



**OECD-BANK OF ITALY SYMPOSIUM ON FINANCIAL
LITERACY:
IMPROVING FINANCIAL EDUCATION EFFICIENCY**

The involvement of schools

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Why F.E.

- Too large share (25%) of the population lacks understanding of basic concepts (bank accounts, purchasing power, constant vs variable interest rate).
- More than half of the population ignores the importance of portfolio diversification.
- Two thirds are unable to appreciate the difference between stocks and bonds in terms of risk.
- The majority of the people (between 20 and 33 per cent) is unaware of the importance of supplementary pension schemes.

What can be done

- Adult Population.

- Students

About Adult Population

- Bank of Italy: Web Site
- ABI Patti Chiari: web site and other more direct initiatives.
- Several initiatives of other actors of banking and financial industry (Assogestioni, Credito Cooperativo, Federazione BCC dell'Emilia Romagna, Federazione Trentina della cooperazione)

At school

- The same group of actors as for the adult population are involved (usually their web sites have a section dedicated to students)
- ABI-Patti Chiari+ Junior Achievement : FE program agreed upon with single school (from primary to high schools)
- MIUR (Ministry of Education)+ANSPC (National Association for the Analysis of the Lending Problem): about 20 hours courses in 12th grade in three provinces (Roma, Milano, Genova).
- MIUR+Bank of Italy

MIUR+Bank of Italy

- A new project devised at the highest institutional level to face the problem of the lack of basic financial knowledge
- Why it is new : it is not an additional project aimed at providing students with basic FE notions, as was the case in anti-smoking or anti-drug campaigns;
- What it is : an experimental project to incorporate financial education into school curricula. It could change methods and content of teaching.

Preliminary questions

- Is it useful to teach F.E.? Is it really true that F.E. empowers consumers in the financial sector?
- Is financial education sufficient to change consumers' behaviour in the market?
- Is F.E. a fundamental right regardless of its effectiveness?

Challenges

- How should financial education be delivered? Should it be a new subject or should be incorporated into the various curricular subject?
- Are institutions flexible enough to accommodate FE?
- Who is in charge of delivering financial education? Do we need new teachers? Can we retrain the existing teachers ?
- What is the most appropriate school level to teach FE? Is it too early to start from primary school?
- How much does it cost?

Searching for answers

- Learning from international experience. Italy represented within the International Network on Financial Education at OECD and the Expert Group on Financial Education of the European Commission.
- Learning by taking part in international projects and learning from other countries experience. Italy takes part in the Financial Literacy Assessment within the PISA2012 project.
- The lessons learned from other countries should be tested against our specific situation: one size does not fit all.

Our experience

- Our school system is flexible enough to accommodate FE.
- FE is not a new subject. It has to be taught within the existing curricular subjects.
- Teachers need to highlight the financial side of the subjects they teach every day . There is enough scope to do so, for example in teaching languages, maths , history.
- Therefore it is necessary to retrain teachers. There is no need to employ additional staff.
- The project focuses on increasing knowledge rather than changing behaviours.

General features of the project

- Two editions: 2008-09 and 2009-10
- All school levels are involved (4th, 7th and 12th grade)
- Bank of Italy experts 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 2008-09 edition

- Focused on “payment instruments”
- 16 schools, 32 classes and 650 students in three provinces (Padova, Roma, Bari).
- Encouraging results. Robust framework.
- Teachers proved to be able to teach financial notions in the context of their curricular teaching.
- Students seem to learn. In the post training test, the share of correct answers increased by 7.7 percentage points on average, that is correct answers increased by 10.

The 2009-10 edition

- Focused on “price stability”
- 250 schools, 435 classes and 8,500 students involved in all Italian regions.
- The implementation of the project (teachers’ training, pre-teaching testing session and lessons in class) went as expected.
- Waiting for the results of the after teaching tests

Thank you for your attention