REPORT 339

Review of the National Financial Literacy Strategy

Background report

April 2013

About this report

This report is for people in the business, government, education and community sectors that have an interest in developing or supporting financial literacy initiatives. It:

- reviews progress on the National Financial Literacy Strategy released in 2011; and
- provides background information for stakeholder consultation on the National Financial Literacy Strategy for 2014–16.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Disclaimer

This document does not contain ASIC regulatory policy.

Contents

A Overview

Key points

In 2011, ASIC released a National Financial Literacy Strategy to promote a nationally coordinated approach to improving Australians' financial wellbeing.

Significant progress has been made under the 2011 Strategy, both by ASIC and other organisations.

Consultation is currently underway on a refreshed strategy.[1] This report provides background information for stakeholder consultation on the National Financial Literacy Strategy for 2014–16.

The 2011 Strategy

1 In March 2011, the Australian Securities and Investments Commission (ASIC) released a National Financial Literacy Strategy (2011 Strategy) to promote a nationally coordinated approach to improving Australians' financial wellbeing.[2]

2 The 2011 Strategy gives a national framework for collective action around four key focus areas:

- using educational pathways to build financial literacy for all Australians;
- providing Australians with trusted and independent information, tools and ongoing support;
- recognising the limits of education and information and developing additional innovative solutions to drive improved financial wellbeing and behavioural change; and
- working in partnership and promoting best practice.

3 The 2011 Strategy also provides extensive commentary on methods for achieving behavioural change financial literacy.

4 ASIC committed to publicly reviewing the 2011 Strategy two years after its release. Consultation is currently underway on a refreshed strategy: see paragraphs 18–22

[1] See *Shaping a National Financial Literacy strategy for 2014–16* at www.financialliteracy.gov.au. This paper is also available on the ASIC website at www.asic.gov.au/cp as CP 206.
[2] For more information, go to www.financialliteracy.gov.au.

5 The 2011 Strategy is underpinned by the following principles:

- *inclusiveness*—reaching all Australians, particularly those most in need and future generations of consumers and investors;
- *engagement*—helping all Australians appreciate the importance of financial literacy and that small things done regularly make a real difference;
- *diversity*—delivering learning that recognises the different ways people learn and allows all Australians to participate;
- *knowledge and empowerment*—giving all Australians access to information, tools and ongoing support systems;
- *improving outcomes*—recognising that information alone is not always enough and using additional mechanisms to achieve better outcomes;
- *partnerships*—mapping and building on existing foundations to fill gaps and ensure all sectors and agencies work cooperatively; and
- *measurement*—evaluating our work to know what is and is not effective, and learning from and sharing these evaluations.

6 A map of the 2011 Strategy is set out in Appendix 1 of this report**.**

Shared responsibility

7 The responsibility for developing and delivering financial literacy programs is shared between stakeholders. The business, community, government and education sectors all have an interest in developing, implementing, or supporting financial literacy initiatives. Along with collaboration, leadership is necessary to create momentum to bring about change.

8 Since 2008, ASIC has been the agency with overall responsibility for coordinating financial literacy across the Australian Government. This sits well with the first of ASICs three strategic priorities: ensuring ‘confident and informed investors and financial consumers’.

9 The Australian Government Financial Literacy Board (Financial Literacy Board), chaired by Mr Paul Clitheroe AM, also provides leadership through strategic advice to the Australian Government and ASIC on financial literacy initiatives.[3]

[3] http://www.financialliteracy.gov.au/financial-literacy-board.

International developments

10 Since the 2011 Strategy was published, financial literacy has gained wider attention. Internationally, financial literacy has been recognised by G20 and Asia–Pacific Economic Cooperation (APEC) as an important complement to financial inclusion and consumer protection policies.

11 The International Organization of Security Commissions (IOSCO) has recently formed a Committee to coordinate its work on consumer protection and financial education.

12 ASIC represents Australia in the International Network on Financial Education (INFE) of the Organisation for Economic Co-operation and Development (OECD). The network comprises over 100 economies and meets regularly to discuss issues relating to financial education.

13 The INFE has been a driving force behind the growing international focus on financial education and has created a number of policy guidance documents designed to support effective financial education initiatives.[4] Drawing on the collective experience of members, the INFE has recently released the *OECD/INFE high level principles on national strategies for financial education* (OECD/INFE Principles).[5]

14 In its current format, the 2011 Strategy generally reflects the OECD/INFE Principles. The OECD/INFE Principles also include suggested processes that should inform a national strategy: see Appendix 2 of this report.

15 An increasing number of countries (36 according to surveys conducted by the INFE in 2010–12[6]) are developing and implementing national strategies on financial education, supported by the INFE's guidance documents.

16 Countries with national financial education strategies are as diverse as New Zealand, the United States, Canada, the United Kingdom, India, Poland, the Czech Republic and Brazil.

17 As is the case in Australia, some countries have begun to review their current national strategy by reviewing progress, developing a shared vision for the future and identifying strategic priorities. For example, New Zealand is currently reviewing its national strategy. The United Kingdom is also in the process of developing a refreshed strategy that will clearly articulate the roles and responsibilities of organisations across the United Kingdom involved in raising financial literacy levels, including the Money Advice Service (MAS).[7]

[4] The INFE has released guidelines on national strategies for financial education, measuring financial literacy, evaluating financial education programs, financial education in schools, and financial education and women.
[5] OECD/INFE, *OECD/INFE high-level principles on national strategies for financial education*, August 2012, www.oecd.org.
[6] A Gifroni and F Messy, *Current status of national strategies for financial education: A comparative analysis and relevant practices*, OECD Working papers on finance, insurance and private pensions, No. 16, OECD publishing, 2012, p. 6, http://dx.doi.org.10.1787/5k9bcwct7xmn-en.
[7] Money Advice Service Business Plan 2013–14.

A strategy for 2014–16

18 ASIC is leading the development of a National Financial Literacy Strategy for 2014–16 (2014–16 Strategy) as part of its review of the 2011 Strategy.

19 As well as reviewing progress on the 2011 Strategy, this report provides background information for stakeholder consultation on the 2014–16 Strategy. The examples of financial literacy initiatives in this report are in no way definitive; they have been chosen from many excellent examples to prompt reflection.

20 A one-day National Financial Literacy Forum is being held in Sydney on 30 April 2013 to launch the consultation process. It is one opportunity for individuals and organisations with an interest and stake in improving Australians' financial literacy to contribute to a refreshed strategy for the coming years.

21 A consultation paper released with this report invites submissions from interested parties to share their views on issues and key priorities to help set the direction over the next few years.[8]

22 As part of the consultation process, ASIC will also conduct a financial literacy stocktake survey to collect information about financial literacy programs currently in place. For more information about the stocktake and the strategy consultation process, and how to submit your views, go to www.financialliteracy.gov.au.

[8] See *Shaping a National Financial Literacy Strategy for 2014–16* at www.financialliteracy.gov.au. This paper is also available on the ASIC website at www.asic.gov.au/cp as CP 206.

B What is financial literacy?

Key points

One definition by the OECD is that financial literacy is 'a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing'.[9] Improved financial literacy can benefit anyone, regardless of age or income.

Financial decisions are complex, contextual and influenced by behavioural biases. Research shows that knowledge alone is not enough to ensure consumers make effective financial decisions.

International and Australian experience suggests that increasing financial literacy levels is an iterative process as programs are developed, implemented, monitored, learned from, and refined.

Defining financial literacy

23 The 2011 Strategy used a definition of financial literacy that incorporated both knowledge and decision making:

> [financial literacy is]... the ability to make informed judgements and to take effective decisions regarding the use and management of money.[10]

24 In some countries, especially in Europe, the term 'financial capability' is preferred.

25 Although there is no one widely agreed-upon definition, certain elements are common to most definitions.[11] A recent OECD definition[12] broadens the goal of financial literacy from 'managing money' to achieving 'financial wellbeing', as well as acknowledging the impact of personal attitudes and behaviour:

> Financial literacy is a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.[13]

---

[9] A Atkinson and F Messy, *Measuring financial literacy: Results of the OECD/International network on financial education pilot study*, OECD Working Papers on Finance, Insurance and Private Pensions, No. 15, 2012, p. 14.
[10] ASIC, Report 229 *National financial literacy strategy* (REP 229), March 2011, p. 12, www.asic.gov.au/reports.
[11] ASIC, Report 230 *Financial literacy and behavioural change* (REP 230), March 2011, p. 7, www.asic.gov.au/reports.
[12] This is just one of many OECD definitions of financial literacy. In its publications on the topic, it has used a variety of ways to describe what is meant by financial literacy.
[13] A Atkinson and F Messy, *Measuring financial literacy: Results of the OECD/International network on financial education pilot study*, OECD Working Papers on Finance, Insurance and Private Pensions, No. 15, 2012, p. 14.

26 Personal financial literacy is important to achieving good financial outcomes, but it is not sufficient by itself. Other factors for financial wellbeing include:

- income sufficiency;
- availability of suitable financial products at an affordable price; and
- appropriate regulation.

The interaction of these related areas is discussed in Section D.

27 The concept of financial literacy is bound to evolve over time. The 2011 Strategy included a future commitment to review the definition. The consultation for the 2014–16 Strategy will involve discussion of the most useful definition of financial literacy.

Financial literacy and behaviour change

28 In March 2011, ASIC published a 132-page research report: see Report 230 *Financial literacy and behavioural change* (REP 230).[14] This extensive literature review summarised what ASIC had learned about financial literacy and was used to inform the 2011 Strategy.

29 The report focused on three key areas:

- what Australians know;
- what people do; and
- how to change behaviour.

30 We encourage people to revisit the research report, as it remains an excellent resource. This current report updates the original research at a high level, by restating key themes from the original research.

31 Among other things, the 2011 research found the following:

- Australians have differing attitudes to financial matters and varying levels of financial knowledge.
- Knowledge alone is not enough. People do not always act in their own best interests (e.g. by not engaging at all or by making ‘bad’ decisions) and their financial decisions appear to be hampered by core behavioural biases.[15]
- Best-practice principles for financial literacy interventions and evaluations are still developing, and it is widely recognised that both are inherently difficult.

[14] ASIC, REP 230, www.asic.gov.au.
[15] Examples of such biases include those canvassed in behavioural economics (also known as behavioural finance).

32 The research examined principles of social marketing to help develop a framework in which to build a practical strategy. These key principles are listed in Appendix 3 of this report.

33 Recent research shows that the findings of the 2011 research are still valid. In particular, certain environmental factors[16] and personal attributes[17] play a significant role in financial behaviours.

34 Recent research has emphasized the importance of behavioural aspects and social norms on financial literacy. Some organisations, including the Money Advice Service (MAS) in the United Kingdom, have used research into the importance of personality on financial behaviour to target initiatives at groups of people according to their personality rather than life-stage or demographics: see Case study 1.

Case study 1: MAS personality quiz

The online quiz asks ten questions designed to identify the type of financial 'animal' personality of the respondent. Animals include wise owls, shrewd foxes, and uncertain badgers.

Once a survey participant's 'money animal' has been identified they are given a brief description of the animal followed by a three step action plan. For example, a 'fox' is a person who sees money issues as private and has their 'day-to-day money under control, but what's coming over the hill is a bit hazy'.

The personalised three-step strategy for 'foxes' includes:

- finding a strategy for having successful money conversations;
- taking stock of your money situation and set goals; and
- making an investment plan.[18]

The long road to change

35 The issues underpinning financial literacy are complex. Influences on individuals are multi-layered and ever-shifting.

---

[16] For example, the importance of social norms on financial behaviour has been was the focus of research into individuals' use of credit relative to their peers. A survey of American undergraduate and MBA students found that individuals were influenced by credit-related norms when they shared experiences with people to which they had strong ties. That is, it was more likely they would overspend on credit cards when they shared experiences with friends who overspent on credit cards. See V Sotiropoulos and A Dastous 'Social networks and credit card overspending among young adult consumers', *Journal of Consumer Affairs*, Vol. 40, 2012, pp. 457–484.

[17] A group of economists are beginning to explore how personality traits impact economic behavior (see L Borghans, A L Duckworth, J Heckman and B ter Weel, *The economics and psychology of personality traits*, Research Centre for Education and the Labour Market, ROA-Rm-2008/1, 2008 http://edocs.ub.unimaas.nl/loader/file.asp?id=1300; M Almlun, A L Duckworth, J Heckman and T Kautz, *Personality psychology and economics*, Institute for the Study of Labor discussion paper No. 5500, http://ftp.iza.org/dp5500.pdf; and J Heckman *Integrating personality psychology into economics*, National Bureau of Economic Research Working Paper 17378, 2011, http://www.nber.org/papers/w17378.pdf).

[18] The quiz is available at https://www.moneyadviceservice.org.uk/static/tools/money_mindset/index.html.

36 Improving financial literacy is an iterative process as interventions and evaluations are developed, implemented, monitored, learned from, and refined. Progress also depends on programs being scaled up from pilots to large scale programs.[19]

37 Experts in financial literacy generally consider that it will take at least a generation to see a major change in Australians' financial literacy levels and attitudes. Nevertheless, some programs are reporting modest, incremental successes already.

38 An example of one such program overseas is described in Case study 2. For examples of Australian financial literacy programs (including ASIC programs), see Section D of this report.

Case study 2: Brazil high school education

Three months after attending school-based financial education, the average financial proficiency score of children rose from 50 to 60. Financial literacy in the control group, in comparison, increased from 50 to 56.

One year later, the financial proficiency score of the children who had attended education was 62, compared to the non-attendee score of 59.[20] That education is an improvement at one point in time, out of many possible steps in their life.

[19] See Case study 5 in Section D of this report.

[20] M Bruhn, A Legovini and B Zia, *Impact evaluation of Brazil's school based financial education program,* The World Bank, 17 October 2012, http://www.banrep.gov.co/educacion-economica/OECD/009543/documentos/bruhn_oecd_2012.pdf. See also Case study 6 in Section D of this paper.

C ANZ financial literacy survey

Key points

In late 2011, the Australia and New Zealand Banking Group Limited (ANZ) published the results of its fourth survey of adult financial literacy in Australia. These results showed existing financial literacy levels and changes over time.

For the first time, the 2011 ANZ survey also examined relationships between financial attitudes and actual behaviours, and outlined the implications of these relationships for financial education programs.

Attributes associated with financial literacy

39 The most recent ANZ survey of adult financial literacy in Australia was published in December 2011 (2011 ANZ survey).[21] A total of 3,502 respondents aged 18 and over answered a series of core questions, with further questions targeted at particular subgroups.

40 The research found that certain factors were correlated with differences in financial literacy levels.[22] These factors included age, financial knowledge and numeracy, financial attitudes, household income, education and occupation.

41 Groups with below average levels of financial literacy in 2011 were similar to groups identified in 2003.[23] They were:

- 18–24 year olds;
- people in blue-collar occupations;
- people with government benefits as their main source of income;
- people with less than $2,000 in savings; and
- Aboriginal and Torres Strait Islanders.

42 Above average levels of financial literacy were associated with:

- completion of formal post-secondary education; and
- white-collar occupations.

---

[21] ANZ, *Adult financial literacy in Australia: Full report of the results from the 2011 ANZ survey* (2011 ANZ survey), December 2011, http://www.anz.com.au/resources/f/9/f9fc9800493e8ac695c3d7fc8cff90cd/2011-Adult-Financial-Literacy-Full.pdf.pdf?CACHEID=f9fc9800493e8ac695c3d7fc8cff90cd.

[22] The 2011 ANZ survey highlights an important caveat that the groups defined as having low financial literacy include individuals with high, as well as low, financial literacy levels. For example, *more* people, not *all* people, in the blue-collar occupation group have low financial literacy levels.

[23] ANZ, *Making a difference to financial literacy: A review of ANZ's financial literacy program*, 2004.

Financial behaviour

43 In 2011, the majority (81%) of respondents felt they were in control of their financial situation all, or most, of the time. A smaller proportion (16%) felt they fluctuated in and out of control. This was more likely to be single parents with incomes of $65,000 or less (28%) and those with mortgages over $300,000 (29%).

44 Most respondents (74%) stated they were comfortable with their level of debt. Of all people surveyed, 7% had missed a repayment on a loan, mortgage or credit card in the past 12 months. The main reasons for missing a repayment were loss of income and failing to budget correctly.

45 The proportion of people that held savings accounts, term deposits, investment properties and super has remained stable since 2002. In 2011, nearly half (45%) had a high interest savings account. Around one fifth had an investment property and a term deposit (19% and 21%, respectively).

46 The proportion of respondents that held shares and managed investments has been steadily decreasing since 2002. The proportion of respondents with shares fell from 44% to 35%. In the same time period the proportion of people with managed investments outside super fell from 29% to 16%.

47 Half of respondents (50%) had sought financial advice in the previous 12 months (including non-professional advice). Sources of advice *ever* used by respondents included:

- accountants (60%);
- bank managers (50%); and
- friends/family (46%).

48 Only a small proportion (10%) of respondents had never used any source of financial advice.

49 Nearly one fifth of respondents (18%) had consulted a financial planner in the previous year. This was higher among older age groups (53% of 55–69 year olds had consulted a financial planner) and people with higher incomes (51% of people with incomes over $100,000).

50 Sources of financial information most likely to have been used *in the past 12 months* were the financial section of newspapers (32%) and financial sites on the internet (28%).

Financial attitudes

51 A series of attitudinal questions representing four distinct concepts were asked in the 2011 ANZ survey for the first time. The concepts included financial self-efficacy which was defined as a 'reflection of people's self-belief in their ability to change their financial situation and effectively plan their financial future'.[24]

52 Table 1 shows the correlations between financial attitudes and behaviours.

Table 1: Correlations between financial attitudes and behaviours

Attitude	Associated behaviour
Thriftiness	• Keeping track of finances • Choosing/shopping around for financial products • Staying informed
Financial self-efficacy	• Keeping track of finances • Choosing/shopping around for financial products • Planning ahead • Staying informed
'Dealing with money is stressful'	• Choosing/shopping around for financial products (negative association)
Risk taking	• Staying informed

Source: 2011 ANZ survey.

53 The attitudes of thriftiness and financial self-efficacy were positively associated with keeping track of finances and choosing financial products. Feeling stressed about dealing with money was negatively associated with choosing products. Financial self-efficacy was associated with planning and strongly associated with staying informed. Risk taking and thriftiness were positively associated with staying informed.

54 The survey also examined the interaction of attitudes alongside other characteristics associated with these behaviours, such as numeracy, socio-demographics, household circumstances, occupation, income, assets and debt. The analysis indicated the importance of age for financial literacy; the effect of other factors (such as financial knowledge, numeracy and socio-demographics) was more variable.

[24] Other concepts measured in the survey included thriftiness, risk taking, and 'feeling that dealing with money was stressful'. In the research, thriftiness was associated with a 'focus on saving and a reluctance to spend other than on necessity', and risk-taking was defined as having 'a propensity for risk-taking in financial matters, a preference for credit use and an interest in impressing others with purchases' (2011 ANZ survey, p.8).

Environmental factors

55 The global financial crisis of the mid-2000s has had an effect on people's financial behaviours and attitudes, with increased saving and reduced use of credit. As the ANZ financial literacy survey has been collected four times since it began in 2002, it is possible to observe changes in community behaviour before and after the crisis.

56 In 2011, around three quarters (77%) of respondents reported regularly saving, the highest it has been in any of the surveys. A decrease in the proportion of people with credit was also evidenced, with personal loans (12%), line of credit or overdraft (12%), and lease/hire purchase agreements (7%) all reduced since 2008.

57 Information from other sources corroborates this evidence of changed behaviour and sentiment since the global financial crisis. Since 2010, the proportion of people with credit cards has decreased from 48% to 43%.[25] Use of debit cards has nearly doubled in the same time period (up from 20% to 37%).[26]

Self-awareness

58 For the first time, the 2011 ANZ survey measured people's self-assessed financial literacy levels against their scored financial literacy levels. In all, 62% of people considered their financial ability 'average', nearly one third (29%) believed they were 'above average', while only 8% considered themselves 'below average'. Those people who reported being above and below average were likely to be correct in their self assessment. Respondents who considered themselves 'average', however, were more likely to actually be below average.

Implications

59 The complexity of individual financial literacy is evidenced in the findings of the 2011 ANZ survey. High levels of financially literate behaviour in one area will not necessarily result in high levels in another. The researchers suggest that financial education programs that take 'into account and seek to positively influence people's financial attitudes are likely to be more effective than those that do not'.[27] They recommend financial education programs focus on engaging people, building confidence, and helping to overcome the stress people feel when dealing with money.

---

[25] Roy Morgan, *Debit card growth nearly doubles*, Article no. 1918 (Roy Morgan), 21 January 2013, http://www.roymorgan.com/news/press-releases/2013/1918/.
[26] Roy Morgan.
[27] 2011ANZ survey, p. 3.

60 While building confidence is important, the 2011 ANZ survey's findings about the gap between self-assessed and scored financial literacy suggest that over-confidence too remains a potential barrier for many Australians.

61 Research has shown that financial education can be more effective when targeted at 'learning moments'.[28] The changed saving and spending behaviours in the aftermath of the global financial crisis as shown in the 2011 ANZ survey indicates that now is a time people are receptive to positively altering their financial behaviour. This learning opportunity should be acted on soon, however, as it may pass by. Research has shown that changed behaviour in the aftermath of a shocking external event is often short-term, with a return to non-productive behaviour in the long term, after the experience fades from memory.[29]

[28] Y Doi, D McKenzie and B Zia, *Who you train matters: Identifying complementary effects of financial education on migrant households,* World Bank, Impact evaluation series No. 65, Policy research working paper 6157, August 2012.
[29] D Kahneman, *Thinking, fast and slow,* Penguin, London, p. 137.

D Results under the 2011 Strategy

Key points

This section gives an overview of some financial literacy initiatives delivered since the 2011 Strategy was released.

Education, outreach, and information provision examples are all outlined. They have been developed, funded and delivered from all sections of the community, including government, business, education and community services.

Only a small selection of the many excellent financial literacy initiatives that currently exist are included in this section. Some are new initiatives. Others have been in operation for many years and have continued to evolve over the past few years.

Promoting financial literacy through schools and other pathways

62 Under the 2011 Strategy, major progress has been made to promote financial literacy to the next generation of consumers and investors. For example, consumer and financial literacy is being integrated into the new Australian Curriculum for Foundation–Year 10. There is a sub-strand called ‘Money and financial mathematics’ in the mathematics curriculum.

63 Consumer and financial literacy can be used to teach curriculum content in real-life contexts within other learning areas such as English, science, history, geography, health and physical education, and technologies. This approach requires planned integration of financial literacy across the school curriculum rather than provided as one off programs.

64 Consumer and financial literacy is also one of the four ‘key ideas’ that will shape the content of the new Economics and Business curriculum. This curriculum will be rolled out from 2014, and by 2020 should be taught to all Australian students in Years 5–8.[30]

65 Teachers play a pivotal role in financial literacy education at school, especially in the development of values, critical thinking capabilities and the confidence to apply knowledge and skills in a range of situations. Ongoing professional learning is vital. So too is access to quality classroom resources linked to the relevant curriculum.[31]

[30] See the implementation timeline at www.acara.edu.au/curriculum_1/learning_areas/humanities_and_social_sciences/economics_and_business.html.
[31] 2011 Strategy, p. 21.

66 ASIC is working with Australian state and territory education authorities to support teachers by delivering the 'MoneySmart Teaching' program (www.teaching.moneysmart.gov.au): see Case study 3.

Case study 3: MoneySmart Teaching program

The MoneySmart Teaching website is the national hub for educators and hosts ASIC's consumer and financial literacy resources that are available free of charge for teachers and students. These resources are aligned to the new Australian Curriculum and form a comprehensive program for schools. The program includes:

- MoneySmart Teaching packages for primary and secondary schools (with 17 units of work[32] and a set of workshops for teacher professional and parent learning);
- information about how to become a MoneySmart School and contact details for a project officer in each state or territory;
- a suite of interactive 20 digital resources (for computers, iPads and interactive whiteboards) which complement the units of work and can also be used as stand-alone resources;
- 12 high-value videos for use in the classroom and for professional learning;
- a personal financial learning program (video, newsletter, podcasts); and
- two interactive online professional learning modules for teachers.

Over 5,000 teachers across Australia have been trained so far using the MoneySmart Primary and Secondary training packages and more than 120,000 students across 90 schools are involved in the trialling of units of work that have been developed to support teachers.

67 A wide range of other organisations in Australia also support the teaching of financial literacy in Australian schools and other education pathways through quality programs and resources.

68 In 2012, the Commonwealth Bank Foundation built on its successful StartSmart schools program to launch a StartSmart Pathways program for young people aged 16–24 who are in vocational education settings.[33]

69 Over the past 18 months, Citi Australia has partnered with The Smith Family to deliver the first accredited course in financial literacy for students as part of a commitment to improving financial literacy outcomes for disadvantaged children. The course was rolled out to students aged 15–18 years in 16 communities across Victoria and New South Wales. Called *Money for Life*,

[32] Units of work for primary school teachers include five integrated units, three Mathematics units and one Enterprise case study. Units of work for secondary school teachers include four Mathematics units, two Science units and two English units. A Big Book for use in Foundation–Year 2 has also been produced.

[33] The Commonwealth StartSmart program has been offered to secondary schools since 2007 and was extended to primary schools in 2010. The programs reach over 200,000 students per year. Go to www.startsmart.com.au/home/startsmart-programs for more information.

the initiative helps students develop their skills in financial literacy by offering the opportunity to gain a Certificate 1 Financial Services, which can be used as a credit towards a student's Year 12 qualification.

70 Interest in delivering financial literacy programs in the workplace has gained momentum over the past few years. Several employers have developed sophisticated workplace-based programs, which can provide signposts to those wanting to build the financial literacy capabilities of their workforce.

71 The Australian Defence Force (ADF) Financial Services Consumer Council has developed financial education programs for the different life and career stages of ADF soldiers and employees. Through its website it has links to e-learning modules, seminars, videos, targeted guides and publications.[34] All military recruits participate in financial education programs at key stages of their careers.

72 The Davidson Institute's[35] wide range of online and face-to-face financial education programs are an important part of Westpac Bank's learning and development program for its 39,000 employees and for the public.

73 In partnership with the Government Employees Superannuation Board (GESB), the Department of Education in Western Australia has designed an employer-sponsored workplace financial literacy initiative for teachers, called 'Into Your Comfort Zone'. The program aims to empower staff to make better financial decisions, both personally and professionally. 'Into Your Comfort Zone' has achieved impressive outcomes and, over the past few years, has been tailored to the specific requirements of other WA government agencies for use with their employees.[36]

Providing trusted and independent information

74 In March 2011, ASIC launched its MoneySmart website (www.moneysmart.gov.au). This provides a trusted and independent source of information and guidance. The website now assists over 300,000 people each month.

75 ASIC's MoneySmart website is aimed directly at consumers and individuals and contains over 400 pages of content. It includes 26 free and independent calculators to help people understand their savings and debt management, including five mobile *calculators*. Since it was launched, over 4.3 million people have visited the website.

[34] For more information, go to www.adfconsumer.gov.au and www.moneysmartweek.org.au/awards.
[35] Go to www.davidsoninstitute.edu.au.
[36] For more information, go to www.moneysmartweek.org.au/awards.

76 People have different preferences about how they want to receive information and not everyone has ready Internet access, so ASIC also distributes messages and materials through print, radio and face-to-face channels. Each month around 25,000 printed publications are distributed. There are 21 videos on the website and MoneySmart YouTube[37] channels, some in multiple languages.

77 ASIC also delivers information to particular community sectors. For example, it developed a money management kit in 26 languages for community settlement workers to use with newly arrived migrants. The kit can also be used by teachers and welfare professionals who provide general financial literacy education or teach English as a second language.

78 ASIC has an Indigenous Outreach team that helps Indigenous people understand and make decisions about financial services. The team conducts outreach activities across urban, rural and remote Indigenous communities and liaises with Indigenous organisations, legal services, financial counsellors and consumer advocates. It also helps develop and distribute publications and resources about issues of importance to Indigenous consumers including banking, credit, insurance, superannuation and scams.

79 There are many other organisations working to deliver information that leads to positive financial literacy outcomes. One example is the Financial Information Service (FIS) offered by the Department of Human Services/Centrelink: see Case study 4.[38]

80 Many community organisations also deliver tailored information to specific groups, often as part of an education program or financial counselling services. Examples include the Women's Referral and Information Exchange (WIRE), Casey North Community Information Support Service; the Salvation Army, Wesley Mission, Mission Australia, Uniting Care, Anglicare, the Brotherhood of St Laurence and the Smith Family.

Case study 4: Financial Information Service (FIS)

The Financial Information Service (FIS) offered by the Department of Human Services/Centrelink is a free, confidential service that provides education and information on financial and lifestyle issues to all Australians.[39]

FIS officers provide information to people over the phone, at personal interviews, and through financial education seminars held in a range of locations across Australia.

For example, FIS has partnered with ASIC on a series of educational seminars for beginner investors, presented across Australia by FIS officers on behalf of MoneySmart and using MoneySmart's *Investing between the flags* resource.

[37] Go to www.youtube.com/user/MoneySmartAu.
[38] Other examples include the National Information Centre on Retirement Investments (NICRI), the Australian Bankers' Association (ABA), and the Davidson Institute.
[39] Go to www.humanservices.gov.au/customer/services/centrelink/financial-information-service.

Developing innovative solutions to change behaviour

81 Over the past few years, attention has focused on strategies that go beyond merely making information available to people who seek it.

82 The MoneySmart website is a platform for interactive tools that are specifically designed to prompt action and bring about behavioural change. The calculators are highly interactive, personalised and designed to encourage repeat use and changes to personal money management.

83 For example, the MoneySmart retirement planner is an innovative tool that simplifies a complex but critical issue for people, in calculating whether people will have enough income after they retire, taking into account their super and the age pension, and showing what steps they can take to boost their retirement income. Similarly, MoneySmart's 'money health check' tool helps people identify areas where their finances are not in order and suggests specific actions to address these areas.

84 Matched savings have been used in a number of programs as both an incentive to increase individual savings and also to encourage people to develop a savings plan.[40] Government-led examples include the superannuation co-contribution,[41] and Centrelink's matched savings schemes payment.[42] Not-for-profit organisations and financial institutions also have teamed up to deliver 'matched savings' programs, such as AddsUp[43] and Saver Plus: see Case study 5.

Case study 5: Saver Plus

The Saver Plus program, which was first developed in 2002, has continued to expand its reach since 2011, with additional funding of $19.5 million until 2013–14 from the Australian Government Department of Families, Housing, Communities and Indigenous Affairs. The program is Australia's first and largest matched savings and financial education program to assist lower income Australians.

Since it began, the program has supported over 14,000 lower income Australians to save over $6.5 million and build a lasting savings habit by strengthening their financial skills, knowledge and confidence.[44] Between 2009 and 2011, the program has had a success rate of 83%.[45]

[40] J R Bray, M Gray, K Hand, B Bradbury, C Eastman and I Katz, *Evaluating new income management in the Northern Territory: First evaluation report*, Report for the Family, Housing, Community Services and Indigenous Affairs (FaHCSIA), 2012.
[41] Australian Taxation Office (ATO), *Super co-contribution*, http://www.ato.gov.au/individuals/content.aspx?doc=/content/42616.htm.
[42] Centrelink, Matched Savings Scheme Payment, hwww.humanservices.gov.au/customer/enablers/centrelink/income-management/matched-savings-scheme-payment.
[43] The AddsUp program is delivered by Good Shepherd Microfinance in partnership with the National Australia Bank (NAB) and the No Interest Loan Schemes (NILS) network.
[44] As part of the program, participants receive one dollar from ANZ in matched savings for every dollar they save up to a maximum of $500 and free MoneyMinded financial education; personal support and guidance from a trusted community organisation.
[45] R Russell, J Cattlin and M P Doan, *Evaluation of Saver Plus: Phase 4 (2009–2011)*, RMIT University, Melbourne.

Working in partnership

85 One of the most striking trends under the 2011 Strategy has been the number and diversity of organisations working in partnership.

86 The leading example is MoneySmart Week (www.moneysmartweek.org.au). The inaugural MoneySmart Week was in September 2012, and relied on cooperation from over 50 organisations across government, business and community sectors: see Case study 6.

Case study 6: MoneySmart Week

MoneySmart Week is an initiative of members of the Australian Government Financial Literacy Board. It is designed to motivate people to take positive action to improve their finances as well as raise awareness of the programs and support already available.

During MoneySmart Week 2012, MoneySmart Week Awards were presented to organisations in recognition of their work advancing Australia's financial literacy.

So far, more than 15 organisations have made financial commitments to support MoneySmart Week 2013.[46]

87 There are many other examples of agencies working in partnership. For example, ASIC coordinates monthly community of practice meetings where the financial literacy community can exchange information and learn from each other.

88 The Financial Management Program run by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) has a strong partnership approach with the community sector. The program supports Australians vulnerable to financial stress and crisis, working with other Australian government agencies and state and territory governments to provide a holistic response. It is aimed at people experiencing financial difficulties and offers a range of voluntary, free, and confidential financial services.

89 The Indigenous Financial Counselling Mentorship Program is a partnership initiative between the Indigenous Consumer Assistance Network (ICAN)[47] and the Commonwealth Bank of Australia. The program was created to increase the number of accredited Indigenous financial counsellors in Australia and improve the quality and cultural appropriateness of money management education and financial counselling services.

90 Wesley Mission has partnered with St George Bank to develop and run the *In charge of my money* program. The program helps communities, groups and individuals who are finding it difficult to manage their money and has

[46] Go to www.moneysmartweek.org.au.
[47] ICAN provides consumer education, advocacy, and financial counselling services for Aboriginal and Torres Strait Islander people.

already been adopted by the Western Sydney Domestic Violence Support Service for roll-out to its members. It complements Wesley Mission's existing one-on-one financial counselling service, which predominantly helps people who are already experiencing financial difficulties.

91 In addition to those already mentioned above, a number of not-for-profit organisations and financial institutions have teamed up to deliver a wide range of programs with a financial literacy element including, but not limited to:

- financial counselling;
- money management information and education;
- matched savings programs;
- information about saving for retirement; and
- research into problem gambling and its effects.

Measuring impact and promoting best practice

92 Section B of this report discussed the importance of evaluating financial literacy initiatives and attempting to measure their impact. However, evaluation in this area is inherently difficult, for a number of reasons, including:

- the external environment is constantly changing, so the financial literacy program is not the only factor influencing change;
- few programs have the resources to do 'before and after testing', and compare with a control group of non-participants; and
- real impact depends on what people actually do, not what they know or what they say they do.

93 ASIC uses qualitative and quantitative data to monitor and assess the outcomes of its main programs. Over the past two years, the average number of visitors to the MoneySmart website has increased from 80,000 to over 300,000 per month. Tracking research shows that 89% of people who visited the MoneySmart website October 2010 to January 2012 said they had taken action on their finances as a result of visiting the website.[48]

94 The top five reported actions were:

- keeping a closer eye on spending;
- shopping around for a better deal;
- preparing or updating a budget;
- increasing the amount of money I save; and
- becoming more alert about avoiding scams.[49]

---

[48] Sweeney Research, *Awareness and usage of MoneySmart website: Quantitative research report*, Report 22488, September 2012, https://www.moneysmart.gov.au/media/405257/moneysmart-website-awareness-report-aug-2012.pdf.
[49] Sweeney Research

95 ASIC (in partnership with the Department of Education, Employment and Workplace Relations) is supporting Australia's participation in the financial literacy component of the OECD's Programme for International Student Assessments (PISA). The first PISA 2012 financial literacy report will be released in June 2014. The 2015 PISA test will be reported in 2017. PISA results will allow for international comparisons on consumer and financial literacy levels and financial behaviours of young people aged 15 years. They may be able to serve as a benchmark to measure impact of school education programs.

96 Some longer-standing Australian financial literacy programs have been evaluated over time and can help identify 'what works': see Case studies 5 and 7.

97 Information about evaluations of financial literacy initiatives will be gathered as part of the upcoming stocktake survey to assist in developing the 2014–16 Strategy.

Case study 7: MoneyMinded

In 2012, ANZ reported that more than 200,000 people participated in their MoneyMinded financial literacy program.[50] After attending Money Minded, respondents' knowledge and understanding of financial products had increased and they reported more confidence in dealing with financial institutions.

Behavioural changes of participants included:

- 94% reported increased awareness of where to go for financial advice;
- 93% reported they were better equipped to deal with unexpected expenses;
- 91% agreed they were more informed shoppers;
- 89% cut back on spending to save;
- 67% used a household budget more often;
- 66% increased their monthly saving deposits; and
- 54% had up to $500 in savings, 30% had between $500 and $3,000, and 16% had more than $3,000.

[50] R Russell, M P Doan, J Cattlin, V Godinho and J Fang (Russell et al), *MoneyMinded summary research report: The reach and impact of MoneyMinded in Asia Pacific 2010–2011,* ANZ, Melbourne, 2012.

E Complementing other policy directions

Key points

Financial wellbeing for Australians will only occur if increases in financial literacy levels are supported by other policy and regulatory mechanisms.

Income sufficiency, access to financial products and appropriate regulation is necessary for people to have a healthy interaction with financial institutions and products.

It is important for all stakeholders to work in parallel to achieve this important goal.

Regulatory outcomes

98 Financial literacy is an important factor in achieving good financial outcomes for an individual or family, but it is not sufficient by itself. Other key factors include:

- income sufficiency;
- availability of suitable financial products at an affordable price; and
- appropriate regulation.

99 These policy areas are mentioned here to acknowledge their significance, and to also acknowledge that they are separate from financial literacy.

100 At the national level, the Australian Social Inclusion Board[51] has identified financial literacy as a key element of financial capability, along with other factors such as adequacy of income and provision of welfare services.[52]

101 From the perspective of a financial services provider, having a financially literate customer base may be seen as part of creating a sustainable business. If customers do not understand products, there is a risk that they will ignore them or use them inappropriately, resulting in customer dissatisfaction.

102 From a regulatory perspective, the achievement of good financial outcomes depends on a combination of adequate regulation and financial literacy. Neither can achieve a good outcome on its own. Case study 8 gives a recent example of a change in regulatory environment designed to assist in achieving good financial outcomes for consumers.

Case study 8: Default superannuation options

The 2010 Cooper review of superannuation concluded that many people were disengaged about their super, creating the risk of poor outcomes. The report recommended a default super option called MySuper. The

[51] This board was created in 2008 to advise the Australian Government on issues of social inclusion.

[52] Other elements of financial capability identified by the Australian Social Inclusion Board are income adequacy, financial autonomy and agency, and access to financial products and services.

default option is designed to ensure that disengaged members get low fees, diversified investments and good governance by default, without needing to make a choice.[53] From January 2014, a MySuper fund will be the default fund for all employees who have not chosen otherwise.[54]

Financial inclusion

103 Money management skills and ability to save have been internationally recognised as playing an important role in people's levels of financial and social inclusion.[55]

104 Financial inclusion can be thought of as removing institutional barriers to allow individuals to behave in financially literate ways.[56/57/58] In the past few years, the topic of financial inclusion/exclusion has become more prominent in Australian policy circles. The Australian Social Inclusion Board, as requested by the Hon. Mark Butler MP, Minister for Social Inclusion, is currently working to consolidate knowledge on financial capability and inclusion.

105 Case study 9 on ATM fees in remote indigenous communities[59] shows how policy can be used to remove institutional barriers to financial inclusion.

Case study 9: ATM fee removal

In 2012 the Australian Competition & Consumer Commission announced that 76 ATMs in remote Indigenous communities would be made fee free.[60]

A report on financial exclusion found that the 'inability to avoid ATM fees by using your own network ATM may be a significant barrier to financial inclusion.' The report noted that this was particularly problematic for those located in remote areas.[61] Compounding this issue is that many ATMs in remote areas have a low cap on the maximum withdrawal amount, resulting in banking customers having to make multiple withdrawals.[62]

Before the removal of ATM fees, it had been suggested that individuals in some remote communities were spending between 10% and 20% of their income on fees, and paid, on average $2,300 a year in fees.[63]

---

[53] Cooper review, *Super system final report, Part one: Overview and recommendations*, http://www.supersystemreview.gov.au/content/downloads/final_report/part_one/Final_Report_Part_1_Consolidated.pdf.

[54] ATO, *Changes to super for super funds, including self managed super funds*, Australian Taxation Office, 7 August 2012, http://www.ato.gov.au/individuals/content.aspx?menuid=43482&doc=/content/00327816.htm&page=8&H8.

[55] Russell et al, *MoneyMinded summary research report: The reach and impact of MoneyMinded in Asia Pacific 2010–2011*.

[56] M Sherraden, *'Financial capability: What is it, and how can it be created?'*, CSD Working Papers No. 10–17, St Louis, 2010.

[57] L Willis, 'Against financial literacy education', *Iowa Law Review*, vol. 94., 2008, pp. 197–285, http://www.law.uiowa.edu/documents/ilr/willis.pdf.

[58] C Baumann and T Hall, 'Getting Cinderella to the ball: putting education at the heart of financial education', *International Journal of Consumer Studies*, Vol. 36, 2012, pp. 508–514.

[59] The Hon Wayne Swan MP, Deputy Prime Minister and Treasurer and the Hon Jenny Macklin, Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform, Media Release No. 040, *Fairer deal on ATMs for remote Indigenous communities*, 25 May 2012.

[60] ACCC, *ACCC authorises fee free ATMs in remote Indigenous communities*, http://www.accc.gov.au/media-release/accc-authorises-fee-free-atms-in-remote-indigenous-communities.

[61] Centre for Social Impact, *Measuring Financial Exclusion*, NAB, 2012, p. 16, http://www.csi.edu.au/assets/assetdoc/3c1698bd3334ed55/NAB-Financial-Exclusion-Report_Final.pdf.

[62] Financial Counselling Australia, *ATM fees in remote Indigenous communities*, Financial Counselling Australia, 2010, www.financialcounsellingaustralia.org.au.

[63] ICAN *Remote Indigenous consumers stung by high ATM fees*, Indigenous Consumer Assistance Network, 1 December 2010, http://ican.org.au/remote-indigenous-consumers-stung-by-high-atm-fees/.

Appendix 1: Map of the 2011 Strategy

<table>
<tr><th colspan="4">VISION</th></tr>
<tr><td colspan="4">To enhance the financial wellbeing of all Australians by improving financial literacy levels</td></tr>
<tr><th colspan="4">Underpinning principles</th></tr>
<tr><td colspan="4">Inclusiveness—reach all Australians, particularly those most in need and future generations of consumers and investors
Engagement—help all Australians appreciate the importance of financial literacy and that small things done regularly make a real difference
Diversity—deliver learning that recognises the different ways people learn and allows all Australians to participate
Knowledge and empowerment—give all Australians access to independent and reliable information, tools and ongoing support
Improving outcomes—recognise that information alone is not always enough and use additional mechanisms to achieve better outcomes
Partnerships—map and build on existing foundations to fill gaps and ensure all sectors and agencies work cooperatively
Measurement—evaluate our work to know what is and isn’t effective, and learn from and share these evaluations</td></tr>
<tr><th colspan="4">How we will do this</th></tr>
<tr><th>Education</th><th>Information and ongoing support</th><th>Achieving behavioural change</th><th>Coordination and the long haul</th></tr>
<tr>
<td>Integrate and embed financial literacy into the Australian Curriculum
Ensure sustainability of school programs through strategic partnerships with education stakeholders, professional learning for teachers and access to high-quality resources
Increase the take-up of financial literacy options in further education, especially vocational and education training and teacher pre-service education
Expand the take-up of financial literacy training in the workplace, especially for small business
Work with relevant government agencies, the community sector and others to deliver financial literacy programs to adults, with a focus on those most in need and on issues and products causing the greatest problems</td>
<td>Create a continuum from engagement, to knowledge, to skills, to support, to action
Understand people’s information needs and learning preferences and design tools and materials to match them
Develop a new interactive ASIC website that equips people for action and gives ongoing support
Recognise the ongoing need to engage with non-web-based materials
Develop resources relevant to and designed to reach people at key ‘teachable moments’</td>
<td>Understand why consumers behave as they do—learn from behavioural economists and social marketing experts
Apply this knowledge to the design of financial literacy programs
Recognise that more than educational solutions are needed if better outcomes are to be achieved
Influence public policy and product design settings to maximise outcomes that promote financial wellbeing
Give Australians access to personalised money guidance and direct them to product comparison services
Work with FaHCSIA and financial counsellors to assist in the development of an online diagnostic tool for people with debt problems</td>
<td>Identify and foster partnerships with sectors best placed to design, fund, deliver and measure initiatives
Build on and establish new mechanisms to improve coordination, knowledge sharing and networking
Contribute to international work on best-practice evaluation mechanisms for financial literacy—including the OECD’s trial testing of financial literacy through the Program for International Student Assessment (PISA) in 2012
Apply appropriate measures for each initiative
Measure and track overall Australian financial literacy rates</td>
</tr>
</table>

Source: 2011 Strategy, p. 10.

Appendix 2: OECD/INFE processes to inform national financial education strategies

The INFE advocates a 'trilogy approach' whereby the national strategy is developed in conjunction with strategies for financial inclusion and financial consumer protection. The OECD/INFE Principles have been endorsed by the G20 and APEC economies and provide a useful lens for shaping a national financial literacy strategy. The suggested processes that should inform a national strategy are outlined in Table 2.

Table 2: Processes for informing a national strategy

Stage	Activities
Preparing	• Mapping and evaluating existing initiatives • Assessing the needs of the population and policy shortcomings • Consulting with stakeholders and general public • Communicating to develop national awareness
Governing	• Creating a leadership and governance structure • Coordinating the roles and responsibilities of stakeholders
Roadmapping	• Defining common objectives and policy priorities • Targeting audiences • Assessing overall impact • Developing resources
Implementing	• Developing delivery methods, training and tools • Evaluating impact and process of programs

Source: OECD/INFE Principles.

Appendix 3: Social marketing principles

Principles for social marketing are outlined in Report 230 *Financial Literacy and behavioural change* (REP 230), published by ASIC in March 2011.[64] These principles were taken from an investigation by the Australian Public Service Commission (APSC) into behaviour change,[65] which in turn sourced them from Kotler and Lee.[66] The principles are set out in Table 3.

Table 3: Social marketing principles

Principle	
1	Take advantage of existing campaigns
2	Target the people most ready for action
3	Promote single, doable behaviours
4	Identify and remove barriers
5	Bring real benefits into the present
6	Highlight costs of competing behaviours
7	Promote a tangible object or service
8	Consider non-monetary incentives
9	Have fun with messages
10	Use media channels at the point of decision making
11	Get commitments and pledges
12	Get commitments and pledges

Source: ASIC, REP 230.

[64] ASIC, REP 230, www.asic.gov.au/reports.
[65] APSC, *Changing behavior: A public policy perspective*,2007, Commonwealth of Australia, Canberra, http://www.apsc.gov.au/__data/assets/pdf_file/0017/6821/changingbehaviour.pdf.
[66] Kotler, P and Lee, N, *Marketing in the public sector: A roadmap for improved performance*, 2006, Wharton School Publishing, New Jersey.

Appendix 4: Results from the 2011 ANZ survey

Table 4: Characteristics associated with components of financial literacy, 2011

Characteristics associated with components of financial literacy	Financial literacy components				
	Keeping track of finances	Planning ahead	Choosing financial products	Staying informed	Financial control
Financial knowledge / numeracy	++	+	+++	++	
Socio-demographics					
18–24 years					
25–34 years	++	++	+++		
35–44 years	++	+++	+++	+	
45–54 years	+++	+++	+++	++	
55–64 years	+++	+++	+++	+++	
65+ years	+++	+++	+++	+++	
Female	++				
Post-secondary education			+++	++	
Increasing number of children at home					--
Household circumstances					
Owns or paying off car		++	++		
Renting home		--			--
Internet user/ever used online site to compare financial products				++	
Occupation and income					
In paid employment					
Occupation: Upper white collar				++	
Occupation: Lower blue collar	-	-			
Household income level	-	+			++
Assets and debt					
Total savings/investments and superannuation		++		+++	++
Total debt					---

Characteristics associated with components of financial literacy	Financial literacy components				
	Keeping track of finances	Planning ahead	Choosing financial products	Staying informed	Financial control
Financial attitudes					
Financial self efficacy	++	++	++	+++	++
Money dealing is stressful	--		--	--	---
Risk taking	--			++	-
Thriftiness	++		++	++	++

Source: 2011 ANZ survey, p. 9.

Important notes concerning regression results: The above table reports the results of five regression models—one for each component of financial literacy. The variables listed on the left are those that have a statistically significant association with one or more components of financial literacy. The strength of these associations is shown symbolically by the use of '+' and '-' signs; the more symbols used the stronger the association (based on scores generated from the standardised regression coefficients in each model). The sign (+ or -) shows the direction of the association; for example, as an individual's 'financial self-efficacy' increases, the +++ symbol shows that the 'Staying informed' index also increases.

Key terms

Term	Meaning in this document
2011 ANZ survey	ANZ survey of adult financial literacy in Australia, December 2011
2011 Strategy	The National Financial Literacy Strategy released by ASIC in 2011, www.financialliteracy.gov.au
ADF	Australian Defence Force
ANZ	Australia and New Zealand Banking Group Limited
APEC	Asia–Pacific Economic Cooperation
APSC	Australian Public Service Commission
ASIC	Australian Securities and Investments Commission
ATM	Automatic teller machine
ATO	Australian Taxation Office
FaHCSIA	Families, Housing, Community Services and Indigenous Affairs
FIS	The Financial Information Service offered by the Department of Human Services/Centrelink
GESB	Government Employees Superannuation Board
ICAN	Indigenous Consumer Assistance Network
INFE	International Network on Financial Education
IOSCO	International Organization of Securities Commissions
NAB	National Australia Bank
OECD	Organisation for Economic Co-operation and Development
OECD/INFE Principles	*OECD/INFE high-level principles on national strategies for financial education*, August 2012, www.oecd.org
PISA	Program for International Student Assessments
WIRE	Women's Referral and Information Exchange