



Australian Government
Financial Literacy Foundation

Developing National Initiatives to Advance Financial Literacy

Financial Literacy Foundation - Australia



Background

- August 2004 – Consumer and Financial Literacy Taskforce
- September 2004 – Election 2004 Policy Super for All and Understanding Money
- June 2005 – Financial Literacy Foundation





Role of the Foundation

- To give all Australians the opportunity to better manage their money.
 - Addressing the barriers that stop people engaging with money issues.
 - Equipping people to ask the right questions and make better financial choices.



- Brand manager
 - We don't fund or provide financial literacy services.
 - We do promote:
 - : awareness of financial literacy and its benefits;
and
 - : order in the market of financial literacy services providers.



Addressing structural barriers

- **Education and training initiatives**
 - Creating opportunities for people of all ages to learn more about managing their money
 - Providing practical support to educators and trainers and improving the availability of quality education resources
- **Research**
 - Identifying leading practice in the design and delivery of financial literacy services



Addressing attitudinal and behavioural barriers

- **Raise awareness through the media campaign and supporting resources**
- **Based on research into the barriers to engagement**
 - Too boring
 - Too hard
 - Not enough time
 - Don't know where to start or who to trust
 - Good with money \neq interesting person



How we work

- Providing a national focus – eg. media campaign.
- Driving change – eg. professional development.
- Influencing agendas – eg. financial literacy education in schools.



- Using research findings to drive improvements in the market of service delivery – eg. FLPA.
- Working with committed and influential partners – eg. Australian Technical Colleges.
- Matchmaking – bringing together those with complementary needs and skills but common commitment.

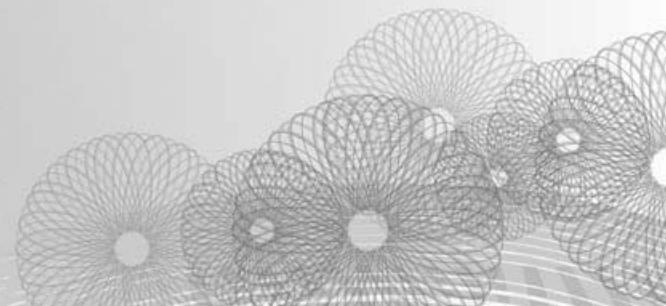


- Ultimately, we're aiming to empower consumers to:
 - better understand and manage financial risk;
 - deal effectively with market complexity; and
 - take advantage of increased competition and choice in Australia's finance sector.



Moving forward on three fronts

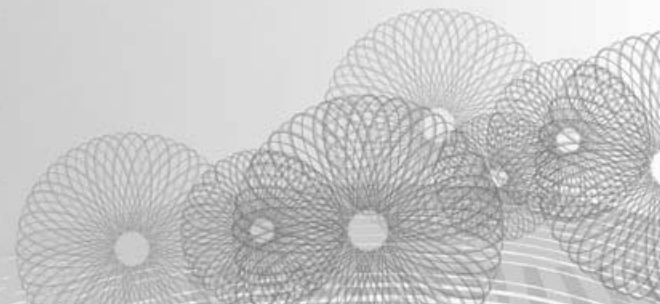
1. Education and training initiatives
2. Research
3. Media campaign





Education and training

- The challenge – no systematic approach to teaching financial literacy.
- The strategy – to work within existing systems and structures to bring about national approaches to the integration of financial literacy education.





A sectoral and staged approach covering:

- integration into the schools sector;
- apprentice and cadet training pilots;
- integration into systems of vocational and workplace training;
- community and adult education; and
- higher education.



School-based education

- Embedding financial literacy in school curricula throughout Australia.
 - Students in Years 3,5,7 and 9 will have financial literacy elements included in English, Maths, Science and other courses by 2008.
 - Supported by professional development.
- Pursuing initiatives for Years 11 and 12 as well as vocational training and tertiary education.



Vocational training

- Industry consultation with peak industry bodies
 - Gauge and build support for workplace literacy initiatives and systemic changes in vocational education and training sector.
- Master Builders Association pilot program to train apprentices and cadets in financial literacy.



Educators and Trainers Network

- Practical support to help educators and trainers.
- Provide quality financial literacy education and training
 - Community of practice
 - Advice
 - Needs of educators and trainers
 - Partnerships
 - About 500 members



Research

- Addressing structural barriers through a number of practical research initiatives.
- Aim to be strategic
 - Build on existing research rather than duplicate what others are doing.



- Consultative approach to research.
 - Assess industry needs and share research findings
 - Building partnerships with researchers
- Aim to provide new insights and information to help service providers to develop and deliver the most effective materials to consumers.



Key research areas

- Annual study of financial literacy in Australia
- Mapping and classification of financial literacy programs and resources
- Financial education in workplaces
- Best practice guidelines for financial literacy programs



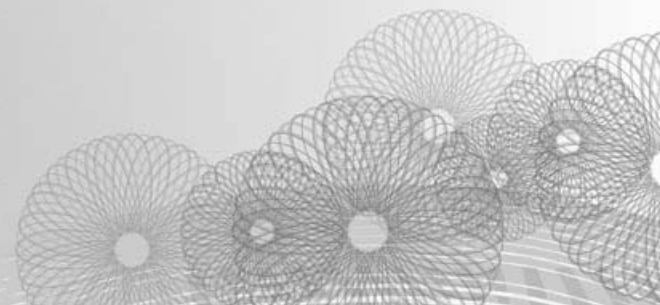
- Annual study of financial literacy in Australia
 - Large sample size – 7,500 respondents – with an age range covering 12 to retirees.
 - Looking to measure trends over time in awareness, engagement and competency.
 - Initial study findings available for public release late in 2006.



- Mapping and classifying existing programs
 - A resource for policy makers and program developers and deliverers.
 - Identifying gaps and duplication in existing materials.
 - Database on the *Understanding Money* website.



- Financial education in workplaces
 - International research on benefits (mainly US)
 - Also anecdotal evidence on benefits for employees and employers
 - Very little Australian research
 - Case study approach





- Best practice guidelines
 - Identify the major elements that underpin successful programmes – research, development, execution ...
 - Illustrate the elements with case studies – programs that demonstrate particular strengths.



Media Campaign

- Campaign objectives:
 - Increase awareness of financial literacy and its benefits.
 - Encourage people to engage with financial literacy information and resources.



- Targeted at all Australians.
- 30 July to mid-December 2006.
- Television, radio, print and outdoor media.
- Suite of resource platforms to support the campaign – website, handbook, seminar program and media/public relations events.



- Campaign message based on research into attitudes, habits and barriers to engagement.
 - Perceived lack of relevance.
 - Lack of motivation.
 - Perceived lack of time.
 - Complexity of issue, eg. tax, superannuation.
 - Lack of trust and/or direction.
 - Negative connotations, eg. greed, materialism.



- Campaign message is one of empowerment, not a quick route to wealth.
 - Relevance to everyone regardless of age or income – ‘whether you have a little or a lot’.
 - Importance of getting started – establishing good, basic habits.



- Campaign directed at an emotional response, not building technical knowledge.
 - Motivating people and making it easy to find out more.
- Kick starting a generational change in attitudes and approach.
 - Presenting a serious issue in an appealing but not frivolous way.
 - Building awareness, engagement, confidence and, ultimately, competence.



Understanding Money website and handbook

- Overcoming barriers.
- Easily accessible, easy to understand information for consumers.
- Range of financial literacy topics and issues.
- References to other reliable sources for more detailed information.



- Website
www.understandingmoney.gov.au
- Handbook
 - via the website
 - 1800 236 235



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Understanding Money Pays Off

