conditions for the emergence of such awareness in the population in many countries or jurisdictions and throughout national/regional/local education systems. The recent period clearly stands as a unique opportunity to develop long-term programmes and partnerships in this field.

Another method is to develop evidence of need, through the development of surveys on the level of financial literacy and skills of youth in order to bring to the attention of the public and educationalists the gaps and needs of young generations in this critical field. The development of international indicators and benchmarks on financial literacy (including through the inclusion of financial literacy assessment in the OECD Programme for International Students Assessment – PISA) will also represent a compelling tool.

Considering the lack of resources, time and possibly expertise of education systems (which are usually relatively unfamiliar with financial issues as a learning topic), interested public stakeholders may wish to consider directly supporting the development of the financial education curriculum in schools. In this respect, they can seek to provide appropriate solutions to identified constraints of the system and help establishing long-term and flexible roadmap and objectives. For instance, public financial authorities could:

- promote the introduction of financial education in the curriculum through a graduated approach: they could first suggest integrating the subject as a voluntary one, and then, where feasible, as a mandatory horizontal topic in other courses. This approach may be effective where the introduction of financial education as a stand-alone and/or mandatory subject is expected to foster stiff resistance and lead to delays in its implementation;
- assist in the development of a financial education learning framework, taking into account the requirements of the education system;
- support the development and provision of materials to teachers as well as dedicated training; and/or,
- develop concrete partnerships with the Ministry of Education or the education system possibly through Memoranda of Understanding in order to ensure the actual involvement of key education stakeholders as well as establish clear responsibilities, goals, outputs and timescales.

The development of internationally recognised OECD guidelines and recommendations could also provide a powerful argument for policy actions in this area.

Financial education in schools should start as early as possible (ideally in kindergarten and primary schools) and last at least until the end of the formal curriculum and, to the extent possible, the end of high school. The learning framework will have to be adapted to age/grade with the objective of developing sound financial competencies throughout students' time at school.

Suitability and sustainability of resources

Appropriate, commensurate and long-term financial and in-kind resources should be identified to ensure the sustainability and credibility of the development and implementation of a learning framework on financial education in schools. Such resources can come from public or private sources as long as suitable mechanisms are in place to ensure the objectivity and quality of programmes (see also box 2). In this respect, private funding or in-kind involvement can be sought to secure sufficient financial support and to benefit from the financial expertise of private stakeholders.

Monitoring of progress and impact

Methods and criteria to evaluate the progress and impact of financial education programmes in schools and the efficiency of the different approaches should be planned and established at the outset of the programme. These should preferably involve the monitoring of each stage of the programme's implementation and the quantitative and qualitative measurement of short-term outcomes and long-term impacts in order to improve its efficiency and the accountability of involved stakeholders over time.

In order to ensure the relevance and efficiency of programmes, pilot exercises involving the introduction of financial education in a smaller number of schools or at regional/local level can be considered before spreading the experience on a broader scale.

Various monitoring and evaluation processes can also be put in place including:

1. Monitoring of programmes' implementation and process assessment:

   - Monitoring/evaluation of the actual teaching of financial education in schools (through oversight mechanisms at local, regional and/or national level and case studies);

   - Evaluation of the relevance and impact of programmes, learning framework, related material, and teacher training on financial education. Such evaluation can be based on the collection of feedback from relevant stakeholders in the process (e.g., teachers, education systems management, school leaders, trainers, students, parents and the community); and,

- Evaluation of students' competencies in financial literacy throughout the curriculum via appropriate assessment tasks in the classroom on a regular basis, formal examinations or through ad hoc national contests.

2. Impact evaluation in the longer term:

   - Inclusion of financial education in examinations at the end of the formal school curriculum;
   - Establishment of baseline surveys on the level of financial literacy and skills of students (covering assessment of financial knowledge, understanding, skills, behaviour, attitudes and values), to set a benchmark and establish gaps and needs. These surveys should ideally be repeated at regular time intervals (e.g. 3/5 years) to measure progress over time; and,
   - Participation in, and use of, available international survey results on the level of financial literacy of students such as the PISA exercises starting in 2012.

BOX 2 MANAGING POSSIBLE CONFLICTS OF INTEREST RELATING TO PRIVATE FINANCING AND INVOLVEMENT IN FINANCIAL EDUCATION IN SCHOOLS

Several means can be considered and established to monitor private funding and manage possible conflicts of interest with the commercial activities of financial institutions involved in financial education in schools:

- Public authorities or independent not-for-profit institutions (such as self-regulatory bodies) can channel and monitor the use of private funding;
- Private funding can be combined with public money;
- In-kind private resources (such as the provision of materials, the development and organisation of training or the intervention of private volunteers in the classroom) should, as far as possible, be the subject of certification (quality marks) or accreditation by public authorities or an independent not-for-profit organisation;
- Rules and standards can be developed to ensure the objectivity of private initiatives in a school context (e.g., avoidance of the use of logos and brands); and,
- Any direct intervention of private volunteers in the classroom should be conducted under the close oversight of teachers and/or the education system's management at large.

II ENSURING A SUITABLE INVOLVEMENT OF IMPORTANT KEY STAKEHOLDERS

In order to be effective, financial education in schools should be integrated into wider community, national and/or regional initiatives. It also requires the commitment and involvement of a potentially vast range of stakeholders from diverse horizons: government, financial regulatory bodies, central banks, education systems, teachers, parents, the community and students should be involved. It may also be relevant and appropriate to seek the commitment of private financial institutions, business leaders and experts from non-for-profit associations, local networks and international organisations.

The role of each stakeholder and extent of involvement will vary depending on national circumstances, education systems and culture. However, the definition of each stakeholder's responsibility and accountability in the process should preferably be established at the outset of the project. Key and central functions should be fulfilled by a central coordinating body (usually composed of public authorities), with the support of the education system, teachers, parents and the community as well as students.

Government, public authorities and education system: a leading and coordinating role

The Government and in particular, the Ministry of Education and other public authorities (such as financial regulatory and/or supervisory authorities and Central Banks) have a leading role to play in:

- assessing needs and gaps;
- mapping and evaluating existing initiatives;
- raising awareness of the importance of financial education in schools;
- defining the education framework and standards for financial education;
- leading and providing guidance on the introduction of financial education in schools and best practice models;
- framing the overall structure of the programme: setting responsibilities, monitoring the process and evaluating intermediate and final results; and,
- co-ordinating the actions of other stakeholders and overseeing the implementation phase.

The education system, its key local stakeholders and management at various levels, including school level, should be closely involved.

Appropriate mechanisms should be in place to make sure these actors are directly engaged in:

- the promotion of the successful inclusion of financial education in schools; and,

- the elaboration and identification of the best and most efficient ways and tools to meet this goal (including the development of relevant pedagogical methods).

Teachers and school staff; parents and the community; students: a pivotal role

Owing to their pedagogical expertise and close relation to students, teachers should be at the centre of the introduction of financial education in schools. Particular efforts should be made to involve teachers at all stages of the process, convince them of the importance of financial literacy for students and themselves, as well as to provide them with the necessary resources and training so that they feel confident teaching financial literacy in classes.

If external experts and volunteers are engaged in the class room, teachers should preferably also be involved in, and monitor their work.

Parents and the local community should also be closely engaged, possibly through dedicated programmes and initiatives.

Incentives and signals should in particular be designed to ensure that parents and the community, as well as students, are aware of the importance of financial education for individuals' financial and general well-being and successful interaction with, and inclusion in, society and economic life (see also Section III).

School leaders, such as school principals and executive staff, can also play an instrumental role in efficiently promoting financial education amongst teachers, students and their parents, relatives and the wider community.

Other stakeholders

Other stakeholders such as the business/financial sector, expert consultants and not-for-profit institutions can also play a role in financial education in schools.

Financial institutions directly, or through national associations, can be involved in the introduction of financial education in schools. For instance, they can provide in-kind expertise or financial support for the development of materials, training for teachers or volunteers to interact with students in the classroom. However, this involvement should be clearly separated from their commercial activities and closely monitored and managed to prevent any possible conflict of interest (see box 2).

Consulting firms or not-for-profit institutions with special expertise in the area may also be involved, for example in the development of school materials (building on the learning framework) or in training for teachers.

International organisations such as the OECD, in particular through the International Network on Financial Education (INFE), also have a role in providing international guidance and (in-kind) support and tools to the efficient development of financial education in schools.

Top-down and bottom-up approach

The involvement of all interested stakeholders, especially those in the education system, should preferably be secured through both a top down and a bottom up approach. In this respect, the development of memoranda of understanding between concerned partners may be considered to facilitate the smooth and efficient implementation of the programme, and to ensure clear accountabilities. III. Designing and promoting efficient means and methods

III DESIGNING AND PROMOTING EFFICIENT MEANS AND METHODS

Adequate supporting tools and means should be identified, devised and made available to key stakeholders in the education system to facilitate the efficient introduction of financial education in schools.

Appropriate information and training of teachers and other school staff

Appropriate training should be made available to ensure that teachers and other relevant school staff (such as school leaders) are adequately equipped and feel confident and competent in building students' financial competencies.

Such training should be put in place for all teachers who may be in a position to deal with financial education in the classroom either as a stand-alone subject or through other topics (e.g., mathematics, economics, social sciences, home economics, citizenship, literature or history). It should take place as part of the initial teacher training/education (that is, a pre-service course before entering the classroom as a fully qualified teacher), and carried on regularly as part of teachers' continuous professional development.

The main goals of this training should encompass:

- raising teachers' awareness on the importance of financial education in lifelong learning;
- providing them with pedagogical methods to use available teaching resources; and,
- developing teachers' own financial literacy.

Such training should be provided by qualified staff following predefined guidance. Trainers for teachers should in particular possess a sound knowledge of the education system, the requirements of the financial education learning framework, and of efficient pedagogical tools and resources on financial education. If such trainers do not exist, priority should be given to developing the skills of the trainers.

Availability and provision of high quality, objective and effective tools

Availability of, and easy access to, high quality, objective and efficient material and pedagogical methods should be secured and actively promoted with a view to offer teachers the best resources on financial education.

In order to do so, it may be necessary, in some countries or jurisdictions, for government or relevant public bodies to:

- map and assess the quality of available materials and resources such as books, brochures, guides, on-line tools, case studies, games, surveys and pedagogical methods; and,
- select most relevant tools and material to be provided to teachers and schools.

In others, it may be necessary to develop such resources from scratch.

In both cases, criteria and principles for the identification and development of suitable tools should be established (see box 3). Financial education resources made available in a country or a jurisdiction should be assessed by a governmental or independent body according to these criteria. Such a body should preferably introduce a special quality mark or accreditation acknowledging resources matching these criteria.

The appropriate resources should then be made easily accessible to schools and teachers possibly, through a single trusted source or through relevant public authorities (e.g., government, financial regulators; well-known and public or independent website; education system; local network, etc.).

A single source (or maybe several sources) can act as a clearing house on financial education materials available for the classroom. A central source should thus be well organised, and contain clear signposting in order to allow the easy identification of materials and tools according to age, grade, contents and learning outcomes to be achieved.

A central source should also be actively promoted to teachers so that they are aware of the existence of this support and know how to access it.

Promotion of appropriate incentives

In order to encourage deeper involvement and motivation of teachers and students in financial education programmes, appropriate incentives can be put in place, such as:

1. Recognising achievements through:
    - Regular examination of students in order to monitor progress;
    - Setting community and national outcome goals in order to evaluate performance;
    - Organisation of special school, local, regional or national contests with the granting of awards and prizes.
2. Making financial matters more visible and attractive through:
    - Organisation of special events on financial education (e.g. ‘money’ or ‘saving’ days/weeks) with the participation of well-known community stakeholders;

- Designing teachers' training on financial education so that they perceive it as a component of their personal development and as a way to improve their own financial well-being; and,
- Similarly, focusing the teaching of financial literacy in schools on the (immediate) positive outcomes for students, their parents and the community.

Exchange and promotion of international good practices

The development of internationally recognised guidelines and practices and strengthening of policy dialogue and cooperation on the exchange of good practices are also instrumental to the efficient and successful introduction and implementation of financial education in schools. Such guidelines can help policymakers and involved stakeholders in designing and successfully implementing their own strategy on financial education in schools building on, and tapping into, relevant experiences and internationally recognised good practices.

BOX 3 CRITERIA FOR IDENTIFICATION AND DEVELOPMENT OF SUITABLE RESOURCES ON FINANCIAL EDUCATION

With a view to efficiently embedding financial education in schools, related resources and pedagogical methods should preferably encompass the following characteristics:

- be in line with the requirements of the national/regional/local learning framework on financial education, and with any national curriculum guidelines of the country or jurisdiction;
- be adapted to students according to their age, talents, needs, aspirations and background; be culturally and gender inclusive and evolved following the school curriculum;
- be relevant for students, taking into account their interests and potential access/use of financial products;
- emphasise the benefits of financial literacy for students' future well-being;
- be objective and marketing free (e.g., avoiding the use of financial firms' logos and promotion of particular financial products);
- be of high-quality, diversified, engaging and attractive for students, using real-world contexts, case studies, inquiry/activity-based learning and problem solving approaches or community-based activities directly involving students (e.g., through simulation, games and interaction with the concrete world);
- make use of the benefits of cross curricular approaches where relevant (e.g., taking advantage of the possibility to include financial education in diverse subjects);
- involve the monitoring of progress and the quantification of impact on students throughout the curriculum and at its end (through examinations); and,
- be trialled to evaluate their relevance and efficiency with teachers, parents and the community as well as students.

ANNEX GUIDANCE ON LEARNING FRAMEWORKS ON FINANCIAL EDUCATION

Definition

A definition of the overall objective for financial education programmes is the first main component of related learning frameworks. In most cases, depending on countries' or jurisdictions' culture, this is referred to as either financial capability or financial literacy, but basically involves a similar content.

Such definition encompasses the competencies that students need to develop in order to make effective and responsible financial decisions in their daily life and when they become adults. Competencies cover financial knowledge, understanding, skills, attitudes and behaviours and the ability to use these effectively.

The definition may focus solely on the personal use and management of money and the impacts of financial decisions on the lives of individuals or it may include a broader perspective that takes account of the interaction between personal financial decision-making and wider society and environment.

Purpose and goals of the framework

PURPOSE

A financial education learning framework is defined as a planned and coherent approach to financial education in the formal school sector at the national, regional or local level. A financial education learning framework should operate at a meta-level, providing overall learning outcomes or standards for financial education. The framework can then be implemented at the national, regional, local, school or classroom level in the way that is most appropriate for the context.

The framework should begin by explaining its purpose, including:

- Who developed the framework and the development process;
- When the framework was developed;
- The overall aims of the framework;
- How the framework supports the achievement of national, regional or local curriculum objectives;
- Whether the framework has been endorsed and, if so, by whom.

Providing the framework on a web-based platform enables easy access and distribution and for links to be made to relevant supporting information such as teaching resources, assessment tools and relevant curricular materials.

GOALS

The overall goals and objectives of the framework should be reflected in a more detailed description of the dimensions of financial literacy. These may include a description of the specific outcomes that students are expected to develop and that will be covered by the financial education programme. The following dimensions can be considered and included:

- Knowledge and understanding;
- Skills and competencies;
- Behaviours;
- Attitudes and values;
- Entrepreneurship.

The descriptions of each of these dimensions should reflect the focus on personal and/or collective aspects needed to be consistent with the definition of financial literacy in the framework.

These descriptions are important in developing teachers' understanding of financial literacy.

Learning outcomes/standards

The framework should provide a description of the desired learning outcomes. These should be related to each of the dimensions of financial literacy.

Outcomes may be statements of the overall outcomes for each of the dimensions or they may be shown as a learning progression across years or curriculum levels. The latter shows the way that the specific dimensions of financial literacy are progressively developed as students move through their schooling career.

Approach to inclusion of financial education in the curriculum

The framework should describe the overall approach to the inclusion of financial education in the curriculum. This should be consistent with the overall approach to the curriculum.

In countries or jurisdictions where national curriculum objectives are outlined but schools have considerable discretion as to how these are implemented at the local level, financial education will not easily be introduced as a compulsory component. The framework may describe how financial education supports the achievement of national curriculum objectives and provide guidance as to how financial education can be integrated into existing subjects or a cross-curricular approach taken. In a cross-curricular approach, financial education is recommended as an engaging and real-world context in which other curricular objectives can be achieved alongside financial education objectives.

In countries or jurisdictions where a more centralised approach is taken, financial education may be mandatory. There is a range of ways for this to occur including as a stand-alone subject; as an explicit module or component of one or more subjects; or integrated into relevant subjects at the school's or teachers' discretion. If an integrated approach is used, it is important to provide specific links between the financial education learning outcomes and the learning outcomes for specific subjects.

The financial education learning outcomes should be linked to over-arching national curriculum objectives, as well as to the learning outcomes for specific subjects.

The framework should describe the year levels or curriculum levels in which financial education should be taught. This may be across the compulsory school sector or it may focus on the levels where it aligns most closely with the curriculum objectives at that level, for example, senior secondary school.

Content and length of courses

The framework generally provides a list of suggested topics. These should not solely be based on developing knowledge and understanding but should also enable students to explore and develop values, attitudes, skills and behaviours.

Where financial education is mandatory or explicitly included as a stand-alone subject or as a module of a subject, the length of the course should preferably be explicitly stated. In other cases, the amount of teaching time given to financial education is not stated.

The framework generally describes the recommended or suggested content for financial education. These should be related to the overall outcomes described in the definition, and the dimensions of financial education set out in the learning framework.

The framework generally provides a list of topics, themes or issues that can be included in the financial education programme. These may be linked to specific subject areas or they may be presented in a way that they can be incorporated in a range of subject areas. Topics that are most commonly included in financial education learning frameworks are:

- money and transaction;
- planning and managing finances (including saving and spending; credit and debt; financial decision-making);
- risk and rewards;
- financial landscape (including consumer rights and responsibilities and understanding of the wider financial, economic and social system).

The topics should be relevant to the concerns of students at specific year levels but, at the same time, recognise that financial education needs to prepare students for adult life.

Resources and pedagogical tools

The framework can also provide guidance about the teaching methods that are most effective in developing financial literacy. These may include a description of the overall recommended approach such as using real-world, relevant examples, or inquiry-based learning. Teaching methods should not be solely focussed on developing knowledge but they should provide engaging contexts in which students can develop skills, attitudes and behaviours. Opportunities for students to practice their skills and develop behaviours in authentic and engaging contexts should be recommended and examples provided. Interactive and experiential learning opportunities are recommended.

As well as classroom-based learning, suggestions for learning outside of the classroom such as through extra-curricular activities can be provided.

The framework can provide case studies of the ways that schools and teachers have effectively taught financial education.

The framework should also preferably provide recommended teaching and learning resources and guidance about selecting effective resources. Guidance should be provided about quality assurance indicators and ways to avoid materials that are biased or contain marketing information.

Professional development for teachers and administrators can be provided by the relevant authority in support of the financial education framework and to develop teachers' capability to teach financial education. In some cases, the private sector or not-for-profit organisations may offer professional development, teaching and learning materials and/or volunteers who may be available to visit classrooms. Guidance should be given in the framework about ways to avoid conflicts of interest and to ensure that suitably qualified and, in some cases, approved providers are selected by schools.

Assessment of students' learning in financial education

The framework should provide guidance about appropriate methods for assessing financial education learning outcomes. This should be consistent with approaches to assessment in other areas of learning and for the year level of the student. It is recommended that assessment of skills is included as well as assessment of knowledge and understanding. Assessment involving students in problem-solving and real-world contexts are recommended so they have the opportunity to demonstrate their competencies. Examples of assessment activities may be provided.

Examination of students' achievement should be considered whenever possible. If so, the examination process and criteria need to be outlined in the framework. This includes information on the levels at which students will be examined and whether there will be a stand-alone examination for financial education or whether it will be included in the examination of the relevant subjects. In some cases, formal recognition of student achievement in financial education can be provided by certificates, qualifications or credentials.

Monitoring and evaluation

Monitoring of the framework can occur at the local school level or at the national or regional level.

At the school level, the framework can provide guidance to administrators and teachers to support the planning and implementation of the financial education framework. This includes ways to monitor the outcomes of the financial education programme and the extent to which it is being progressively and consistently implemented across the school at the appropriate levels. This is of particular importance where financial education is not mandated and where schools and teachers are given discretion about how they incorporate financial education outcomes into their teaching programmes. In countries or jurisdictions where external agencies review schools, it may be appropriate to include a review of financial education provision and outcomes in relation to the financial education framework.

At the national or regional level, the implementation and outcomes of the financial education framework should be evaluated. This may be an independent evaluation that can be used to inform the development and implementation of the framework. An evaluation will provide evidence of the effectiveness of the framework in achieving the desired outcomes in terms of increasing financial literacy.

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NFE Policy Guidance on Addressing Women's and Girls' Needs for Financial Awareness and Education

BACKGROUND

In October 2010, the OECD International Network on Financial Education (INFE) created the Empowering Women through Financial Education and Awareness Expert Subgroup, recognising that women have specific financial literacy needs and are often over-represented in disadvantaged groups in developed and developing countries. The subgroup therefore aims at developing further research and policy analysis based on data to better understand women's specificities vis-à-vis financial literacy in various national contexts and elaborate guidance to strengthen their competencies in this area. The OECD and INFE subgroup work is also embedded in the OECD gender initiative launched in 2010 horizontal gender project. The OECD gender initiative and related Recommendation looks into existing barriers to gender equality in education, employment and entrepreneurship (including financial literacy aspects) to help governments promote gender equality in developed and emerging economies.

The policy guidance complements both the OECD Gender Recommendation focusing on financial literacy aspects and work developed by the OECD and its INFE on financial education, in particular the OECD/INFE High Level Principles on National Strategies for Financial Education[2].

The Policy Guidance is based on the work developed by the dedicated INFE Subgroup over the last three years in the framework of the Russia/WB/OECD Trust Fund, including a review of available evidence highlighting possible factors behind women's different financial competencies[3]. This review also analyses the challenges to enhance women's and girls' competencies, and points to good practices to develop efficient and tailored financial education programmes for women and girls.

Gender differences with respect to access to financial services and education have also been recently recognised by G20 Leaders who asked the Global Partnership

[2] OECD/INFE (2012).

[3] OECD/INFE (2013a).

for Financial Inclusion (GPFI), the OECD/INFE and the World Bank to further identify barriers women may face and called for a progress report by the next Summit[4].

This policy guidance document and the accompanying review are aimed at addressing the financial education component of this call.

INTRODUCTION

Given the difficult current economic and financial climate as well as social and demographic changes, there is an urgent need to focus on how to provide better economic and financial opportunities for both men and women. Achieving fairness and equity also requires taking into account relevant political, social and cultural dimensions.

Since 2010, the OECD has been investigating gender equality from different perspectives including education, employment and entrepreneurship. This work has showed that in many countries significant progress towards gender equality has been made but that important disparities remain across these three components which should be better addressed by policy makers and relevant stakeholders in both developed and emerging economies[5].

Financial literacy and competencies are part of this OECD multidimensional framework, as recognised by G20 Leaders at their Summit in Los Cabos, Mexico in June 2012 and at their meeting in Moscow in February 2013. Gender disparities in financial literacy compound women's difficulties in securing their financial future and well-being and in participating confidently in economic and financial activities. Women also have particular financial literacy needs, notably because they tend to live longer and earn less than men, therefore being more likely to face financial hardship in old age.

Adapted financial education can contribute to improving women's access to and use of economic and financial opportunities. It also has the potential to empower women to better assess risks they have to manage, protect themselves against these risks, plan for their future, and take advantage of income generating opportunities. Ultimately, the contribution of financial education to women's greater participation to

[4] See the G20 Leaders' Declaration at their June 2012 Summit in Los Cabos, Mexico ("We recognize the need for women and youth to gain access to financial services and financial education, ask the GPFI, the OECD/INFE, and the World Bank to identify barriers they may face and call for a progress report to be delivered by the next Summit" para 53), and the Communiqué of Finance Ministers and Central Bank Governors at their meeting in Moscow in February 2013 ("We expect the progress report on barriers for women and youth to gain access to financial services and financial education, including policy recommendations to be delivered by the GPFI, OECD/INFE and the World Bank by the St Petersburg Summit") www.g20.org/documents/.

[5] See OECD (2012) and the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship (forthcoming).

economic activities and more appropriate use of financial products is expected to benefit countries' overall economic growth.

In this context, the following policy guidance provides an international framework and delivery tools to enhance policy makers' and stakeholders' awareness of the importance of addressing women's needs with respect to financial literacy; identify the barriers women may face in this area and support the development and implementation of efficient financial education approaches for women and girls. The policy guidance should be considered and applied considering national priorities and needs. It therefore also indicates areas which deserve refined and national/local research. This guidance complements the OECD/INFE High-Level Principles on National Strategies for Financial Education and the OECD Recommendation on Principles and Good Practices for Financial Education and Awareness (2005). These general principles apply fully to areas of financial education not covered by this policy guidance.

I FINANCIAL AWARENESS AND EDUCATION FRAMEWORK TO EMPOWER WOMEN AND GIRLS

Depending on countries' circumstances:

- National strategies for financial education should identify gender disparities when designing initiatives to increase the average financial literacy in the population. This is especially necessary given that:
- Women face unequal access to economic opportunities and unequal outcomes with respect to men, including lower access to higher education, lower employment, lower earnings, and lower access to entrepreneurship and to finance;
- Women's financial knowledge and confidence is generally lower than men's and their financial needs and competencies are different in many instances.
- Financial awareness and education approaches specifically addressing women's and girls' needs should also be integrated in existing or newly-developed national strategies for financial education. As such, these approaches should follow similar processes and mechanisms as the National Strategy. These notably include the identification of targeted and measurable objectives backed by earmarked and sustainable resources.
- Financial education approaches addressing women's and girls' needs should also be elaborated and implemented in full coordination with other relevant national/local policies aimed at addressing gender equality issues.
- To ensure their relevance, financial awareness and education approaches to empower women and girls should also consider the following more specific main elements as well as the role of various stakeholders.

Identifying women's and girls' needs and barriers vis-à-vis financial literacy

The needs of women and girls with respect to financial literacy should be systematically identified through the development of refined evidence and research at national level. This phase can be carried out as part of the preparatory phase of a National Strategy or as a separate endeavour as appropriate. It should notably rely on national surveys of financial literacy for adults[6] and for youth (including through the OECD PISA financial literacy option) analysed by gender.

[6] See for example OECD/INFE (2013b).

In developing such evidence, particular attention should be paid to women's and girls' possible **needs and gaps**, including:

- their knowledge, confidence, and interest in dealing with financial issues;
- their financial strategies to make ends meet and to secure their long-term financial future including after retirement;
- their appropriate access to, and use of formal financial services (including saving and credit possibilities); and
- their ability to choose between financial (investment) products and to access and use trusted source of information and advice.

This phase should also permit to identify, take into account and address the **barriers** that may prevent women from accessing financial education and from improving their financial literacy. Various factors may reduce women's opportunities to learn about financial matters and to acquire financial skills. Depending on national/local circumstances, these may encompass the review and appraisal of:

- legal and/or social norms potentially limiting women's economic opportunities;
- gender differences in the access to education, employment and formal financial markets;
- gender differences in the participation in employment and entrepreneurship, as this may reduce women's opportunities to gain experience with managing money and to 'learn by doing';
- cultural, social and economic factors, that may directly constrain women's ability to attend courses/seminars, apply their knowledge and act independently.

Identifying policy priorities and targeted subgroups among women and girls

Depending on countries' circumstances, national strategies for financial education or relevant national approaches should also seek to:

- address **situations** where women are likely to face worse financial outcomes than men. This may include lower retirement outcomes, higher levels of financial exclusion and/or over-indebtedness; and
- recognise that **subgroups** of women are often most in need of improved financial literacy and should be the target of specific initiatives. These may include young women and elderly/widows, women with low education or

living on a low income, migrant women, and female micro and small entrepreneurs. In defining these groups and addressing their needs, attention should be paid to their age, life-cycle situation, marital status, education/literacy, as well as labour market status.

Setting the roles of different key stakeholders

As for all parts of a national strategy for financial education, women's programmes and initiatives should be elaborated and implemented through appropriate coordination between relevant public, private and civil stakeholders and the identification of an adequate leader or leading body.

Considering women's specific needs, relevant public, private and civil bodies with an interest in gender issues and/or financial literacy should be involved in this process. Relevant stakeholders should include ministries for women's rights and empowerment, national and international organisations supporting women's and family's equal treatment and rights, associations and NGOs supporting women and girls' empowerment, as well as associations of employers and financial industry associations promoting women's equal opportunities in accessing employment and finance.

II DELIVERY TOOLS FOR WOMEN AND GIRLS FINANCIAL AWARENESS AND EDUCATION

Depending on national circumstances, the implementation and delivery phase of programmes and initiatives addressing women's needs can be carried out by stakeholders responsible for the development of the framework or a different set of trusted stakeholders, and programmes designers and managers. These stakeholders should particularly take into account the following elements affecting women's situation vis-à-vis financial issues:

- Gender differences in **financial attitudes** can impact the extent to which women and men are willing and inclined to learn. Women tend to be less confident in their financial knowledge and skills, more averse to financial risk, and somewhat less interested in financial matters than men. More research at national/local levels should be carried out to refine these findings and understand how these and other factors may affect the motivation of women and different subgroups of women to improve their financial knowledge and skills.

- Specific **'teachable moments'** and **learning contexts** should be identified to effectively reach out to women:

  - Depending on the education policy, on equal access to education, and on the design of the education provision, introducing financial education in **school** can give both girls and boys equal opportunities to become aware of financial issues and to acquire basic financial skills before social and cultural factors may limit their opportunities to do so[7]. Such programmes should already take account of girls' different ways of learning and of gender differences in specific competencies emerging from a young age (e.g. girls' better performance in reading and worse in mathematics than boys).

  - The provision of financial education for women in the **workplace** should be promoted to take account of women busy schedule due to working and caring tasks.

  - Within the limits of national regulations, providing free, appropriate, independent and adequate **financial advice** to women can help address their difficulties in choosing financial products and their low confidence in dealing with financial issues by themselves.

[7] See OECD/INFE (2013c).

- Given their wide spread especially in developing economies, **self-help groups** and rotating savings and credit societies constitute a valuable context for improving women's financial literacy and financial inclusion through the combined provision of financial education, access to financial products and services, and mentoring on other relevant skills.

- **Delivery methods should be tailored** to women's needs. The adoption of female **role models** and the possibility to discuss financial issues among **peers**' groups should be considered as a valuable way to engage women and increase their confidence. The use of innovative tools, including TV programmes and online delivery channels, should also be considered in order to exploit the widest possible range of opportunities to reach women.

- When relevant, **combining financial education with access to formal financial products and/or with entrepreneurial education** should be encouraged to improve women's financial inclusion, access to finance and access to income generating opportunities. The combination of educational initiatives on financial and health topics can also be a valuable way to address women's empowerment from a broader perspective.

- All financial education programmes should be **systematically monitored and evaluated**, checking for possible **gender biases and/or differential gender impact**. This should support the identification of any divergence in expectations, confidence, learning preferences and styles between male and female programme participants; as well as gender differences in outcomes. Where such differences are identified, new evidence should be incorporated in future programmes and guidance for modifications should be made.

SELECTED REFERENCES AND FURTHER GUIDANCE

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The Russia Financial Literacy and Education Trust Fund was established in 2008 at the World Bank with funding provided by the Ministry of Finance of the Russian Federation. The work supported by the Trust Fund is jointly managed by the World Bank and the Organisation for Economic Co-operation and Development (OECD) and is directed toward improving public policies and programs to enhance financial knowledge and capabilities in low- and middle-income countries. This effort has focused on the review of national strategies for financial education, the development of methods for the measurement of financial knowledge and capabilities, methods for evaluating the impact and outcome of programs, and research applying these methods to programs in developing countries. The products of this program of work can be found at the Trust Fund website at:

www.finlitedu.org

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