



ASIC

Australian Securities & Investments Commission

CONSULTATION PAPER 45

Financial literacy in schools

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Acknowledgments

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- Erebus Consulting Partners for the research report they provided to ASIC. This research report provided ASIC with a snapshot of where and how financial education is taught in Australian high schools as well as providing strategic direction. In particular, we wish to thank Ms Leone Robb, Dr Bob Carbines and Dr Tim Wyatt. With the consent of Erebus, relevant sections of the Erebus report have been incorporated in this paper without direct quotes or acknowledgment;
- the many representatives from educational jurisdictions, schools, financial industry bodies and community members who were interviewed or contacted for information by Erebus;
- the Financial Planning Association (FPA) for co-funding the research report prepared by Erebus. In particular we wish to thank Ms Caroline Wilkie, Mr Allan Crompton and Ms Gwen Fletcher. The FPA is currently involved in a number of projects to promote financial literacy; and
- members of ASIC's Advisory Committee who have provided us with invaluable guidance and feedback throughout the course of the project. The membership of the Advisory Committee is listed in Appendix 1.

2 Responsibility for the contents of this discussion paper rests with ASIC.

What this discussion paper is about

- 3 The aim of this discussion paper is to:
- (a) share the findings of the research ASIC commissioned to identify the current status of financial literacy education in Australian secondary schools. This involved a curriculum map revealing opportunities for teaching financial literacy and a survey of available resources to support the teaching of financial literacy;
 - (b) outline the nature of financial literacy education in schools overseas (the UK, the US and New Zealand) and highlight any lessons that may be learnt from their experiences;
 - (c) make proposals about curriculum, resource development and/or institutional support to promote improved financial literacy levels in Australian schools; and
 - (d) promote discussion and ideally agreement about a coordinated way to progress and support teaching for financial literacy in schools.
- 4 A 'List of questions' contained in this discussion paper is set out at Appendix 2, and a 'List of acronyms' used can be found at Appendix 3.

Your feedback is invited

We are seeking your feedback on this discussion paper by 26 September 2003. The discussion paper can be downloaded from ASIC's consumer website www.fido.asic.gov.au

Your comments

You are invited to comment on the issues raised, or any other aspect of this discussion paper.

Comments are due by Friday 26 September 2003, and should be sent to:

Financial Literacy Project
Consumer Protection
ASIC
GPO Box 9827
Sydney NSW 2001

Or emailed to: financial.literacy@asic.gov.au

All submissions will be treated as public documents unless they are marked as confidential.

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Executive summary

The case for financial literacy education

Financial literacy is defined as the ability to make informed judgments and to take effective decisions regarding the use and management of money. In today's world of increasingly complex financial decisions, financial literacy may be considered a vital skill for all consumers. However, the first national survey of adult financial literacy in Australia commissioned by the ANZ Bank shows that some groups of consumers lack key financial skills and understanding about certain financial products and services. Amongst the groups with the lowest financial literacy levels were 18 to 24 year olds.

The costs of financial illiteracy can be huge, as illustrated by the \$800m in losses to consumers over the last three years revealed by ASIC's investigations into prospectuses and scams. As the consumer protection regulator for financial services, ASIC's long-term goal is to create a financially literate community. To fully realise this goal, it is important that learning about money management begins at an early age, so that every school leaver has the necessary basic financial skills to become confident and informed consumers in their work and personal life.

This Discussion Paper shares the results of ASIC's research and seeks to promote debate about how financial literacy education can be successfully incorporated into the curriculum and supported in the classroom. It recognises that this goal will only be achieved with the combined efforts of a number of sectors and organisations working together.

Financial literacy in schools: where we are now?

ASIC commissioned consultants to undertake a research project to provide a picture of where and how financial literacy is currently being taught in Australian secondary schools. The research, which was co-funded by the FPA, consisted of a curriculum map and a stocktake of existing resources for teaching financial literacy.

It was found that whilst there are opportunities for teaching financial literacy skills, it is not a formal course of study in any jurisdiction and there is no systematic approach to its teaching. At present not all students will be exposed to financial literacy teaching and no course covers all aspects of financial literacy. Opportunities to teach financial literacy exist, however, in Studies of Society and Environment (Human Society and its Environment in NSW), Maths, as part of the transition from school agenda and as part of Health and Physical Education or Life Skills courses. In terms of resources, the researchers found that there are few up-to-date resources that are linked to curriculum.

Financial literacy overseas

Low levels of financial literacy are not unique to Australia. Research conducted overseas, notably the UK, the US and New Zealand, reveals results similar to those of the ANZ Bank survey. In all three countries, measures have been, or are being, implemented to raise financial literacy levels, including efforts to integrate financial literacy education into the school curriculum. To support and promote the teaching of financial literacy in schools, a range of innovative programs have been established. In particular, in both the UK and the US, independent organisations that bring together key stakeholders in the education, finance, community and government sectors have been established. These organisations provide a useful model for how we might progress matters in Australia.

Curriculum: where do we go from here?

There is a range of options for incorporating financial literacy into the school curriculum, each of which has its pros and cons. Due to the already crowded nature of curriculum, the approaches we canvass work within the existing curriculum and key learning areas rather than proposing whole new teaching streams. We recognise that financial literacy opportunities in the curriculum will only translate into financial literacy learning in the classroom if they are supported by initiatives, such as teaching resources, professional development for teachers, the establishment of financial literacy competencies (ie the skills a financially literate student should possess) and measures to raise awareness of financial literacy.

Resources: where do we go from here?

Whilst some excellent resources have been produced, there is a need for more teaching resources to support the financial literacy education in schools. Furthermore, it is important that a more strategic approach is taken to the development of resources. Resources will be most effective if they are linked to curriculum and meet the needs of teachers and students. Good quality resources should also be topical, stimulating and linked to practical, real life experiences to which students can relate. To bring this together, we propose a number of draft best practice principles for financial literacy education resources.

Key Stakeholders: where do we go from here?

In addition to government, we are keenly aware of the importance of key stakeholders if this project is to be successful and achieve its aims. Key stakeholders include: principals, teachers and their associations; parents and carers; the financial services industry; and the community sector. Each group has a clear and important role in supporting and promoting financial literacy.

Proposed cross-sectoral partnership: the Financial Literacy Institute

The initiatives and projects that are canvassed in this Discussion Paper will require a sustained commitment from a number of sectors if they are to succeed. We believe that, similar to the UK and US, Australia needs an independent organisation to champion financial literacy and provide a focus for the coordinated development of resources training and research. The paper concludes with a discussion of what such an organisation here may look like and what roles and projects it might undertake.

Section 1: The case for financial literacy in education

What is financial literacy?

1.1 Financial literacy may be defined as the ability to make informed judgments and to take effective decisions regarding the use and management of money.¹ This definition places emphasis on the skills and areas of knowledge that are likely to be necessary to make informed judgments. A framework of these skills was developed as part of the *ANZ Survey of Adult Financial Literacy in Australia*.²

1.2 The ANZ financial literacy framework consists of the following key skills and areas of knowledge:

Mathematical literacy and standard literacy

- essential mathematical, reading and comprehension skills.

Financial understanding

- an understanding of what money is and how it is exchanged; and
- an understanding of where money comes from and goes.

Financial competence

- understanding the main features of basic financial services;
- understanding financial records and appreciating the importance of reading and retaining them;
- attitudes to spending money and saving; and
- an awareness of the risks associated with some financial products and an appreciation of the relationship between risk and return.

Financial responsibility

- the ability to make appropriate personal life choices about financial issues;

¹ This definition has been adopted by ASIC. It is based on the definition developed by the National Foundation for Education Research in the UK in 1992 and was subsequently used in Australia by ANZ in their survey of adult financial literacy.

² The ANZ framework adopted the headline categories used by the Adult Financial Literacy Advisory Group in the UK.

- understanding consumer rights and responsibilities; and
- the ability and confidence to access assistance when things go wrong.

1.3 Financial literacy is a relative concept. It is relative to the complexity of the financial system and products in a society and an individual's needs and circumstances. Somebody who was financially literate 50 years ago may not be considered financially literate today. In our society we are requiring consumers' financial literacy to be constantly improving to cope with the changing financial and social environment. The following factors all have an impact on the financial literacy levels required today:

- greater consumer participation in investment markets due to privatisations, demutualisations and baby boomers with money to spend;
- increased expectations on consumers to manage financial matters for retirement themselves (eg superannuation, insurance);
- changes to consumers' working patterns — there is no job for life any more and therefore consumers have less stability and face different risks;
- increasing complexity of financial products and services;
- increased access to credit and expansion of credit sources;
- the impact of technology on financial products and services (eg increased privacy and security risks for consumers); and
- an increase in the volatility of markets after a long period of investment growth and double figure returns.

Why is financial literacy important?

1.4 Financially illiterate consumers may be:

- unable to budget appropriately to meet expenses;
- unable to identify financial products or services that meet their needs;
- unsure how to get and assess independent financial advice; and
- more likely to fall victim to abusive practices and scams.

1.5 The costs of financial illiteracy are enormous and difficult to quantify. ASIC's investigations into prospectuses and scams alone have revealed losses to consumers of up to \$800 million over the last three years. ASIC is confident that these figures represent significant under-

reporting as many people feel too embarrassed or guilty to complain about instances where they have lost money.

What is the level of financial literacy in Australia?

1.6 The ANZ Bank recently released the results of the first national survey of adult financial literacy in Australia.³ The ANZ survey was designed to help the financial services sector better understand its customers' needs, to avoid inappropriate product use and to inform education, regulatory and social policy about the financial skills consumers require and the needs of low literacy groups in particular.

1.7 The report provides a snapshot of the financial literacy levels of adult Australians in 2002. It tells us that certain groups have particular challenges that need to be addressed and that certain financial skills, services and products are not as well understood or utilised as they should be. As would be expected, differences of understanding were found both between population groups and between financial products. The lowest levels of financial literacy were associated with:⁴

- those having lower education (Year 10 or less);
- those not working for a range of reasons or in unskilled work;
- those with lower incomes (household incomes under \$20,000);
- those with lower savings levels (under \$5000);
- single people; and
- people at both extremes of the age profile (18–24 year olds and those aged 70 years and over).

1.8 The key financial skills, services and products that some consumers had particular problems with included:

- superannuation;
- investment fundamentals (eg risk and return);
- planning for retirement;
- understanding of financial records;
- knowledge of fees and charges; and

³ *ANZ Survey of Adult Financial Literacy in Australia: Final Report*, May 2003, prepared for ANZ Banking Group by Roy Morgan Research.
http://www.anz.com/australia/aboutanz/anzinthecommunity/financial_literacy/default.asp

⁴ *ANZ Survey*, page 4.

- use of newer payment methods.

1.9 Knowledge of financial literacy was only tested against each person's needs and circumstances rather than against the full array of products and services. The survey sought to measure knowledge and understanding, behaviour, attitudes, perceptions and awareness as they relate to the financial literacy framework outlined in paragraph 1.2 above.

Why should financial literacy be taught in schools?

1.10 It is almost irrefutable that financial literacy is 'a good thing', but does this mean that schools should be responsible for developing students' financial literacy? Improving financial literacy levels in our community is not, and cannot be, the responsibility of any one sector or organisation alone. It requires a whole community response with cross-sectoral support. The attainment of financial literacy for most people is a cumulative, lifelong process, not an event tied to a particular course of study. While we would not argue that schools should have sole responsibility for developing students' financial literacy, we certainly see them as having an important role to play.

1.11 Most people knowledgeable about financial matters learned the foundations of money management early in life. In a speech before the American National Council on Economic Education, Alan Greenspan, Chairman of the US Federal Reserve Board, emphasised that improving financial education during primary and secondary school years can provide a foundation for financial literacy, helping younger people avoid poor financial decisions that can take years to overcome. Educational efforts to improve fundamental mathematics and problem-solving skills can foster knowledgeable consumers who can take advantage of the sophisticated financial services offered in an ever-changing marketplace.

1.12 Our research has found that schools are already teaching aspects of financial literacy and that many more opportunities exist in the curriculum. Anecdotal evidence suggests that these opportunities are currently under-utilised. This situation in no way reflects negatively on teachers. Rather, our research suggests that, irrespective of opportunities in the curriculum, for financial literacy to have any chance of being taught in schools, teachers need more support in terms of up-to-date resources and professional development.

How should financial literacy be taught in schools?

1.13 One of the aims of this paper is to comment on and promote a broader discussion of where and how financial literacy can be most

appropriately and effectively taught in schools. We believe that there is a place for the development of skills, knowledge and attitudes necessary for sound financial literacy within the school curriculum. We appreciate the reluctance (and with good reason) on the part of educators to add new areas to the already crowded curriculum and therefore want to explore ways to connect and locate financial literacy in the existing curriculum where possible and with other agendas. Many schools are already teaching areas of financial literacy, however the lack of resources and training in the area means it is difficult to teach in any depth or in a coordinated manner.

1.14 Financial literacy could be taught:

- (a) on the basis of existing curriculum in the Key Learning Areas (eg in subjects such as Commerce and Maths) or as part of a life skills strand or a personal development course;
- (b) as part of the emerging national agenda around transition from school⁵ that covers generic employment-related skills, enterprising qualities and characteristics, understanding of and access to career pathways and the attainment of other characteristics pertinent to moving from school to adult life; and/or
- (c) as part of Vocational Education and Training (VET) courses.

What is ASIC's role?

1.15 ASIC is the consumer protection regulator for financial services. In this role, we protect investors, superannuants, depositors, borrowers and insurance policy holders. We also regulate and enforce laws that promote honesty and fairness in financial products and services, in financial markets, and in Australian companies.

1.16 One of ASIC's statutory aims is 'to promote the confident and informed participation of investors and consumers in the financial system'. Improving financial literacy in Australia will help consumers participate in the financial system in an informed way.

1.17 Creating a financially literate community is a long-term agenda but to guide our activities over the short term we developed a Consumer Education Strategy for 2001–04. Encouraging and facilitating the provision of financial services education in schools is one of the key projects identified in our Consumer Education Strategy.

⁵ The transition from school agenda is provided for in the *Goals of Schooling in the Twenty First Century*, 1999, which provides the guiding policy directions for Australian schooling.

1.18 The project's long-term goals are to:

- (a) see every student leaving school with the necessary basic skills in financial matters to become confident and informed consumers in their work and personal life;
- (b) help education jurisdictions across Australia enhance and build on existing financial literacy educational programs in schools, with a particular focus on Years 8, 9 and 10;
- (c) see a variety of up-to-date, relevant and stimulating teacher resources to support the teaching of financial literacy;
- (d) develop a coordinated approach to the supply and sharing of information on financial literacy for teachers across Australia; and
- (e) promote teacher training and professional development courses to support the effective teaching of financial literacy.

1.19 To provide strategic advice and feedback throughout the project we have brought together an Advisory Committee made up of leaders in the education sector. The Advisory Committee is made up of 12 representatives from Boards of Study, Departments of Education, professional teacher associations, parents' council, principals' association, independent schools and state schools (see Appendix 1).

1.20 ASIC knows that it cannot achieve the project's goals alone. To achieve these goals we will endeavour to facilitate partnerships between government, industry and the community. As David Knott, Chairman of ASIC, said about improving financial literacy levels on 2 May 2003 at the launch of ANZ's national financial literacy survey:

'This cannot be achieved by any one sector or organisation — we need a combined and coordinated effort from regulators, governments, industry, academia and other community sectors if we are to see measurable rises in literacy levels over the coming decades. We also need to combine those contributions under a coordinated framework.

'So ... I am making a call for action to all relevant sectors to become involved in improving financial literacy levels in a systematic way.'

Section 2: Financial literacy in schools — where are we now?

2.1 ASIC asked the consultants Erebus Consulting Partners to undertake a research project to provide a picture of where and how financial literacy is currently being taught in Australian secondary schools.⁶ The research was made up of two parts — curriculum mapping and resource survey — and had to be completed in a tight timeframe of four months.

2.2 The consultants also contracted to provide ASIC with a strategic base for the schools project by linking financial literacy to other agendas in the education sector and making recommendations about further work that could be undertaken and partnerships that could be developed.

2.3 To assist them in scoping the research ASIC provided Erebus with the following list of key concepts for financial literacy:

Personal finance concepts

- what money is (ie different forms of money such as cash and credit);
- where money comes from (ie different forms of income such as wages and government benefits);
- spending money (ie different payment methods such as cash, cheque and EFTPOS);
- budgeting;
- saving money;
- borrowing money;
- financial planning (ie goals, needs, wants and life stages); and
- investing money, including concepts of:
 - risk and return;
 - interest; and
 - financial markets.

Financial products and services

- bank accounts;

⁶ ASIC is grateful to the Financial Planning Association of Australia for co-funding this research.

- electronic banking (eg ATMs, EFTPOS);
- credit and loans, including credit cards and store cards;
- mortgages;
- superannuation;
- insurance (eg car, travel, home, life);
- non-superannuation investments (eg managed investments, shares, futures and options);
- financial advice; and
- financial industry (eg banks, credit unions, insurance companies).

Consumer rights and responsibilities

- understanding that consumers have rights;
- understanding information about financial products and services;
- understanding the importance of financial management (eg staying out of debt, supporting family);
- understanding the importance of shopping around;
- understanding the importance of keeping financial records;
- knowing where to get (independent) information;
- knowing where to go for assistance;
- knowing what a regulator is and who they are (eg ASIC, ACCC, RBA, APRA); and
- knowing how to make an effective complaint.

Results of curriculum research

2.4 ASIC asked Erebus to construct a map of opportunities for teaching financial literacy in the curriculum. In addition to this work the curriculum research described here also draws on a curriculum map of financial literacy in Studies of Society and Environment prepared by the Business Educators Australasia. In undertaking the curriculum research Erebus analysed curriculum documents and frameworks for each state and territory, and conducted interviews with officials from Boards of Studies and other curriculum authorities around Australia. In addition, Erebus interviewed teachers in around 30 schools to obtain feedback on how curricula were delivered at the school level. This was not required of Erebus but it has provided a useful straw poll of teacher attitudes.

2.5 The curriculum research reveals financial literacy learning opportunities in each jurisdiction in terms of the key curriculum frameworks and their learning outcomes. It provides a general description at the ‘big picture’ level. The purpose of the curriculum map is to inform the development of strategies to support financial literacy teaching in the future. Proposed strategies are discussed later in this paper. Appendix 4 provides a snapshot of the subject areas for financial literacy in each jurisdiction in the compulsory years of secondary school.

2.6 A detailed curriculum map with references to learning outcomes in curriculum frameworks in the compulsory years is in Appendix 5. The curriculum map does not attempt to cover the financial literacy opportunities that exist in a range of general subjects and VET subjects in the non compulsory years (senior years) in secondary school.

2.7 The curriculum research reveals national trends in the provision of financial literacy education. The following general points can be made:

- (a) Financial literacy is not a formal course of study or a ‘subject’ in most states and territories.
- (b) The term ‘financial literacy’ is rarely used in curriculum documents; however, there are a number of learning outcomes that directly relate to elements of financial literacy. The Northern Territory is the only jurisdiction that uses the term ‘financial literacy’ in its learning outcomes. This occurs in the Enterprise strand in Studies of Society and Environment (SOSE).
- (c) There is no systematic approach to the teaching of financial literacy. There are no agreed elements or competencies for financial literacy and no coordination across curricula to reinforce and ensure systematic learning.
- (d) Each jurisdiction has a place in its curriculum framework (implicitly or explicitly) for the development of a unit of work and supporting materials that addresses financial literacy.
- (e) The most common opportunities to teach financial literacy are in the curriculum frameworks for SOSE and Maths in the compulsory years of secondary school.
- (f) Financial literacy may be taught in the context of the transition from school agenda (eg enterprise education, Vocational Educational Training (VET) and extra-curricular activities outside the classroom).
- (g) There is some potential for financial literacy to be taught as part of Health and Physical Education in the compulsory

years of secondary school; however, it is not currently incorporated.

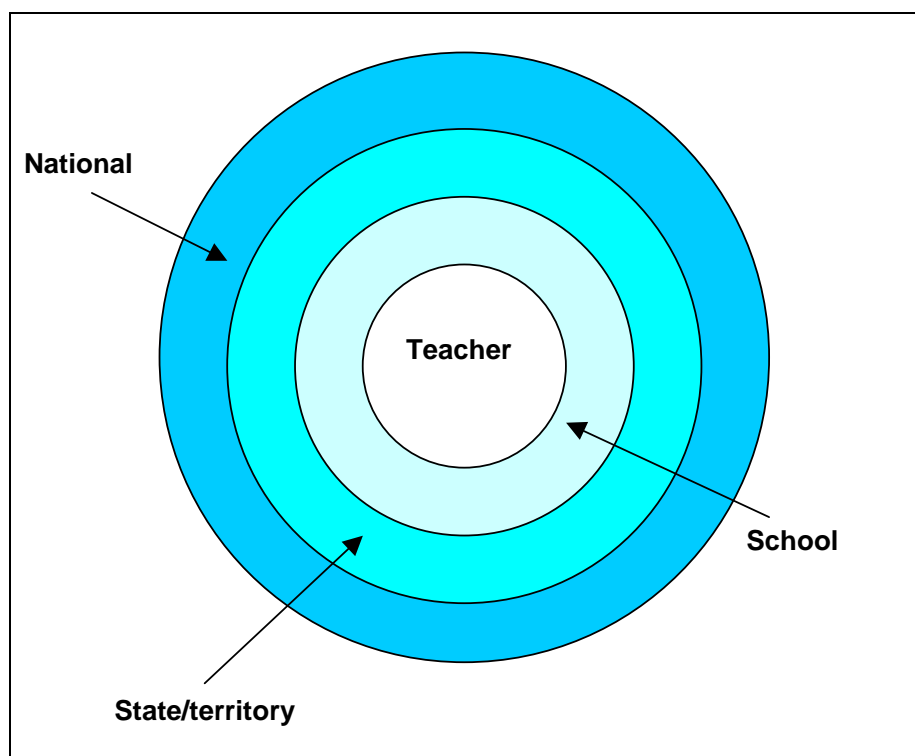
- (h) There is great diversity in the manner in which financial literacy is taught and indeed the nature of the content being delivered.

2.8 Before exploring these general points in more detail it is worthwhile spending some time:

- identifying the key curriculum documents and terms; and
- explaining what we mean by the term ‘curriculum map’.

Key curriculum documents and terms

2.9 Generally speaking, it is fair to say that school curricula are the responsibility of the states and territories. However, to understand how curricula are developed it may be helpful to view the process as a series of concentric circles, with each of the larger circles necessarily affecting the scope of the circles within it. Using this metaphor, an individual teacher sits within the school circle, which sits within the state/territory circle, which sits within the national circle. This is illustrated by the diagram below:



2.10 At a national level the state, territory and Commonwealth Ministers of Education have endorsed a set of National Goals for Schooling in the

Twenty-First Century.⁷ These goals represent common goals and priorities for schooling across all states and territories. They set out the following eight agreed Key Learning Areas, which are to be a prime focus in schools in the twenty-first century:

- the arts;
- English;
- health and physical education;
- languages other than English;
- mathematics;
- science;
- studies of society and environment; and
- technology.

2.11 The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) is responsible for ensuring the achievements of these goals. MCEETYA releases nationally agreed guidelines and/or publications and oversees national reporting in school education. For example, MCEETYA's Transition from School Taskforce has recently released the New Framework for Vocational Education in Schools to support the achievement of the national goals.

2.12 At the state and territory level, each jurisdiction has an overarching curriculum framework document for years K–10 (sometimes K–12) that incorporates the eight Key Learning Areas (KLAs) as set out in the national goals.⁸ Some states also have cross-curricular links between these KLAs.⁹ Each KLA is then divided into strands. Depending on the KLA a strand may be a stand-alone subject (eg the Geography strand in SOSE), or simply a component of the KLA subject itself (eg the Measurement strand in Maths).

2.13 The curriculum content for each KLA and its strands is set out in a document or documents (sometimes called a syllabus) with a rationale, learning outcomes, standards and assessment. These elements have a variety of titles in each jurisdiction but their purpose is essentially the

⁷ *The Adelaide Declaration (1999) on National Goals for Schooling in the Twenty-First Century* as endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) ('National Goals for Schooling').

⁸ NSW has the K–10 Curriculum Framework; Victoria has the Curriculum and Standards Framework; South Australia has the SACS A Curriculum Framework; Queensland has the Years 1–10 Common Curriculum.

⁹ For example, Victoria has three cross-curricular links: Information and Communication Technology; Civic and Citizenship; and Environmental Education.

same — to provide guidance for teaching the subject area and associated skills.

2.14 The learning outcomes, standards and assessment are tailored for different developmental phases or school years. All states have adopted the levels from the National Curriculum Profiles and Statements. The following table provides an overview of the corresponding schooling years for each level on a state-by-state basis.

School years	Level/Stage 4	Level/Stage 5	Level/Stage 6
NSW	Years 7, 8	Years 9, 10	
Vic		Years 7, 8	Years 9, 10
SA		Years 7, 8	Years 9, 10
WA		Years 7, 8	Years 9, 10
Qld		Years 7, 8	Years 9, 10
Tas		Years 7, 8	Years 9, 10
NT		Years 7, 8	Years 9, 10
ACT		Years 7, 8	Years 9, 10

Curriculum map

2.15 As has been explained above, there is a trend for curriculum documents to set out not what should be taught, but the outcomes that students are meant to achieve. The term ‘outcomes’ itself has different interpretations in different jurisdictions and it can be difficult to establish equivalence between the outcomes expected in various jurisdictions. The mandated broad learning outcomes themselves do not represent a complete picture of the ‘delivered’ curriculum.

2.16 Schools develop their own curriculum within each of the state frameworks. The actual classroom activity is decided upon at the school level. To develop a deeper level of understanding of what is actually occurring in the classroom, in addition to the curriculum documents, it is necessary to also analyse the support documents, professional development opportunities, resource materials and case studies available for teachers to develop their programs.

2.17 All of this is a roundabout way of saying that the curriculum research we have undertaken can at best provide an overview of the framework that exists for opportunities to teach financial literacy (based on the curriculum documents), rather than being an indication of what is actually delivered.

2.18 Furthermore, the curriculum research revealed that our initial approach of trying to map the curriculum against a detailed list of key concepts in financial literacy was inappropriate. This was because the broad outcomes focus of curriculum documents did not allow specific matching of a list of key concepts.

Understanding of the term ‘financial literacy’

2.19 At the level of implementation, at both school and classroom level, the Erebus research revealed that there is currently a wide interpretation of the term and its related concepts. In their interviews with educational stakeholders (officials from Boards of Studies and other curriculum authorities and approximately 30 teachers) they found that, overwhelmingly, there was little understanding of the term financial literacy. Very few had actually heard or used the term before. Most could guess what it might mean, but did not have a good grasp on what this might imply in schools.

2.20 This lack of understanding of the term ‘financial literacy’ is not a reflection on those in the education sector as there is no clear or agreed-upon definition of financial literacy in the school sector and there is rarely specific reference to the term financial literacy within state and territory syllabus documents. One of the aims of ASIC’s project is to raise awareness of the importance of financial literacy in the community. Before this can be done, there needs to be some agreement about what the term financial literacy means, or more practically, what a financially literate person needs to know.

2.21 The importance of definitional understanding has been noted in the related area of enterprise education. A key finding in the research report commissioned by the Department of Education, Training and Youth Affairs (DETYA) in January 1999 to evaluate the teaching of enterprise education in schools¹⁰ was that:

‘There are significant variations in the way people use and understand the term enterprise education. There is no consistency in understanding being applied within or across

¹⁰ *Evaluation of the Enterprise Education in Schools (EES) Element of the School to Work Programme*, prepared by Keys Young for the Department of Education, Training and Youth Affairs, June 1999.

the education, business and industry sectors, and many people are confused and/or uncertain about its meaning.’

2.22 This lack of consistency in definition was considered important because it affected people’s attitudes to it, their approach to implementing it and their judgments of its success.

Lack of coherent coverage, coordination and measurement

2.23 The curriculum research revealed that although there are numerous opportunities for teaching financial literacy, there is no coherent coverage of key topics that can be readily labelled as financial literacy. Without a clear identification of financial literacy within syllabuses it is impossible to develop any coordination across these curriculum areas for the learning to be reinforced. Furthermore, since many of the possibilities for deeper study of topics in financial literacy are optional, the extent to which all students are actually exposed to these opportunities is likely to be limited.

2.24 Currently, the extent to which students actually become financially literate is unknown. (The results of the ANZ financial literacy survey, however, suggest that there is room for improvement. It showed that 18–24 year olds are among the groups with the lowest levels of financial literacy.) Of the 30 schools interviewed, few schools had any idea of how financially literate their students really were, and none had made any formal evaluation of the extent to which any of their efforts had been successful. Not only are there no measures of financial literacy within curricula but there have been no benchmark tests of the financial literacy levels of Australian school students. The need for this type of testing is discussed later in this paper. In most state and territory systems unless key outcomes within the subject are being measured and reported there is no requirement or incentive for the majority of school situations to accord financial literacy any greater priority than it already has.

Where does financial literacy occur in the curriculum?

2.25 As we said earlier, in the compulsory years of secondary school (Years 7–10) financial literacy learning opportunities most commonly occur in Studies of Society and Environment (Human Society and Its Environment in NSW) and Mathematics. In senior secondary school opportunities exist in a range of general subjects and VET subjects (eg Business Studies, Economics, Mathematics in Practice and Independent Living). Interviews with teachers confirmed that financial literacy was being taught in a range of learning areas as described above.

2.26 Life skills courses also provide opportunities for teaching financial literacy. ‘Life skills’ appears to have different meanings in different

jurisdictions. For example it is provided as a strand within every subject for students with special education needs in some jurisdictions and as a cross-curricular priority for all students in other jurisdictions. Another area which is explored is the possibility for teaching financial literacy as part of health and physical education.

2.27 The level of specificity with regard to financial literacy objectives and learning outcomes varies between subjects and between jurisdictions. See Appendix 5 for more detail.

2.28 Financial literacy could also be incorporated into the transition from school agenda as part of enterprise education and vocational learning. These are approaches to teaching and learning rather than subjects themselves. The possible links between financial literacy and the transition from school agenda are explored below.

SOSE

2.29 Opportunities for teaching and learning about financial literacy present themselves in general and specific terms within the context of all state and territory Studies of Society and Environment (SOSE) curriculum frameworks.

2.30 Each state and territory has a curriculum framework or syllabus for the SOSE (in NSW it is called Human Society and Its Environment or HSIE) that all students must study. These incorporate curriculum focus or content statements and learning outcomes for students. Strands within these frameworks make reference to personal management of resources and skills related to decision-making and communication. These strands are variously named in each jurisdiction (eg Economy and Society in Victoria and Enterprise in the Northern Territory). Strands within a SOSE framework are often optional. Therefore, although financial literacy opportunities exist in a strand in each SOSE framework not all students will necessarily be exposed to financial literacy learning.

2.31 Each framework provides more specific descriptions of either the focus or content to be covered and the learning outcomes expected for students. For examples of the strands and the relevant learning outcomes for financial literacy in SOSE see the detailed curriculum map in Appendix 5.

Maths

2.32 In the compulsory years there are opportunities for teaching financial literacy skills in Maths. Maths is compulsory in these years. In senior years high-level, theoretically based mathematics courses are less likely to address issues in financial literacy that more practical and

functional courses will cover. For example, in certain states, some students will choose ‘Consumer Mathematics’ or ‘Maths in Practice’ courses that place emphasis on real-life application of mathematics, often in the financial world.

2.33 For examples of the strands and relevant learning outcomes for financial literacy in Maths see the detailed curriculum map in Appendix 5.

Life skills

2.34 Until recent times the majority of students engaged in a life skills program were essentially students encountering specific learning difficulties. Students were often located in special education settings where only the most practical and relevant education was provided.

2.35 There is a critical mass developing within the broader educational community that is suggesting that life skills should be clearly available to the broader student population. In Queensland life skills is a cross-curricular priority area. Life skills is one of the generic skills identified in the new VET framework (this is discussed below).

2.36 There is increasing acknowledgment from many teachers and community members that financial literacy is an area that should be addressed in a systematic way throughout a student’s schooling. Despite the fact that there is wide interpretation about the term at the level of both teacher and parent, there is sufficient evidence to suggest that financial literacy could become a key component of a life skills program.

Health and Physical Education

2.37 Another area where financial literacy skills could potentially be taught is as part of Health and Physical Education (one of the eight Key Learning Areas). This subject is compulsory from Years 7–10 and traditionally covers topics such as health, sex, drugs, personal relationships and career pathways (eg Personal Development, Health and Physical Education in NSW and Health and Physical Education in Victoria and Queensland). Financial literacy is not expressly identified in any of the learning outcomes; however, it is arguable that it could be included.

Transition from school agenda

2.38 An alternative to financial literacy learning outcomes in subject strands within the Key Learning Areas is to view financial literacy as an essential skill in the transition from school agenda. The transition from school agenda is about an approach to learning rather than a subject in

itself. Transition can be seen as a short-term issue relevant only as students prepare to leave school. It can also be seen as a process that starts as school starts (and before) and moves through to life-long learning. The latter view, while having implications for schooling K–12, provides substantially more opportunity for each student to develop the integrated and applied understandings, skills and attributes needed to lead a successful life.

2.39 Transition skills are generic skills and competencies. Enterprise education, vocational training, employability skills, careers and VET in schools all represent programmatic responses to the transition agenda. Each of these areas is explained in more detail below. Financial literacy needs to become another of these areas.

2.40 These transition skills were recognised in the National Goals for Schooling. More recently, MCEETYA's Transition from School Taskforce released the *New Framework for Vocational Education in Schools* that provides an agreed structure for the delivery and expression of these transition skills. Another key report in this area is *Employability Skills for the Future* (March 2002) prepared by the Australian Chamber of Commerce and Industry (ACCI) and the Business Council of Australia (BCA). MCEETYA has commissioned work to identify the implications of the employability skills framework developed by ACCI/BCA; this is due for completion in August 2003.

2.41 Many state and territory educational jurisdictions are now considering the implications of the transition agenda. In most jurisdictions, curriculum frameworks now incorporate and focus on outcomes related to generic skills and competencies. Couched variously as cross-curricular statements and essential learnings, these approaches represent higher order outcomes that link the more formal learning of courses to life skills.

2.42 The coinciding transition agenda is being influenced through national and international movements in developed countries. The Organisation for Economic Co-operation and Development (OECD) is currently undertaking a major project - Definition and Selection of Competencies: Theoretical and Conceptual Foundations (DeSeCo) to determine the key life skills and competencies for students in the twenty-first century. One of the areas explicitly identified lies within the economic domain that incorporates financial literacy skills and understanding. This emerging project is likely to influence curricula in Australia if it is eventually embraced by other countries as part of international indicator measurement programs.

Enterprise education

2.43 Enterprise education is learning that develops the skills, competencies and attributes that equip young people to be innovative and manage opportunities at work, in the community and in their personal lives.¹¹

2.44 The Prime Minister's Taskforce *Footprints to the Future* recommends a paradigm shift to ensure the integration of vocational education and training and enterprise education into the more traditional elements of young people's education. It emphasises that vocational education and training and enterprise education can no longer be treated as add-ons in the academic curriculum, since they are essential to the successful transition of young people from school to further education and training and employment.

2.45 In some schools there is a strong relationship between enterprise education and financial literacy. This is where students can directly relate financial literacy to the broader community because many of the enterprise projects are centred on small business operations. Even in the schools where the project is not business related, the skills required to work through the project such as research, analysis and partnering with the community have been seen to be integral to financial literacy. Enterprise education provides a forum where financial literacy can be applied to real experience. This has been proven through the enterprise projects to be the way to engage students in their learning.

Employability skills

2.46 In the employability skills framework proposed in the report prepared by the Australian Chamber of Commerce and Industry (ACCI), and the Business Council of Australia (BCA), *Employability Skills for the Future* (March 2002), the explicit reference to financial literacy is described under the skill area of 'Problem solving that contributes to productive outcomes'. The framework refers to: 'using mathematics, including budgeting and financial management, to solve problems'.

2.47 It is clear from this that employers identify a need for at least some financial literacy skills in order for young people to be employable. Whether this framework would provide sufficient opportunities for teaching financial literacy, however, would depend on whether a broad or narrow interpretation was applied to using mathematics. Generally speaking, the 'technical' calculation skills taught in some mathematics classes constitute but one part of what it means to be financially literate.

¹¹ www.ecef.com.au

VET

2.48 As the reach of Vocational Education and Training (VET) programs into senior secondary years increases, it may be possible for financial literacy to be explicitly included in, and taught through, VET courses. In 1996, 60,000 senior secondary students were enrolled in VET in Schools Programs. By 2001, this had risen to 169,809 or 41% of all senior secondary students.¹²

2.49 The main drawbacks of the VET model are:

- it is an optional program for students; and
- it is only available to Year 11 and 12 students.

2.50 Therefore, if VET were the only place where financial literacy is taught, it would not only come too late for many students, but would also exclude those students who do not pursue this pathway.

Results of stocktake of resources

2.51 In addition to constructing a map of the curriculum, ASIC asked the researchers to compile a stocktake of teacher and student resources currently available for financial literacy education in high schools. The researchers were asked to cross-reference any resources they identified to different aspects of financial literacy. The purpose of compiling the stocktake was to identify the overall nature and quality of existing resources to assess their adequacy and to highlight where there were gaps in the areas covered.

2.52 As with the curriculum map, in gathering information about resources, the researchers consulted the education department and curriculum authority in each state and territory. In addition, they consulted a number of financial industry associations about the materials they produce. They also contacted a sample of schools from each state and territory and conducted literature identification exercises, including web searches, to identify other resources including audio visual and online material.

2.53 All of the resources identified by the researchers are listed at Appendix 6. Given the timeframe and the fact that many existing resources are not widespread, well-known or fully up-to-date, the list is not an exhaustive one. There are undoubtedly other resources produced by the education or financial sector that are used by teachers, as well as numerous websites targeted at a youth audience.

¹² Bill Healey, CEO ECEF speech to VET Network, October 2002.

2.54 The results are broken down into two categories:

- resources that are specifically designed for use by schools or aligned to the school curriculum; and
- resources that are not designed specifically for schools, but contain useful information and that could be used by a teacher to support the provision of teaching financial literacy.

2.55 It is clear from the research that very few resources have been produced in Australia that fall into the first category. Furthermore, the researchers found that, because of the school-based curriculum delivery applied in most states and territories, the actual take-up and effectiveness of resources (in either category) could only be truly determined at the individual school level. This was outside the scope of this research project; however, those interviews that were conducted with teachers suggested that externally produced resources are not well used to support teaching of financial literacy.

2.56 The research identified a number of issues/problems associated with existing resources:

- Many resources provided by financial industry associations rapidly become out of date and are difficult to obtain in hard copy.
- Resources are not necessarily well known to teachers, nor are they accessible in a way that enables teachers to make informed decisions about their suitability or relevance.
- The lack of an agreed framework for financial literacy education means that resources have been produced on an ad-hoc basis, without wider consideration about how they might be linked to any broader agenda for the teaching of financial literacy.
- Resources, particularly more sophisticated ones, need to be linked to some form of professional development for teachers, if the resource is to be used most effectively.

2.57 Notwithstanding the above, the list of resources is nevertheless a useful summary of the main resources that are currently available from financial industry associations, and an indication of the types of resources that are available generally (predominantly websites).

2.58 In summary, therefore, the results of the stocktake suggest that there is a strong need for new resources to support the teaching of financial literacy (and we are pleased to note that we are aware of some new resources that have either just been developed or are in the process of being developed). If they are to get into the classroom and to be effective, resources need to meet certain criteria (this is discussed in

Section 5). The research found that there was a common belief among teachers and curriculum developers that the most appropriate people to develop school resources about financial literacy were members of the financial industry. We would support this view, provided that resources were produced in accordance with set criteria and verified by a body independent of the industry. This is explored in further detail in Section 7.

Section 3: Financial literacy overseas

3.1 Problems with financial literacy are not unique to Australia, nor is the desire to improve the situation. Studies conducted overseas, notably in the UK, the US and New Zealand, have shown results similar to those of the ANZ Bank survey outlined in Section 1. These countries are considerably further ahead in getting financial literacy on the political agenda and developing initiatives designed to raise standards. We have, therefore, looked at what is happening in these three countries to see if we can learn anything for the way forward here in Australia. We are also aware that measures to boost financial literacy are being considered to different degrees in other countries too (eg Canada), but have focused on looking at the UK, the US and New Zealand for the purposes of this Discussion Paper. This section presents a summary of that work.

Research

3.2 Some of the first research specifically into levels of financial literacy was conducted in the UK by the National Foundation for Education Research, which began a series of studies in 1992.¹³ It was from this research work that the generally accepted definition of financial literacy as ‘the ability to make informed judgements and to take effective decisions regarding the use and management of money’ was derived. It is the definition that we are proposing to adopt in Australia.

3.3 This UK research revealed rising levels of household debt coupled with low levels of understanding about financial matters, particularly among lower income groups. The research also found that existing money advice centres were over-stretched with insufficient resources to raise standards of financial literacy generally.

3.4 Another key piece of research into financial literacy was conducted by the National Association of Citizens Advice Bureaux (CAB) in the UK.¹⁴ The research, which drew on the actual experience of CAB advisers, found that not only did financially illiterate consumers have difficulty choosing appropriate financial products and services, they were also more likely to fall victim to abusive practices and often responded to financial difficulties in ways that resulted in more problems. Estimates of

¹³ *Financial Literacy in Adult Life: Research Summary*, National Foundation for Education Research, 1996.

¹⁴ *Summing Up: Bridging the Financial Literacy Divide*, National Association of Citizens Advice Bureaux, November 2001.

the cost of poor financial literacy ran into billions of pounds. Among other things, the report concluded that:

‘...Financial literacy is no longer a desirable trait that consumers should be encouraged in. It is an essential requirement to play an informed role as a consumer in today’s 21st century market.’

3.5 A number of studies into financial literacy have also been conducted in the US, some targeted specifically at youth. Jumpstart, a non-profit organisation set up to improve the personal financial literacy of young adults, has undertaken three consecutive nationwide financial literacy surveys of Grade 12 students in 1997, 2000 and 2002.¹⁵ The average scores revealed low levels of financial literacy among US students, with average scores of 57.3%, 51.9% and 50.2% respectively.

3.6 In 2001, Enterprise New Zealand Trust conducted a comparable survey among New Zealand school students.¹⁶ The results were very similar to the US study. Overall, 52% of students failed to attain a pass grade. The research found that students in the highest and lowest socio-economic groups had the poorest success rate.

3.7 A broader ranging piece of research sponsored by the Consumer Federation of America in 1990 involved a comprehensive test of adult consumer knowledge in the US conducted by the Educational Testing Service. The test included questions about banking and insurance as well as other consumer goods and services. The average score on the multiple-choice test was 54%, with consumers from lower income households performing worse on average than other respondents.

3.8 In response to these research findings, a range of measures has been adopted, and more proposed, in these countries to improve levels of financial literacy, including measures to ensure personal finance education begins at an early age.

Curriculum developments

3.9 In all three countries, efforts have been made to integrate some form of personal finance education into the school curriculum as part of a long-term strategy to raise standards of financial literacy.

¹⁵ In 2002, the survey consisted of a written 45-minute examination administered to over 14,000 students in 183 schools across the US.

¹⁶ *An Investigation into the Financial Knowledge Levels of New Zealand Senior Secondary School Students*, December 2001, available at <http://www.enzt.co.nz/pdf/Financial%20Literacy.pdf>

United Kingdom

3.10 In the UK, the teaching of financial literacy, or financial capability, is well developed and supported by a wide range of teaching resources. The education system in the UK is divided into England, Scotland, Wales and Northern Ireland, each of which has a central curriculum-setting system.

England

3.11 In England, the school curriculum is largely determined centrally by the government through the setting of the National Curriculum, which sets out key learning objectives for students in all of the core subject areas. The curriculum is organised into four Key Stages, spanning school years from primary to secondary (5–16 year olds).

3.12 Aspects of personal finance are embedded as a statutory part of the National Curriculum in England for Key Stages 3 (11–14 year olds) and 4 (14–16 year olds), through the compulsory teaching of Citizenship under the *Learning and Skills Act 2000*. Among other things covered by Citizenship, from September 2002, schools are mandated to have implemented a program of study where pupils should be taught:

- how the economy functions, including the role of business and financial services; and
- the rights and responsibilities of consumers, employers and employees.

3.13 This compulsory element is supplemented by opportunities to teach financial capability in a range of other subject areas. In July 2000, the Department for Education and Employment (now DfES, the Department for Education and Skills) published *Financial Capability through Personal Financial Education*,¹⁷ a Guidance note for schools to help teachers achieve the government's stated wish to include financial capability as a topic at all Key Stages.

3.14 The Guidance identifies links to curriculum areas where personal finance education may be incorporated, including Personal, Social and Health Education (PSHE), Citizenship, Mathematics, and Information and Communication Technology, and lists the learning objectives for each Key Stage. It identifies three interrelated themes of financial capability which should be taught together:

- financial knowledge and understanding;

¹⁷ *Financial Capability through Personal Financial Education*, Department for Education and Employment, July 2000, available at <http://www.dfes.gov.uk/publications/guidanceonthelaw/fcg/KS12.pdf>

- financial skills and competence; and
- financial responsibility.

Appendix 7 contains extracts from this Guidance illustrating how financial capability links to each element of PSHE and Citizenship at each key stage during primary and secondary school education.

Scotland

3.15 In Scotland, schools' education is the responsibility of the Scottish Executive Education Department (SEED). Learning and Teaching Scotland is a national body, sponsored by SEED, to keep under review and provide advice about all matters relating to the school curriculum. In this role, Learning and Teaching Scotland has published *Financial Education in Scottish Schools: A Statement of Position*,¹⁸ which sets out the minimum entitlement in financial education for students aged 5–18. This document sets out four essential and interrelated aspects of financial capability:

- financial understanding;
- financial competence;
- financial responsibility; and
- financial enterprise.

3.16 Opportunities for teaching financial education across the Scottish schools curriculum have been identified in both core and optional subjects. Core subjects include Mathematics, Personal and Social Education, and English. Optional subjects (post 14) include Geography, Modern Studies, Business Management, and Social and Vocational Skills.

Wales

3.17 In Wales, the Qualifications, Curriculum and Assessment Authority for Wales (ACCAC) is responsible for advising the Welsh National Assembly on all aspects of the school curriculum. ACCAC has produced a Personal and Social Education Framework, covering Key Stages 1–4, which makes specific reference to personal finance issues at all ages.¹⁹

¹⁸ Available at http://www.ltscotland.com/resources/financial_ed_position_paper.pdf

¹⁹ Available at http://www.accac.org.uk/download_pdf/pse.pdf

Northern Ireland

3.18 In Northern Ireland, the curriculum is under review, and personal finance education is on the agenda.

United States

3.19 Unlike the UK, which has a highly centralised system of curriculum setting albeit in four jurisdictions, in the US (which like Australia operates a federal system of government) schools policy and curricula are the responsibility of the 50 state governments (and 14,000 local educational agencies or school districts).

3.20 Notwithstanding this complexity, the importance of financial literacy education has been recognised at a federal level and the number of individual states that have incorporated aspects of personal finance into the school curriculum is growing.

3.21 At the federal level, the US Department of the Treasury has been increasingly interested in financial education and the need to improve the level of understanding about financial matters. To support this, in May 2002, the Treasury Department established a new Office of Financial Education (OFE) to develop and implement financial policy initiatives.

3.22 One of its first measures was to host a roundtable meeting with leaders of key national youth education groups to discuss methods to promote the integration of financial education concepts into the core curriculum in US schools. Following on from this, in October 2002, the OFE issued a White Paper *Integrating Financial Education into School Curricula*²⁰ outlining proposals for the incorporation of financial education into reading and maths lessons as a vehicle for teaching personal finance topics.

3.23 In terms of federal legislation, the *No Child Left Behind Act 2001* makes available US\$385 million for local educational agencies to develop innovative education programs in any of 27 categories. Among the named programs that qualify for this funding are:

‘... activities to promote consumer, economic and personal financial education, such as disseminating information on and encouraging use of the best practices for teaching the basic principles of economics and promoting the concept of

²⁰ *Integrating Financial Education into School Curricula: Giving America's Youth the Education Foundation for Making Effective Financial Decisions Throughout their Lives by Teaching Financial Concepts as Part of Math and Reading Curricula in Elementary, Middle, and High Schools*, US Department of the Treasury, Office of Financial Education, October 2002, available at <http://www.ustreas.gov/press/releases/docs/white.pdf>

achieving financial literacy through the teaching of personal financial management skills (including the basic principles involved with earning, spending, saving and investing).’

3.24 Whilst this money puts more schools in the position of being able to incorporate personal finance teaching into their curricula, as noted above, take-up is to be determined at a local level. Under the Act, local educational agencies have discretion in deciding how funds made available will be divided between the 27 qualifying programs.

3.25 At a state level, the number of state authorities which are incorporating aspects of consumer education and financial literacy into their school curriculum is on the increase through a combination of state legislation, resolutions and governors’ proclamations. According to a 2002 survey of economic and personal finance education curricula across the US sponsored by the National Council on Economic Education (NCEE)²¹, four states — Idaho, Illinois, Kentucky and New York — require students to complete a course in personal finance prior to graduation from high school. For example, in Illinois students in grades 9-12 are required to study courses that include, but are not limited to, instalment purchasing, budgeting, comparison of prices and an understanding of the role of consumers. The survey found another 17 states require personal finance standards to be incorporated into existing courses, such as economics, business, social studies, mathematics or family and consumer science studies.

New Zealand

3.26 In New Zealand, the school curriculum is underpinned by the New Zealand Curriculum Framework, which is the responsibility of the Ministry of Education. The Framework is the foundation policy statement covering teaching, learning and assessment for all students in New Zealand schools.

3.27 The Framework identifies seven, broad Essential Learning Areas. Within these learning areas, the Framework defines a number of Essential Skills, which students should develop to enable them to reach their full potential and take a full part in society.

3.28 Whilst financial literacy education is not compulsory in the New Zealand school curriculum, a Financial Literacy Programme for secondary schools has been developed by the Enterprise New Zealand Trust in cooperation with schools and businesses. The aim of the program is to develop personal financial management skills in students.

²¹ Available at <http://www.ncee.net/about/survey2002/NCEESurvey2002webB.pdf>

The program is currently being trialled in more than 70 New Zealand secondary schools.

3.29 The Financial Literacy Programme will be delivered through the Careers, Life Skills or Transition timetable slots in New Zealand schools. In order to achieve the required degree of educational integrity, the modules meet the Ministry of Education Curriculum Framework Essential Skills referred to above.

Summary

3.31 As can be seen from the above, the US education system has a similar structure to that here in Australia, in that whilst the federal government has a role to play in education, responsibility for curriculum and standards setting rests with the states. It is, therefore, more difficult to influence the setting of curriculum at a national level than, say, in the UK or New Zealand, which do not have a federal system and, therefore, have a greater degree of centralisation in education. As the experience in the US shows, however, it is still possible for the policy debate to be held at a national level and for important steps to be taken at both federal and individual state levels.

Key organisations

3.32 A range of organisations are involved in developing financial literacy education in schools overseas. This section focuses on a few of the key organisations and some of the work they are doing.

Government and regulators

3.33 At a government/regulatory level, there is strong support for financial literacy in both the US and the UK. In the US, in addition to the Office of Financial Education mentioned above, the federal Treasury and Education Departments have publicly announced their support for teaching financial education in schools. In allocating a grant of US\$250,000 to Jumpstart (see below) Rod Paige, the Education Secretary, said in October 2002:

‘... [students] need to know the skills to excel in life. And one of the skills most critical to their success is knowing how to manage money.’

3.34 The US Federal Reserve and the Securities and Exchange Commission (SEC) are also supportive of moves to foster education about personal finance in the US.

3.35 In the UK, as noted above, there is strong government support for financial literacy education. In addition, the Financial Services Authority (FSA) — the UK’s statutory financial services regulator — has been a strong advocate of teaching about personal finance from an early age in pursuance of its objective to ‘promote public understanding of the financial system’. The FSA has a planned program of resource development in a variety of media, including teacher notes and links to the curriculum. The FSA holds an annual education conference and, in partnership with others, held a series of workshops for teachers about incorporating financial literacy into the curriculum. Details of all of these educational initiatives are available on the FSA’s website.²²

Independent organisations

3.36 In addition to government and regulatory support, a number of independent organisations work to promote and support financial literacy in schools overseas. In particular, the UK and the US have seen the establishment of national organisations (Personal Finance Education Group (pfeg) in the UK and Jumpstart in the US), which bring together key stakeholders in the education, finance and government sectors and act as a focal point for financial literacy in schools. There are many similarities between these two organisations, and they provide a useful model for how we might progress matters in Australia (Section 7 sets out proposals and seeks views about how a similar organisation might work here in Australia). These, and other organisations, are outlined below.

Personal Finance Education Group (pfeg)²³

3.37 pfeg is a UK-registered charity that was established in 1996. Its goal is to promote and facilitate the education of all UK school pupils about financial matters so that they can make independent and informed decisions about their personal finances and long-term security. pfeg lobbied for the inclusion of personal finance in the National Curriculum.

3.38 pfeg is established as an independent company. It has a board comprising representatives of financial industry associations and consumer groups and an Advisory Group which consists of 43 organisations, including government departments, consumer organisations, education stakeholders and individual financial institutions. The UK financial services regulator, the Financial Services Authority, acts as a special adviser to the pfeg board. pfeg is funded by members of the financial industry. The FSA, the DfES and National Savings also contribute towards pfeg.

²² <http://www.fsa.gov.uk/consumer/teaching/index.html>

²³ <http://www.pfeg.org.uk/>

3.39 In addition to its role as a lobbyist, pfeg performs a number of important functions:

Clearinghouse and framework for resources

3.40 In the UK, numerous resources have been produced to support the teaching of personal finance education. These resources are typically produced by financial industry associations or individual financial institutions. The FSA has also produced a wide range of teaching resources.

3.41 pfeg produces a directory of teaching resources, which are linked to specific areas of the curriculum. Resources are arranged by Key Stage and classified into specific classroom resources or background information. The directory includes details of where to obtain the resource, its cost, its edition date and the financial topics addressed. General comments about each resource are also included to help teachers assess their usefulness.

Quality Mark

3.42 In 2000, pfeg developed a Quality Mark assurance system that is now endorsed by government education bodies and the FSA. The Quality Mark was developed to raise standards in the production of teaching resources and to give teachers confidence about the educational relevance of materials produced. To gain the Quality Mark, providers of a resource (eg a financial institution) have to meet a set of rigorous criteria and abide by a code of practice. The main principles underpinning the standard are:

- resources are developed in partnership with teachers and tested in schools;
- educational benefits are of prime importance, with resources linked firmly to the new curriculum;
- there is no promotion of branded products;
- resources are expected to present a balanced view and a recognition of equal opportunity issues;
- providers are committed to keeping pfeg informed about the availability of resources; and
- providers agree to regular reviews.

3.43 The assessment of a resource is conducted by two educational assessors and a financial assessor. Numerous resources have been awarded the Quality Mark, all of which are listed on pfeg's website in the directory of resources outlined above.

Key projects and resources

3.44 pfeg's *Excellence and Access* project is designed to increase the confidence and skills of teachers and the attainment of pupils in personal finance education. This four-year project involves pfeg School Advisers working with teachers to develop effective curriculum structure and classroom process. Teachers are helped to access support material and fashion it into an effective teaching and learning package. The project, which will cover 400 schools, 800 teachers and 128,000 pupils, will also develop models of best practice in teaching personal finance, which can then be disseminated nationally. The Excellence and Access project is funded by members of the financial services industry.

3.45 pfeg has developed a 'Cultural Diversity Pack', which is designed to show teachers how members of minority cultures in the UK may experience and make sense of financial transactions and decisions.

Other UK organisations

3.46 Other UK organisations that actively promote and assist the practical delivery of financial literacy education in schools include:

- the Scottish Centre for Financial Education, which seeks to help teachers, schools and education authorities to provide a high standard of financial education, by providing professional advice and resources;
- the Financial Education Partnership²⁴, which is supported by the major banks in Scotland and runs workshops in all Scottish secondary schools;
- the Natwest Financial Literacy Centre at the University of Warwick which runs *Face 2 Face with Finance*²⁵ (a program of 10 modules designed to help secondary schools teach personal money management and enterprise skills within the curriculum, available free to teachers); and
- Proshare²⁶ (an initiative supported by the Treasury and the Stock Exchange that runs a national schools education program including four on-line competitions which can be run as classroom projects or extra-curricular activities).

²⁴ <http://www.fep.org.uk>

²⁵ <http://www.natwest2f.com/>

²⁶ <http://www.proshare.org/>

*Jumpstart*²⁷

3.47 Jumpstart was established in 1997 in the US. Its mission is to improve the personal financial literacy of young adults and promote the teaching of personal finance. It also encourages curriculum development to ensure that students attain basic personal financial management skills.

3.48 Jumpstart has a similar organisational structure to pfeg. It is constituted as a non-profit organisation consisting of a Board with representatives from 30 educational and financial services organisations, and has 140 Partners including government agencies, universities, finance industry bodies and sponsors of education programs.

3.49 Jumpstart is funded by contributors, the majority of which are individual financial services institutions. In addition, Jumpstart Partners pay an annual fee of \$300 to assist with the costs of the two annual meetings.

Clearinghouse for resources

3.50 Jumpstart operates a clearinghouse or central listing of personal finance resources produced in the US and teaching materials produced by various organisations, including government agencies, non-profit associations and commercial publishers. The listing is accessible from Jumpstart's website.

3.51 Topics covered by the clearinghouse's resources relate to at least one of four broad areas identified by Jumpstart as essential for young people to understand: income, money management, saving and investing, and spending. The clearinghouse may be searched by reference to grade level, type of media and/or topic covered.

3.52 As with pfeg's Quality Mark system, Jumpstart has established a review committee that screens all submissions for the clearinghouse to ensure resources are of high quality and educational value. The committee applies set criteria to each resource, including:

- accuracy of the information;
- objectiveness of the tone and content;
- appropriateness of language and reading level for the target audience; and
- whether the material is designed to capture student interest.

²⁷ <http://www.jumpstart.org>

3.53 Many of the resources available are free of charge. For those that are not, the committee assesses whether the material would be affordable for educators.

National Standards

3.54 In addition to the clearinghouse, Jumpstart has published *National Standards in Personal Finance*,²⁸ a set of educator standards, developed in consultation with teachers and other education stakeholders. Like the resources, the standards cover the four key areas of income; money management; spending and credit; and saving and investing. The standards identify specified skills and concepts within each area that Jumpstart believes students should be taught before their graduation from high school.

3.55 Jumpstart has also produced a set of benchmarks that relate to the standards. The benchmarks set out a framework of knowledge and skills that students should possess at different grade levels. These benchmarks can be used for structuring personal finance criteria.

Other US organisations

3.56 Other US organisations working to promote financial literacy in schools include:

- Financial Literacy 2010,²⁹ which produces *Basics of Saving and Investing*, a multi-module program designed for business, family and consumer science and social studies teachers;
- the National Council on Economic Education³⁰, a network of partners in education and business which promotes economic literacy and produces a range of free resources for teachers, parents and students to develop real-life economic skills;
- the National Endowment for Financial Education³¹, a non-profit foundation, which offers the *NEFE High School Financial Planning Program*, a six unit program designed to provide students with a greater understanding of and ability to manage their personal finances using games, simulations, case studies, and interactive exercises. The Program was developed in 1984 and to date has been taught to over 2 million students across the US.

²⁸ *National Standards in Personal Finance*, 2nd edition, 2002, Jumpstart Coalition for Personal Financial Literacy, available at <http://www.jumpstart.org/Standards&Benchmarks.pdf>

²⁹ <http://www.fl2010.org>

³⁰ <http://www.ncee.net/>

³¹ <http://www.nefe.org/>

*Enterprise New Zealand Trust*³²

3.57 Enterprise New Zealand Trust (ENZT) is an independent organisation that seeks to promote enterprise education, economic literacy and business understanding and the development of a 'can do' attitude in cooperation with New Zealand businesses.

3.58 ENZT offers a range of programs designed to achieve its goals at both primary and secondary school level. It is funded by the business community, as well as the Ministry of Commerce and fees from courses and materials. Over 700 businesses are involved with ENZT programs across the country and, in 2001, 60% of secondary schools used at least one of ENZT's programs. ENZT is governed by a Board of Trustees consisting of representatives of leading New Zealand businesses.

Financial Literacy Programme

3.59 ENZT's Financial Literacy Programme takes an experiential student-centred approach to learning about financial matters whereby students are encouraged to evaluate their own personal circumstances.

3.60 Students completing the program receive a Personal Financial Learning Portfolio, documenting their learning and creating a template for making future decisions. Students also receive a Certificate of Participation. For teachers who take up the program in schools, the program is accompanied by a comprehensive teacher manual with activities, assessment and debriefing suggestions and teacher training, regardless of the particular subject area in which the program is taught.

3.61 The program, which is supported by the Insurance Council of New Zealand the Reserve Bank, consists of nine modules, covering such topics as:

- Why should I have a financial plan?
- Income — where does it come from?
- Budgeting — dividing up the income.
- Financial protection — the key to security.
- Credit and borrowing — decisions and consequences.
- Taxation.
- Banking — making money work.
- Saving and investing.

³² <http://www.enzt.co.nz>

- Financial planning for the future.

3.62 In order to link the Financial Literacy Programme to a nationally recognised qualification framework, students may elect to take an examination paper in financial literacy, which constitutes one of eight papers that together make up the New Zealand Institute of Management Enterprise Certificate in Management. In order to qualify to take the examination, students must have spent no less than 60 hours classroom time on the program and have completed all nine modules.

Section 4: Curriculum — where do we go from here?

4.1 The curriculum research in Section 2 revealed that opportunities for teaching financial literacy are present in a range of subject areas (eg SOSE and Maths) and a range of learning approaches (eg enterprise education and vocational learning). The issue to be addressed now is whether these opportunities are sufficiently widespread, coherent, sustained and detailed to ‘make a difference’ to students’ financial literacy. If not, what needs to be done to ‘make a difference’? This section sets out the various options for incorporating financial literacy into the curriculum and explores what needs to be done to support any proposed changes (eg development of resources, professional development for teachers, establishment of competencies and an awareness campaign).

Options for incorporating financial literacy in the curriculum

4.2 The following options for incorporating financial literacy in the curriculum are discussed with the corresponding pros and cons of each option. This is not an exhaustive list of options; rather it is a starting point for debate among the stakeholders. The options are:

- (a) Do nothing.
- (b) Advocate for the inclusion of specific financial literacy learning outcomes in the curriculum frameworks for SOSE and Maths in each jurisdiction in a systematic way.
- (c) Advocate for the inclusion of specific financial literacy learning outcomes in the curriculum frameworks for Health and Physical Education.
- (d) Advocate for the incorporation of financial literacy into the Life Skills cross-curricular outcomes in each jurisdiction in a systematic way.
- (e) Advocate for the incorporation of financial literacy into the transition from school agenda, specifically vocational learning and enterprise education in compulsory years and post-compulsory years of secondary school.³³

4.3 Broadly speaking, these options reflect two approaches to teaching financial literacy — either as a discrete subject/s (options (b)

³³ Key element 2 of the *New Framework for Vocational Education in Schools*, 2000.

and (c)) or as essential life skills that can be taught in a variety of subjects and contexts (options (d) and (e)). There are pros and cons for each approach, as set out below. Perhaps the greatest advantage of the discrete subject approach is that a framework of competencies and learning outcomes can be implemented in a systematic way. On the other hand, the development of such a framework could take years, whereas financial literacy learning via the essential skills approach could become a reality for students in a much shorter timeframe. Of course, the options are not mutually exclusive.

Your feedback

Q4.1 Are there other available options for incorporating financial literacy into the curriculum? If so, what are they?

4.4 The following tables set out some of the pros and cons for each of the options described above.

Option (a): Do nothing

Pros	Cons
Curricula are already overcrowded.	No framework for teaching and assessing financial literacy. Existing curriculum does not provide a consistent or comprehensive coverage of financial literacy across jurisdictions or within subjects.
Research reveals that opportunities for teaching financial literacy already exist in the curriculum.	Most subjects with financial literacy teaching opportunities are not compulsory.
Concentrate efforts on teaching resources and professional development for teachers.	High risk that opportunities to teach financial literacy will not be taken up.
	Does not embed financial literacy in curriculum frameworks for compulsory years of schooling.

Option (b): Include financial literacy in SOSE and Maths

Pros	Cons
Embeds financial literacy in curriculum frameworks for compulsory years of schooling in each jurisdiction, thus reducing the risk of students missing out on financial literacy skills.	Difficult and long process to include financial literacy outcomes into the curriculum frameworks for each jurisdiction.
Maths is compulsory in Years 7–10 and therefore all students will be exposed to financial literacy learning.	Not all strands of SOSE are compulsory, and so still not ensured to reach all students.

Option (c): Include financial literacy in Health and Physical Education

Pros	Cons
Embeds financial literacy in curriculum frameworks for compulsory years of schooling in each jurisdiction thus reducing the risk of students missing out on financial literacy skills.	Difficult and long process to include financial literacy outcomes into the curriculum frameworks for each jurisdiction.
Health and Physical Education is compulsory in Years 7–10 and therefore all students will be exposed to financial literacy learning.	
By including financial literacy in Health and Physical Education learning outcomes it can be taught as part of a teaching approach in a range of subjects.	

Option (d): Include financial literacy in Life Skills cross-curricular outcomes

Pros	Cons
By including financial literacy in Life Skills learning outcomes it can be taught as part of a teaching approach in a range of subjects.	Difficult and long process to include financial literacy outcomes into the curriculum frameworks for each jurisdiction.

Life skills learning outcomes are not presently part of the curriculum framework for all students - so coverage would be far from complete.

Risk that opportunities to teach financial literacy will not be taken up

Option (e): Incorporate financial literacy into the transition from school agenda

Pros	Cons
Transition agenda is being driven by MCEETYA and has not yet been fully implemented by schools. This provides an opportunity for financial literacy to be introduced via an existing agenda rather than introducing another change.	Transition agenda is still emerging and has not yet been fully implemented by schools.
Capitalise on momentum and support provided by existing agenda.	Risk that opportunities to teach financial literacy will not be taken up
	Does not embed financial literacy in curriculum frameworks for compulsory years of schooling. Transition agenda is more focused on senior secondary years.

Your feedback

Q4.2 Which option/s do you support and why?

Initiatives to support financial literacy in the curriculum

Development of resources

4.5 Financial literacy opportunities in the curriculum will only translate to financial literacy learning in the classroom if teachers and students have access to current, accurate resources that are linked to the

curriculum. Teachers require the tools (books, lesson plans, videos, CDs etc) to enable them to deliver programs that promote financial literacy.

4.6 The most effective resources in the classroom are those that have been developed specifically for schools and take into account the relevant learning outcomes. Based on our research, we have proposed some best practice principles to guide the development of effective financial literacy educational resources (see Section 5).

Professional development for teachers

4.7 Professional development for teachers in financial literacy concepts is another essential ingredient to ensure financial literacy opportunities in the curriculum are translated into the classroom. Teachers need to receive appropriate ongoing training to provide them with the skills and confidence to deliver financial literacy learning. This is discussed further in Section 6.

Establishing financial literacy competencies

4.8 In deciding whether to support existing financial literacy opportunities in the curriculum or to advocate for changes to the curriculum, or to do both, it is necessary to have a clear understanding of the intended outcomes. In other words, we need to know what a financially literate student looks like, or more specifically, what they should know and be able to do at different stages throughout school. A framework of financial literacy competencies would provide a useful reference point for teaching, curriculum development and resource development.

4.9 Before we can decide on the appropriate competencies for financial literacy we need to determine how they should be developed and by whom. Should it be by the schools systems, by industry, by government or by an external body or taskforce?

4.10 It is not likely, in the short term at least, that school systems will be in a position to develop national competencies for student financial literacy. This is unlikely because states and territories all have their separate agendas and curricula. It would require all states and territories to agree to include an agreed interpretation of financial literacy in their outcomes statements for the appropriate syllabus if it were to be of real value nationally.

4.11 In the meantime it may be appropriate for an external taskforce or body made up of representatives from the education, industry, community and government sectors to develop a framework of financial literacy competencies for schools. The body proposed in Section 7 would

be well suited to this task. This framework could include learning outcomes and be linked to existing curricula.

4.12 It is interesting to note that in their interviews Erebus found there were some important differences between educators and the financial industry in their approach to describing the characteristics of a financially literate student.

‘Educators tended to discuss the characteristics in terms of the general needs of students (key competency levels) ... [and] placed stronger emphasis on developing personal qualities, such as honesty, responsibility and integrity rather than technical skills. Financial industry people were more inclined to provide comment in terms of specific financial skills (eg budgeting, saving, financial planning).’

4.13 The US provides us with an example of financial literacy standards for schools that were developed collaboratively. Jumpstart has published National Standards in Personal Finance,³⁴ a set of educator standards developed in consultation with teachers and other education stakeholders. The standards are:

Income

Students will be able to:

1. Identify sources of income.
2. Analyse how career choice, education, skills, and economic conditions affect income.
3. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.

Money Management

Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.

³⁴ *National Standards in Personal Finance*, 2nd edition, 2002, Jumpstart Coalition for Personal Financial Literacy, available at <http://www.jumpstart.org/Standards&Benchmarks.pdf>

5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk-management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing.
8. Explain how to use money-management tools available from financial institutions.

'Spending And Credit

Students will be able to:

1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyse the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.
7. Identify ways to avoid or correct credit problems.
8. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

'Saving And Investing

Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain how different factors affect the rate of return of investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.'

4.14 Linked to these standards, Jumpstart has also established a framework of knowledge and skills that students should possess at different year levels.

Your feedback

- Q4.3** Do you agree that financial literacy competencies should be developed with general standards and skills for different levels?
- Q4.4** Who should develop the financial literacy competencies?
- Q4.5** Do you have any other comments on the development of financial literacy competencies or on the nature of the competencies themselves?

Raising awareness of financial literacy

4.15 Until financial literacy has an adequate profile and priority within the broader framework of students' learning, the existing opportunities in the curriculum for its teaching will rarely be translated into reality.

4.16 There are numerous opportunities to relate existing syllabus/curriculum/framework outcomes to outcomes around financial literacy. However the profile and status of financial literacy needs to be developed if these opportunities are ever to be translated into reality and for teachers to see it as 'essential learning'. The research found that many teachers, administrators, parents, community and industry representatives already clearly espouse the value of financial literacy and agree to its status as 'essential learning' for young people. This message needs to be spread in a coordinated manner and materials need to be developed to make it easily accessible.

Your feedback

- Q4.6** What other initiatives are required to support financial literacy in the curriculum?

Section 5: Resources — where do we go from here?

5.1 The research strongly suggests that a range of up-to-date and innovative resources to support the teaching of financial literacy in Australia is needed. This is not to say that individual resources are not excellent sources of information; however, our research, and experience from overseas, has taught us that we need to take a more strategic approach to developing resources.

5.2 Simply supplying a resource to every high school in Australia, or developing a new website, may be helpful to individual schools, but will do little to enhance the teaching of financial literacy across the board. The development of resources needs to be thought about in a holistic way, closely linked to the learning outcomes sought by the curriculum.

Links to curriculum

5.3 One of the major problems found with existing resources was that they were not linked to an agreed framework of teaching financial literacy. This makes it very difficult for the real value of a resource to be fully realised, since there is no clear outcome to be achieved in using the resource, nor is it clear where the student's learning might go next.

5.4 The previous section looked at issues around integrating financial literacy into high school curricula across Australia. If we are able to achieve this aim, it will be important that any resources developed in future are aligned to the curriculum they are designed to support. This will make the resource much more likely to appeal to teachers and be used in the classroom. One example of how this is done overseas is pfeg's directory of resources which is available on its website (www.pfeg.org.uk). This site includes detailed links of resources to different areas of the curriculum for the different subjects in which they may be used. The *Dollars and Sense* website (produced by the Commonwealth Bank) (<http://www.dollarsandsense.com.au/>) also provides an example of linking material to curricula here in Australia.

Quality of resources

5.5 It is also important that resources are produced to a high quality that satisfies the needs of teachers and students. Resources need to be relevant, current and stimulating. From their consultation with the education sector, Erebus found a consistent theme among responses that resources should be linked to practical, real-life experience wherever

feasible and encompass contemporary case studies, built around contexts to which students can relate.

5.6 Resources are also much more likely to be taken up by teachers if they are accompanied by teachers' notes and lesson plans with suggestions for how the resource might be used. This makes it much easier for teachers, who may not themselves have a firm idea of financial literacy, to know how to structure and deliver a lesson covering financial literacy topics.

5.7 In terms of resources themselves, presenting students with large slabs of text is unlikely to be the best way to motivate learning. The resource should help teachers to bring the subject matter alive in the classroom. It may be that interactive formats, such as web-based resources, CDs or DVDs are more appropriate. That said, we understand that there is still a real need for hard-copy resources in many schools, and so it is important that any web-based resource is printable.

Your Feedback

Q5.1 Do you agree with our assessment of a good quality teaching resource? If not, what would you omit, change or add?

Q5.2 What formats do teachers prefer for resources?

5.8 Whilst some good new resources are being produced by the financial services sector (a recent example is the Financial Planners Association's *Dollarsmart* CD-ROM), many of the existing resources are rapidly becoming out of date or are no longer available in hard copy. We hope that, once work on a proper framework commences, financial industry associations and individual financial institutions will be willing to invest more money into developing financial literacy resources (see section 7).

5.9 The research found that making resources accessible to teachers was of particular importance. Unless resources are easily accessible, it will be impossible for them to penetrate into the classroom. A central database with details of each resource and how to obtain copies would assist in this process. This could be one role for a clearinghouse organisation in Australia, along similar lines to Jumpstart in the US and pfeg in the UK.

Best practice principles for financial literacy education resources

5.10 In light of the above, we have sought to develop a set of guiding principles for organisations that may be thinking about producing a resource for the teaching of financial literacy in schools. These principles represent our early thinking and we would welcome all feedback on them. In time, these principles could form the basis of something similar to pfeg's code of practice for developing materials.

5.11 Based on our research and overseas experience, we suggest that educational resources should be:

Independent	Resources should not promote branded products, although limited branding of a resource to indicate who has produced it may be acceptable.
Aligned to curriculum	Resources must be linked to learning outcomes sought by schools curricula and the content must therefore be relevant to those outcomes and the learning levels of the target student groups.
Designed for teaching	Resources should include teachers' notes, lesson plans, case studies and topical content to stimulate teaching of financial literacy in the classroom. Resources should be user-tested in schools during production.
Accurate and current	The accuracy and currency of resources should be kept under review to ensure it is maintained beyond the initial production. The date resources were produced or last amended should be included on them.
Inclusive	Resources should recognise that students are likely to have different home and cultural experiences of financial situations.
Accessible	Resources must be easily accessible to teachers.

Your feedback

Q5.3 Do you agree with our proposed best practice principles?

Q5.4 What else should be taken into account when developing and reviewing teaching resources?

Section 6: Key stakeholders — where do we go from here?

6.1 In addition to government, there are a number of stakeholder groups whose involvement and support will be critical to achieving our long-term aim of raising standards of financial literacy. These stakeholders are:

- principals, teachers and their associations;
- parents and carers;
- the financial services industry; and
- the community sector.

Involving principals, teachers and their associations

6.2 From the research we have done, and from what we can learn from overseas, we know that if financial literacy education is to be successfully adopted in the classroom it is essential to have the buy-in and ongoing support of principals and teachers. Furthermore, in addition to having access to stimulating and relevant resources with lesson plans, teachers themselves need to understand why it is important to fit financial literacy into an already crowded curriculum. It is also vital that they are provided with the skills to feel confident in teaching financial literacy. This is clearly illustrated by teachers' responses to the Erebus researchers that they needed to know what financial literacy 'looks like' and the general finding that there is no clear understanding of what the term covers.

6.3 This point was also a key finding in the research commissioned by the Department of Education, Training and Youth Affairs (DETYA) in January 1999 to evaluate the teaching of enterprise education in schools.³⁵ The report found that:

‘ ... principal and teacher support was critical to the successful take-up of enterprise education in schools ... principals' and teachers' support for enterprise education tends to increase as they become more informed about the concept and more exposed (through direct involvement or contact with 'enterprising' schools) to its implementation in schools ... ’

³⁵ *Evaluation of the Enterprise Education in Schools (EES) Element of the School to Work Programme*, prepared by Keys Young for the Department of Education, Training and Youth Affairs, June 1999.

6.4 The report also found that there could be resistance from principals and teachers to a ‘top-down’ or bureaucratic approach to engaging teachers in enterprise education. These points apply equally to any attempt to introduce financial literacy education and we are keen to ensure that we work with the education sector in a cooperative and productive way. We recognise that teachers are critical to the success or failure of this project.

6.5 One of the most important ways of reaching teachers is working closely with the teacher associations and other peak bodies representing the interests of teachers. Similarly, there are peak bodies representing school principals. These associations are not only best placed to communicate with individual principals and teachers, but they have a strong voice in debates about what should be included in the curriculum and how it should be taught. Two major teachers associations with an interest in this area — the Australian Association of Mathematics Teachers and Business Educators Australasia — are already represented on our Advisory Committee, as is the Australian Secondary Principals Association. We welcome their input into the project and we will continue to work closely with them.

Your feedback

Q6.1 As a stakeholder in the education sector, particularly as a principal or teacher, what are your comments on the issues raised in this discussion paper?

Professional development

6.6 As noted above, it is essential that teachers have the skills they need to be able to deliver financial literacy education. Providing teachers with a range of resources, regardless of the quality of those resources, will not mean that teachers are suddenly equipped or interested enough to teach financial literacy to their students.

6.7 As the researchers found, financial literacy will only be successfully taken up in schools when it is accompanied by structured professional development for teachers around what it is, its various forms and interpretations, and how it can be taught most effectively to reach desired outcomes for students. Such development should occur not only for practising teachers but also be embedded in the curriculum for teachers in training.

6.8 Experience overseas provides some good models for implementing professional development programs. In the UK, as part of pfeg’s

Excellence and Access project, specially trained teacher advisers will spend three days workshop training plus three days direct support in each of 200 secondary schools to enable teachers to become skilled and confident in teaching personal finance.

Your feedback

- Q6.2** Do you agree with the need for professional development of teachers in this area?
- Q6.3** Who should be involved in developing and delivering professional development for teachers and what form should it take?

Involving parents and carers

6.9 We recognise the importance of securing the support of parents and carers in seeking to introduce financial literacy into schools. The *Evaluation of Enterprise Education Report* for DETYA found lack of parental interest and support a key barrier preventing schools from taking up enterprise education more widely.

6.10 Many children learn about money matters in the home environment and inevitably this will continue to be an important source of learning. However, research suggests that understanding about finances varies widely according to parents' and carers' own levels of income and experience of the financial system. Research conducted in the UK for the FSA by the Centre for Research in Social Policy at Loughborough University³⁶ found that children from poorer families generally had a higher awareness of things such as cash budgeting, while children from more affluent backgrounds were more knowledgeable about banking and other financial services. This disparity meant that some children had limited opportunities to learn about the mainstream financial world and to acquire important financial knowledge and skills.

6.11 We are hopeful that parents' and carers' groups will be supportive of our long-term aim. A representative from the Australian Parents Council Inc. is a member of our Advisory Committee and we are grateful to him for his support and advice.

6.12 We believe that, in addition to the benefits to be gained by students in learning about financial literacy at a young age, there are also benefits for their parents and carers as well. This is because parents and carers are

³⁶ *A Cycle of Disadvantage?: Financial Exclusion in Childhood*, compiled by the Centre for Research in Social Policy at Loughborough University for the Financial Services Authority, November 2000.

invariably interested in what their children are learning about at school and, conversely, children enlist the help of their parents in doing homework. The major benefit of this is that parents, who may be lacking in financial literacy skills themselves, will be able to learn from their children's school studies. Indeed, their interest may be sufficiently stimulated for them to seek out information or learning programs aimed at raising standards of adult financial literacy.

Involving the financial services industry

6.13 It is also essential that the financial services industry, both industry associations and individual firms, are involved in this project on an ongoing basis. We are aware that many of those in the financial services industry are, or have been, involved in projects to encourage young people's learning and understanding about money matters. Examples include the Financial Planning Association's program where financial planners visit schools on an ad hoc basis to discuss financial planning matters, and the current initiative by the Collection House Foundation, which is supporting pilot financial literacy programs in a number of schools. Many industry associations too have allocated resources to developing education materials.

6.14 There can sometimes be concerns about the perceived independence and impartiality of educational or information resources produced by financial institutions. One way of addressing such concerns is for financial institutions and associations to work in partnership with ASIC, educators and community groups, to raise standards of financial literacy in Australia. There are already examples of this kind of partnership arrangement taking place on an individual basis — for example, the joint Finance First project of Citigroup and the YWCA (see Appendix 8 for more details of related projects). In Section 7, we put forward proposals for a much broader, more structured partnership arrangement, which we hope will encompass as many different members of the financial services industry as possible.

6.15 The financial services industry has a vital role to play and early indications suggest that many in the industry would be keen to be involved. Industry support is invaluable for a number of reasons. For example, members of the financial services industry, particularly the retail sector, have the expertise in financial matters necessary to ensure that teaching resources are not only accurate but also topical in their subject matter. For some in the industry, this may mean producing (in partnership with educators or professional education consultants) high-quality teaching resources for use in schools. For others, this may mean providing the necessary funding either for the development of specific

resources or programs to promote the teaching of financial literacy more generally.

6.16 There can be no doubt that the financial services industry has a lot to gain from the development of a more financially literate community too. Not only are many financial products complex to understand, but the choice of product can have significant financial implications for the consumer. A lack of understanding often makes it difficult for consumers to fully assess the risks and returns of financial transactions they may undertake. It is also difficult for consumers to compare financial products in a meaningful way. Many complaints made against financial services firms stem from this lack of understanding. Dealing with consumer complaints can be costly for a firm, not only in the resources required, but also in terms of damage to reputation. Many of these costs could be avoided if consumers had a better understanding of what they were buying and why.

6.17 There is also some evidence to suggest that when consumers are confident that they understand financial products as a result of learning about them at an early age, the actual take-up of products increases. A July 1997 study by the National Bureau for Economic Research in the US found that state mandates requiring schools to provide financial education to high school students ‘ultimately elevate the rates at which individuals save and accumulate wealth during their adult lives’.³⁷

Your feedback

Q6.4 As a stakeholder in the financial services industry, what are your comments on the issues raised in this discussion paper?

Involving the community sector

6.18 The community sector consists of a range of organisations, including financial counsellors, consumer legal advice services, advocacy groups and charities, which work to provide advice and assistance to consumers who are in financial difficulties or are unsure about their legal rights. In this role, they see the direct results of poor financial literacy (eg problems with excessive debt). They are often the first to identify problem trends.

6.19 In addition to adult financial literacy, many in the community sector have worked with schools to promote awareness and

³⁷ *Education and Saving: The Long-Term Effect of High School Curriculum Mandates*, National Bureau of Economic Research, July 1997.

understanding about financial rights and responsibilities. For example, the Ryde Eastwood Financial Counselling Service in Sydney has sought to raise young people's understanding about car insurance, as part of the U-Turn the Wheel — Youth Awareness Driver Project run by Rotary Clubs in NSW and supported by the Roads and Traffic Authority NSW as an integrated part of the school-based road safety program.

6.20 However, community sector organisations do not usually have sufficient resources to take on large-scale education projects, in addition to dealing with their casework. Nevertheless, their experience of tackling the consequences of poor financial literacy makes their input invaluable. In addition, their day-to-day contact with groups that are sometimes difficult to reach with traditional means of delivering educational messages make them an ideal partner in delivering educational initiatives — particularly those aimed at disadvantaged consumers.

Section 7: Proposed cross-sectoral partnership — the Financial Literacy Institute

7.1 The suggested initiatives and projects outlined in this paper will require sustained commitment from a number of organisations if they are to be implemented successfully. Financial literacy education in schools is part of the wider challenge to improve financial literacy levels in the community as a whole. However, more than individual initiatives, no matter how good they are, are needed if we are to make a real impact on financial literacy levels. We believe there are two essential elements to achieving real reform:

- A recognition that improving financial literacy levels, in schools and in the wider community, is not the responsibility of, and cannot be achieved by, one sector alone. Rather we need a combined and coordinated effort from the financial sector, regulators and governments, the education sector, consumer groups and the community sector if we are to see measurable rises in literacy levels over the coming decades.
- We must coordinate responses to bring about systemic change if improving financial literacy levels is to be more than just another fad. We can have all the good initiatives in the world (and, indeed, such initiatives are essential ingredients in the recipe for success), but without a framework in which to embed them, it is unlikely that many will have an ongoing, long-term impact.

7.2 We would like to explore the possibility of setting up a partnership organisation with representatives from all interested sectors and organisations to champion the financial literacy cause and provide a focus for the coordinated development of resources, training and research. We believe Australia needs a coordinating body similar to pfeg in the UK or Jumpstart in the US to support a sustained and focused campaign for promoting financial literacy across the country. Although the idea for a partnership has arisen from our research into financial literacy in schools we believe that there is a strong case for the partnership to have a broader mandate so it also addresses adults with the greatest financial literacy needs. Our working title for the partnership is the 'Financial Literacy Institute' or FLI.³⁸ On the basis that this is only a suggestion, we will refer to FLI in this section.

³⁸ As in soar, not insect (ie FLI gives children and young people a flying start).

Your feedback

- Q7.1** What do you think of the idea of establishing such an independent body?
- Q7.2** What do you think of the name the 'Financial Literacy Institute'? Can you suggest any alternatives?

7.3 In Australia, the Asia Education Foundation is a good example of how such a foundation can work to successfully establish a new curriculum area. The Asia Education Foundation has an annual budget of around \$1.2 million. Unlike pfege and Jumpstart, which receive most of their funding from industry, it is funded by the Commonwealth Department of Education, Science and Training. The Foundation is contracted by government to deliver certain outcomes, but is overseen by a broadly constituted board of management. This model has recently been considered in the establishment of an Environmental Education Foundation. There are some critical needs that only a focused body such as this can achieve in bringing about large-scale and sustained educational change.

Member organisations

7.4 FLI could consist of a range of organisations from four broad sectors: government; education; non-profit; and profit.³⁹

Your feedback

- Q7.3** Would you or your organisation be interested in being involved in FLI?
- Q7.4** What would be the nature of your involvement?

Structure and funding

7.5 There are numerous options for the organisational structure of, and the sources of start up and ongoing funds for, FLI. Some of the issues for consideration are set out below.

Issues to consider when designing FLI

7.6 Issues which will need to be addressed in the design of FLI include:

³⁹ For a discussion of the contributions each type of organisation could make to a partnership see Appendix E in *Consumer Education in the States: A Blueprint for Action*, 1996, National Institute for Consumer Education.

- **Corporate structure:** The most appropriate structure will vary depending on the nature of organisations that are interested in participating, sources of funding, reporting requirements, activities and purpose of the organisation, and availability of tax concessions. Options are likely to include a not-for-profit organisation in the form of a charitable trust; company limited by guarantee or incorporated association.
- **Full-time staff:** What FLI can achieve will in large part depend upon its staffing. For an effective start, initial suggested minimum staffing would be a director, policy manager and project manager. Depending on the roles taken on by FLI it may be necessary for FLI to have a research arm and resource development arm. Alternatively, FLI could provide a project management and facilitative role and contract out any research activities or resource development.
- **Board members:** Other important early decisions will include the number, make-up and role of board members. The model envisages the board including representatives from key bodies in each sector. Amongst other things it would advise on the strategic direction of the institute.
- **Member organisations:** The roles of member organisations would also need to be considered along with the obligations of membership. Membership fees would need to vary considerably given the disparate resources of the different types of organisations likely to be attracted to FLI. Community and education sector organisations may pay no, or minimal, membership fees but contribute in non-financial ways.

Funding

7.7 Sponsors will be required to provide the necessary start-up funds and any ongoing financial support. Once FLI is up and running membership fees may provide enough funds to support its day-to-day costs.

Your feedback

Q7.5 Do you have any suggestions or comments on the structure and funding of FLI?

Roles and projects

7.8 Depending on funding opportunities and the direction taken by member organisations FLI could have a combination of any or all of the

roles and projects described below. The capacity of FLI would be limited only by the funding it attracts and the commitment of its members.

Champion

7.9 FLI could have as its central role promoting the teaching of financial literacy in our schools and improving the delivery of effective and targeted education programs to groups with the lowest financial literacy levels. It could also have an important role in promoting awareness of the importance of financial literacy in our community. It could develop and implement a media strategy to champion the cause of financial literacy and provide a consistent and strong voice on the issue.

Clearinghouse

7.10 FLI could provide a clearinghouse function by maintaining a searchable directory of available resources and projects.

Quality mark

7.11 FLI could develop a quality mark system for resources with published guidelines and standards. This may involve the establishment of a review committee to assess resources against these standards. Successful resources would then receive the FLI quality mark with the aim that teachers and others in the education sector would begin to recognise and trust the quality mark.

Professional development for teachers

7.12 Even if the stage were reached where financial literacy was embedded in the school curriculum and excellent teaching resources and student materials were freely available, financial literacy education will not be successful if teachers are not fully supported. Teachers cannot be expected to deliver new areas of learning overnight. In conjunction with any efforts put into the curriculum or resource development, time and effort should be spent in providing professional development courses for teachers to enable them to effectively deliver financial education. FLI could be involved in facilitating partnerships to develop and deliver professional development programs.

Evaluation and research

7.13 FLI could also usefully undertake periodic testing and evaluation of financial literacy levels in schools. An important element of any new initiative is evaluation. Evaluation measures the effectiveness of implemented strategies and can provide valuable insights to help address

problem areas in the future. The sustainability and long-term success of any program is largely dependent on ongoing rigorous evaluation and improvement.

7.14 Evaluation is most useful when there is some agreed standard or starting point against which results can be measured. The ANZ survey provides a useful starting point for financial literacy levels in the Australian community as at 2003. The Jumpstart Coalition has undertaken three consecutive evaluations of financial literacy levels in senior high school students in the US. These results have brought the reality of the financial literacy challenge in schools into sharp focus for policy makers and educators alike.

Develop and promote standards/competencies for curriculum

7.15 As discussed in Section 4, benchmarks or key competencies for financial literacy are required to provide a structural framework for the development of curriculum, resources and assessment tools. FLI could play a key role in developing these benchmarks by consulting with its member organisations and promoting the benchmarks more widely. This was done by Jumpstart in the US.⁴⁰

Develop and deliver education for low financial literacy groups within the community

7.16 As noted in Section 1, the ANZ financial literacy survey showed that there is a strong correlation between low levels of financial literacy and lower socio-economic status.⁴¹ Many of the groups most over-represented amongst those with the lowest financial literacy are those that it is most difficult to reach via traditional education methods. While a large part of FLI's focus would be related to improving financial literacy levels through the school system, FLI could also play an effective role in developing programs targeted specifically at low literacy groups within the community.

Facilitation and coordination

7.17 A key role of FLI could be to facilitate partnerships between organisations by providing a neutral forum for discussion. FLI could support the development of individual initiatives by member organisations and provide a structure for their promotion and delivery.

⁴⁰ *National Standards in Personal Finance with Benchmarks, Applications and Glossary for K-12 Classrooms*, 2nd edition, 2002, Jumpstart Coalition.

7.18 In addition, FLI could play a coordinating role to ensure that member organisations are kept informed of existing projects and research to avoid unnecessary and costly duplication of effort. The development of a network of organisations in the area will be a valuable resource in itself. FLI could produce a regular newsletter to promote the initiatives and activities of members internally and share information.

Your feedback

- Q7.6** Do you have any suggestions or comments on any of the proposed roles for FLI?
- Q7.7** Do you have any other comments to make on the proposal for a cross-sectoral partnership such as FLI?

Section 8: What happens next?

8.1 This discussion paper will be open for public comment until 26 September 2003. We will be happy to meet with stakeholders to discuss any further issues.

You may contact Cathie Warburton to arrange such meetings.

Ph: 02 9911 2637

Email: cathie.warburton@asic.gov.au

Appendices

Appendix 1: Advisory Committee members

Organisation	Representative/s
Australian Association of Mathematics Teachers	Will Morony
Australian Council of State School Organisations	Chandra Seneviratne
Australasian Committee of Chief Executive Officers of Curriculum, Assessment and Certification Authorities	Antonio Mercurio
Australian Education Systems Officials Committee	Janine Gilmour and Tony Cook
Australian Federation of Societies for Studies of Society and Environment	Sandra Kenman
Australian Parents Council Inc.	Laurie Eastwood
Australian Secondary Principals Association	Ed Bray
Axiss Australia	Rebecca Parish
Business Educators Australasia	Christine Reid
education.au limited	Alan Bevan
National Council of Independent Schools' Association	Ray Whitfield

Appendix 2: List of questions

Section 4

- Q4.1** Are there other available options for incorporating financial literacy into the curriculum? If so, what are they?
- Q4.2** Which option/s do you support and why?
- Q4.3** Do you agree that financial literacy competencies should be developed with general standards and skills for different levels?
- Q4.4** Who should develop the financial literacy competencies?
- Q4.5** Do you have any other comments on the development of financial literacy competencies or on the nature of the competencies themselves?
- Q4.6** What other initiatives are required to support financial literacy in the curriculum?

Section 5

- Q5.1** Do you agree with our assessment of a good quality teaching resource? If not, what would you omit, change or add?
- Q5.2** What formats do teachers prefer for resources?
- Q5.3** Do you agree with our proposed best practice principles?
- Q5.4** What else should be taken into account when developing and reviewing teaching resources?

Section 6

- Q6.1** As a stakeholder in the education sector, particularly as a principal or teacher, what are your comments on the issues raised in this discussion paper?
- Q6.2** Do you agree with the need for professional development of teachers in this area?
- Q6.3** Who should be involved in developing and delivering professional development for teachers and what form should it take?
- Q6.4** As a stakeholder in the financial services industry, what are your comments on the issues raised in this discussion paper?

Section 7

- Q7.1** What do you think of the idea of establishing such an independent body?
- Q7.2** What do you think of the name the 'Financial Literacy Institute'? Can you suggest any alternatives?
- Q7.3** Would you or your organisation be interested in being involved in FLI?
- Q7.4** What would be the nature of your involvement?
- Q7.5** Do you have any suggestions or comments on the structure and funding of FLI?
- Q7.6** Do you have any suggestions or comments on any of the proposed roles for FLI?
- Q7.7** Do you have any other comments to make on the proposal for a cross-sectoral partnership such as FLI?

Appendix 3: List of acronyms

Acronym	Organisation
ACCAC	Qualifications, Curriculum and Assessment Authority for Wales
ACCC	Australian Competition and Consumer Commission
ACCI	Australian Chamber of Commerce and Industry
AdFLAG	Adult Financial Literacy Advisory Group (UK)
ANTA MINCO	Ministerial Council on the Australian National Training Authority
ASIC	Australian Securities and Investments Commission
ATM	Automatic Teller Machine
BCA	Business Council of Australia
BEA	Business Educators Australasia
CAB	Citizens Advice Bureaux
CFLI	Community Finance and Learning Initiatives (UK)
CPA	Chartered Professional Accountants
CSF	Curriculum and Standards Framework II (Vic)
DeSeCo	Definition and Selection of Competencies Project (OECD)
DETYA	Department of Education, Training and Youth Affairs
DfES	Department for Education and Skills (UK)
ECEF	Enterprise and Career Education Foundation
EFTPOS	Electronic Funds Transfer at Point of Sale
ENZT	Enterprise New Zealand Trust (NZ)
FPA	Financial Planning Association
FSA	Financial Services Authority (UK)

HPE	Health and Physical Education
HSIE	Human Society and Its Environment
ICA	Insurance Council of Australia
IFSA	Investments and Financial Services Association
KLA	Key Learning Area
MCEETYA	Ministerial Council on Employment, Education, Training and Youth Affairs
NEFE	National Endowment for Financial Education (US)
NFER	National Foundation for Education Research (UK)
OECD	Organisation for Economic Co-operation and Development
OFE	Office of Financial Education (US)
PDHP	Personal Development, Health and Physical (NSW)
pfeg	Personal Finance Education Group (UK)
PMRT	Performance Measurement and Reporting Taskforce
PSHE	Personal, Social and Health Education (UK)
RBA	Reserve Bank of Australia
SACSA	South Australian Curriculum Standards and Accountability Framework
SEC	Securities and Exchange Commission (US)
SOSE	Studies of Society and Environment
SEED	Scottish Executive Education Department
SRP	Systems, Resources and Power (Qld)
TST	Transition from School Taskforce
VCAL	Victorian Certificate of Applied Learning

VET	Vocational Education and Training
YWCA	Young Women's Christian Association

Appendix 4: Snapshot of financial literacy opportunities in the curriculum

Jurisdiction	Compulsory years in secondary school (7–10)		
	SOSE ⁴² Key syllabus/strand	Maths	Other*
NSW	Commerce syllabus; Work Education syllabus	Maths	Transition agenda and cross curricular outcomes
Vic	Economy and Society strand	Maths	Transition agenda and cross curricular outcomes
Qld	Systems, Resources and Power strand	Maths	Business Education; Transition agenda and cross curricular outcomes
SA	Social Systems strand	Maths	Transition agenda and cross curricular outcomes
WA	Resources strand	Maths	Technology and Enterprise; Transition agenda
Tas	SOSE Framework syllabus	Maths	Transition agenda and cross curricular outcomes
NT	Enterprise strand	Maths	Transition agenda and cross curricular outcomes
ACT	Resources strand	Maths	Transition agenda and cross curricular outcomes

* Health and Physical Education (HPE) is not included in this snapshot but is explored in Appendix 5. Financial literacy opportunities in HPE are implicit rather than explicit and anecdotal evidence suggests that financial literacy would not be taught as part of HPE.

⁴² HSIE in NSW.

Appendix 5: Curriculum map in detail

This curriculum map only covers the compulsory years of secondary schooling.

Victoria

The overarching document is the Curriculum and Standards Framework II (CSF). It describes what students should know and be able to do in the eight Key Learning Areas at different levels from kindergarten to Year 10. The CSF is structured in Key Learning Areas, strands and levels. Within each strand there are curriculum focus statements and learning outcomes for each level.

Individual schools are responsible for the development and delivery of particular programs, allocation of time and teaching methods. This means that there is not a mandated form of school curriculum organisation. For example, a course may be taught which combines strands from a number of Key Learning Areas (eg the arts, technology and SOSE). Similarly SOSE may be delivered via separate courses in history, geography and commerce or via one integrated course.

SOSE

Strand/syllabus

In the CSF, the SOSE Key Learning Area is divided into the following three strands for Years 7–10: History; Geography; and Economy and Society. Opportunities for learning financial literacy are found in Economy and Society.

The Economy and Society strand introduces students to the structure and management of the economy and its resources, the world of work and business, and Australia's political and legal systems. It promotes the development of enterprise skills and attributes.

Compulsory?

SOSE is compulsory in Years 7–10 but individual strands within SOSE are not compulsory. Whether or not students are required to take the Economy and Society strand depends on the way the curriculum is delivered at each individual school.

Evidence of financial literacy opportunities in curriculum

There are some outcomes and indicators in the Economy and Society strand that provide opportunities for teaching financial literacy, as shown in the following table.

Outcome	Indicators
Years 7–8 Level 5 Outcome 5.3 Explain key factors that influence the Australian economy.	This is evident when the student is able to: ... analyse the role and impact of the government, individuals and organisations on economic activity, including how they interact to produce, market and consume goods ...
Years 9–10 Level 6 Outcome 6.4 Demonstrate an understanding of personal and business financial management, and identify and apply enterprise skills and attributes.	This is evident when the student is able to: — describe different ways that individuals can successfully plan and manage personal finances — examine the structures and financial management processes of business enterprises, including the identification of management skills — identify enterprise attributes and skills, and describe how innovation and enterprise affect the economy and society — plan and conduct a small-scale project that applies enterprise skills and attributes.

Maths

Strand/syllabus

Like other Key Learning Areas, Maths is divided into levels and strands. There are five strands: Space; Number; Measurement; Chance and Data; Reasoning and Strategies.

Compulsory?

Compulsory in Years 7–10.

Evidence of financial literacy opportunities in curriculum

The goals for Maths include students:

- acquiring mathematical skills and knowledge so they can deal confidently and competently with daily life; and
- developing knowledge and skills in using mathematics for employment, further study and interest.

The learning outcomes do not specifically refer to financial literacy concepts; however, financial literacy examples could be used as a tool to reach the learning outcomes. For example, in the curriculum focus for Number in Years 9 and 10 students must:

‘choose the correct sequence of operations and appropriate methods of calculation (mental, written, calculator or spreadsheet) to solve problems which may involve fractions, decimals, percentages and rates’.

An exercise involving budgeting or investing concepts could be used to illustrate methods of calculation used to solve problems with fractions, percentages and rates.

Health and Physical Education

Strand/syllabus

Health and Physical Education is divided into three strands: Health of Individuals and Populations; Self and Relationships; Movement and Physical Activity.

Compulsory?

Compulsory in Years 7–10.

Evidence of financial literacy opportunities in curriculum

No evidence of financial literacy opportunities in current curriculum.

Transition agenda

The CSF incorporates the transition agenda when it states that the CSF promotes:

‘broadening of access to post-compulsory curriculum to provide more flexible and diverse pathways in further education, vocational education, training and employment’.

Later, when describing Level 6 of schooling (Years 9 and 10) it states:

‘During these years broad vocational learning becomes especially important. This involves both generic competencies, and specific knowledge and understanding of aspects of employment, the economy and the world of work. Generic competencies, including enterprise skills, can be developed across the curriculum. Their development has implications for both course design and teaching methods. This will often involve community and work-based learning. Content related to vocational learning is explicitly located in a number of Key Learning Areas, particularly in English and SOSE.’

New South Wales

The overarching document is the K–10 Curriculum Framework. All Years 7–10 syllabuses are currently being reviewed and developed. Cross-curricular content must be included in the outcomes and content of all syllabuses. Of the 11 cross-curricular outcomes in NSW the following two are particularly relevant to financial literacy:

- Work, Employment and Enterprise; and
- Numeracy.

SOSE (HSIE)

Strand/syllabus

The NSW equivalent of SOSE is Human Society and Its Environment (HSIE). HSIE has four strands: Change and Continuity; Cultures; Environment; and Social Systems. HSIE is delivered in Years 7–10 via six syllabuses (subjects): History; Geography; Aboriginal Studies; Cultures, Society and Identity; Work Education; and Commerce. Opportunities for learning financial literacy are found in Commerce and Work Education.

Compulsory?

HSIE is compulsory but students can choose between the six subjects. Therefore not all students will study Commerce or Work Education.

Commerce

Evidence of financial literacy opportunities

NSW has recently completed a major review of its Commerce syllabus. ASIC made submissions to this review and is encouraged to see that the draft NSW Commerce syllabus refers to financial literacy outcomes in its

rationale and aim. The draft Commerce syllabus is due for release by mid-2003.

The Commerce rationale states:

‘Commerce provides the knowledge, skills, understanding and values that form the foundation on which young people can make sound decisions on financial, business, legal and employment issues. As legal processes become more complex and our economy becomes more market-based, it is important that young people develop a sound understanding of the law and the commercial world, in order to develop the ability to live in an independent and financially secure position throughout their lives.’

The aim of Commerce is to:

‘enable young people to develop knowledge, understanding and skills to research and develop solutions to consumer, financial, legal, business and employment issues in order to make informed and responsible decisions as individuals and as part of the community’.

The cross-curricular content for numeracy will be incorporated in the Commerce syllabus in the following way:

‘Students will develop numeracy skills specific to organising and maintaining personal finances and record-keeping. Across a range of core and option topics students will apply numeracy skills in making calculations related to their personal finances to determine tax payments, currency exchange rates and stock market trading transactions. Students also develop skills in maintaining and interpreting personal and business records.’

Some of the relevant learning outcomes for the Commerce syllabus are set out in the table below.

Objectives Students will develop:	Stage 4 Outcomes A student:	Stage 5 Outcomes A student:
Knowledge and understanding of consumer, financial, business, legal and employment issues	4.1 uses appropriate terminology in consumer, financial, business, legal and employment contexts	5.1 demonstrates understanding of commercial and legal concepts and terms in a variety of contexts

	4.2 describes the rights and responsibilities of consumers within financial, business, legal and employment frameworks	5.2 analyses the rights and responsibilities of consumers in a range of financial, business, legal and employment situations
	4.3 identifies the role of the law in society	5.3 discusses the role of the law in society
Skills in decision-making and problem-solving in relation to commercial and legal issues	4.4 identifies key factors affecting commercial and legal decisions	5.4 analyses key factors affecting commercial and legal decisions
	4.5 identifies options for solving commercial and legal problems and issues	5.5 evaluates options for solving commercial and legal problems and issues
	4.6 uses a range of plans designed to solve commercial and legal problems and issues	5.6 monitors and modifies the implementation of plans designed to solve commercial and legal problems and issues

The draft Commerce syllabus is divided into core areas and options. Two of the four core areas are 'Consumer Choice' and 'Personal Finances'. Of the 12 options the most relevant to financial literacy are: 'Investing'; 'Promoting and Selling'; 'E-Commerce'; and the 'Economic Environment'. Rather than setting out the detail of the learning outcomes for each area, the curriculum focus statements for each area are set out below:

- **Consumer Choice:** Students learn how to identify, research and evaluate options when making decisions on how to solve consumer problems and issues that confront consumers.
- **Personal Finances:** Students develop knowledge, understanding and skills that assist them to achieve financial independence when making responsible spending, saving, borrowing and investing decisions.
- **Investing:** Students learn about a range of investment options and how to make wise investment decisions.

- **Promoting and Selling:** Students investigate strategies that sellers use to maximise sales and evaluate promotional information to allow consumers to make choices.
- **E-Commerce:** Students learn how to use information and communication technology for researching commercial and legal information, and for buying and selling goods and services in the global market.
- **Economic Environment:** Students learn to use market reports and financial bulletins to understand the economic environment and to make informed economic judgments.

Work Education

Evidence of financial literacy opportunities

In the draft Work Education syllabus the rationale includes the following statements:

‘Students will develop employability,⁴³ enterprise⁴⁴ and pathways planning skills. These skills will be underpinned by the integration of the key competencies throughout the syllabus. Understanding and development of employability skills will assist students to achieve the flexibility required for the workplaces of today and of the future. The development of enterprising capabilities will empower students with the skills necessary to succeed in a labour market that is increasingly characterised by self-employment and part-time or casual work. Students will learn to apply skills in self-evaluation, goal-setting, and decision-making to successfully plan and manage their own life transitions.’

The aim of Work Education is to:

‘develop students’ employability, enterprise and pathways planning skills and to establish an appreciation of lifelong learning, responsible community participation and increased self-awareness’.

⁴³ ‘Employability skills’ are based on the ‘Employability Skills Framework’ developed by the Australian Chamber of Commerce and Industry and the Business Council of Australia for the Department of Employment, Science and Training, March 2002. In terms of status, the framework has not been endorsed by state/territory authorities. The framework provides one example of ‘employability skills’.

⁴⁴The Work Education syllabus draws on a number of terms and definitions taken directly from the MCEETYA, *Vocational Education and Training in Schools Framework*.

In addition to the general application of financial literacy to this syllabus, one of the options available to students is 'Managing Finances'. The curriculum focus statement says:

'This option will provide students with the skills needed to develop sound and innovative financial management practices in a range of contexts including personal finances, enterprise/business and projects. Students will investigate planning, projecting, organising and creating budgets whilst developing a number of practical skills including using spreadsheets and other electronic management tools.'

Some of the relevant learning outcomes for the Managing Finances option in Work Education are set out in the table below.

Students learn about:	Students learn to:
Personal financial management strategies	Predict personal income and expenditure (present and future)
Insurance and superannuation	Develop personal budgets (present and future) Identify and discuss personal financial management strategies including insurance and superannuation Examine and discuss the benefits of managing personal finances Identify issues that may impact on managing personal finances Identify strategies that minimise risk in managing personal finances including insurance and superannuation
Financial management strategies in enterprise and business contexts	Investigate financial management strategies across a range of enterprises and businesses Develop (mock) enterprise/business budgets Use a variety of technical tools (eg spreadsheets) to manage budgets

*Maths***Strand/syllabus**

Mathematics Years 7–10 syllabus is divided into six learning areas: Working Mathematically; Number; Patterns and Algebra; Data; Measurement; and Space and Geometry.

Compulsory?

Yes.

Evidence of financial literacy opportunities in curriculum

In the Number strand in Stage 5 (Years 9 and 10) one of the sub-topics is Consumer Arithmetic. The outcomes for Consumer Arithmetic in Stage 5 are:

‘NS5.1.2 Solves consumer arithmetic problems involving earning and spending money

‘NS5.2.2 Solves consumer arithmetic problems involving compound interest, depreciation and successive discounts’

Life skills outcomes and content cater for students with special education needs. The outcomes and content for the Number learning area have a whole section on planning personal finances.

NLS.15 A student plans personal finances	
Knowledge and Skills	Working Mathematically
Students learn about:	Students learn to:
Identifying financial issues that influence their daily lives	Calculate income available from a range of sources (eg allowance, casual or part-time work)
Identifying and describing financial terms (eg income, expenditure, saving, borrowing, interest)	Allocate amounts of money from an allowance for specific purposes (eg ‘From my \$10 allowance I need to keep \$5 for entry to the swimming pool, so I have \$5 to spend or save’)
Identifying personal funds available for specific purposes	Develop a budget to meet personal financial needs
Recognising the need to balance expenses with available funds	Use financial services in a variety of ways (eg over the counter, ATM, EFTPOS, cheque book, telephone banking, internet
Recognising the relationship between value and price of a range	

<p>of goods and services</p> <p>Making informed decisions about purchasing goods and services while considering value for money</p> <p>Calculating the actual costs incurred when paying for goods and services with cash, on lay-by, by credit card, on terms, or with loans</p> <p>Calculating the amount of time it will take to pay off items on credit cards or on terms at a specific rate per week or month</p>	<p>banking, credit cards, lay-by, hire purchase)</p> <p>Keep and check records of financial transactions</p> <p>Keep card/PIN number confidential and in a safe place</p> <p>Retain card and receipt after using ATM</p> <p>Retain and check receipts after purchasing goods and services</p> <p>Record receipt number when using telephone or internet services to make payments</p> <p>Retain and review financial statements</p> <p>Compare the interest rates and other costs for a range of services from various financial institutions</p> <p>Calculate the total cost of purchasing goods using credit cards or on terms and determine a 'best buy'</p>
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Health and Physical Education

Strand/syllabus

Personal Development, Health and Physical (PDHP) Years 7–10 syllabus is divided into four strands: Self and Relationships; Movement Skill and Performance; Individual and Community Health; and Lifelong Physical Activity.

Compulsory?

Yes.

Evidence of financial literacy opportunities in curriculum

One of the broad learning outcomes states that students will:

‘understand, interpret and apply concepts related to numerical and spatial patterns, structures and relationships’.

In addition to the four strands the syllabus sets out the key skills taught in PDHP — one of these is planning. The syllabus states:

‘Students develop the capacity to formulate plans that put decisions into action and lead to the achievement of goals. They apply the planning process to issues of personal development, personal health, physical activity, study, work and other life aspirations. Students develop a capacity to prioritise the use of their time and resources, and to monitor their progress towards goals. They collaborate effectively with others in plans that affect groups or teams.

‘In developing planning skills students learn to:

- set goals
- establish priorities
- manage resources and time
- implement the plan
- monitor performance.’

Transition agenda

Cross-curricular outcome of Work, Employment and Enterprise and the draft Work Education syllabus.

Queensland

The overarching document is the Common Curriculum Years 1–10. The Common Curriculum describes the learning outcomes for students in the eight Key Learning Areas. Syllabuses are then developed for each of the Key Learning Areas. The cross-curricular priorities are Literacy, Numeracy, Life Skills and Future Perspectives.

SOSE

Strand/syllabus

Queensland SOSE is delivered to Years 1–10 through a central syllabus and in Years 9 and 10 students are able to take up the optional subjects of Civics, Geography or History. Opportunities for learning financial literacy are found in the Systems, Resources and Power (SRP) strand.

Compulsory?

SOSE is compulsory in Years 7–10 but individual strands within SOSE are not compulsory.

Evidence of financial literacy opportunities in curriculum

The following Core Learning Outcomes in the SRP strand of SOSE relate to financial literacy.

Level 4 SRP 4.2	Level 5 SRP 5.2	Level 6 SRP 6.2
Students plan and manage an enterprise that assists a community or international aid project	Students design models of the Australian economic system to demonstrate its relationship to global trade	Students make practical suggestions for improving productivity and working conditions in an industry or business

Business Education

Strand/syllabus

A Business Education syllabus is under development for Years 9–10.

Compulsory?

No, it will be an optional subject area.

Evidence of financial literacy opportunities in curriculum

Included in the rationale for the draft Business Education syllabus is the following statement:

‘Business presents a range of challenges to people in their roles as citizens, consumers, workers or entrepreneurs. These challenges may include:

- making consumer decisions to meet the needs and wants of self and others
- participating as a responsible citizen in business environments
- owning or managing a business, enterprise or venture
- engaging in a variety of business activities such as entering into contractual agreements and managing personal finances, investments and records.’

The following statement sets out how the cross-curricular priority area of life skills is delivered in Business Education:

‘Students use self-management skills to make decisions that impact on them as consumers, citizens, workers or entrepreneurs. They manage time, resources, records and documentation and accept individual responsibility for tasks.

They develop the ability to make informed decisions related to the use and management of their personal finance resources.'

Maths

Strand/syllabus

Years 1–10 Mathematics syllabus.

Compulsory?

Yes.

Evidence of financial literacy opportunities in curriculum

Financial literacy is emphasised as a high priority. Several core learning outcomes include the importance of making informed financial decisions or identifying the factors that influence those decisions.

Health and Physical Education

Strand/syllabus

Years 1–10 Health and Physical Education (HPE) syllabus.

Compulsory?

Yes.

Evidence of financial literacy opportunities in curriculum

The HPE syllabus incorporates the cross-curricular priorities including life skills. Life skills includes self-management skills and the ability to manage resources.

Transition agenda

Life skills is one of the four cross-curricular priorities. The Queensland Schools Curriculum Council's Position Paper on life skills describes the life role of 'managing resources' and the associated 'self-management skills' as central to the concept of life skills. 'Managing personal, family and/or community finances' is described as an example of a self-management skill.

Western Australia

The overarching document is the Curriculum Framework K–12. Its fundamental purpose is to provide a structure around which schools can build educational programs that ensure students achieve agreed

outcomes. It is neither a curriculum nor a syllabus, but a framework identifying common learning outcomes for all students. The Curriculum Framework will be fully implemented in all schools by 2004.

SOSE

Strand/syllabus

In the Society and Environment Curriculum Framework there are seven strands. The Resources strand is most relevant for financial literacy.

Compulsory

SOSE is compulsory in Years 7–10 but individual strands within SOSE are not compulsory.

Evidence of financial literacy opportunities in curriculum

In the Resources strand students understand that people attempt to meet their needs and wants by making optimum use of limited resources in enterprising ways. Resources is then broken into the following substrands:

- **Use of Resources:** Students understand that people have choices to make between unlimited wants and limited resources.
- **Management and Enterprise:** Students understand that innovative management and enterprise practices optimise the efficient development of limited resources.
- **People and Work:** Students understand that workplace organisation and practices can influence the extent to which people are productive and satisfied in their work.

Years 7–10 outcomes include:

‘Students recognise that resources can be broadly classified as land, labour, capital and enterprise. They should understand that people manage and use these different types of resources to increase their ability to satisfy their needs and wants. As students investigate the use of resources, they consider important issues relating to ownership, access and equity.’

Maths

Strand/syllabus

The Mathematics Curriculum Framework is divided into seven clusters: Appreciating Mathematics; Working Mathematically; Number; Measurement; Chance and Data; Space; and Algebra.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

When discussing the scope of the Number cluster in the Mathematics curriculum framework it states that:

‘Students in the early adolescent years are approaching the time when they will begin to earn money of their own and take responsibility for managing their own finances. Consequently, social and commercial arithmetic become increasingly relevant.’

Technology and Enterprise

Strand/syllabus

The Technology and Enterprise Curriculum Framework.

Evidence of financial literacy opportunities in curriculum

In the definition and rationale it outlines the meaning of ‘being enterprising’ and states:

‘Students are encouraged to develop and practise enterprising behaviours such as initiative, resourcefulness, responsibility, adaptability and entrepreneurship. Through these behaviours they enhance their critical and creative thinking and organising, collaborative and team-building skills. They identify needs, wants and opportunities and use, adapt, manage or develop a range of equipment, resources, processes, systems, services and environments to meet them. These behaviours and skills are transferable across the curriculum and are valuable acquisitions for career and life experiences.’

Health and Physical Education

Strand/syllabus

The Health and Physical Education Curriculum Framework is divided into five learning outcomes. The most relevant is Self-management Skills.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

In the definition and rationale it states:

‘Students who possess sound self-management skills are better able to identify and avoid potential health risks, enhance their mental health and well-being, as well as planning for their future.’

The relevant learning outcome is that:

‘Students demonstrate self-management skills which enable them to make informed decisions for healthy, active lifestyles.’

Transition agenda

See Post-compulsory Education Review report *Our Youth, Our Future* (November 2001) and corresponding summary of the directions endorsed by the West Australian Government (March 2002). These documents include a discussion of the role of the transition agenda in post-compulsory school years.

Australian Capital Territory

The ACT Curriculum Frameworks are complemented by the Curriculum Profiles, which describe the progression of learning typically achieved by students in years K–10 in each of the learning areas.

SOSE

Strand/syllabus

The SOSE Curriculum Framework is divided into five conceptual strands. A strand can be taught on its own in a subject, in a subject with other strands or across subjects. Opportunities for learning financial literacy are in the Resources strand.

Compulsory?

Whether or not students are required to take the Resources strand depends on the way the curriculum is delivered at each individual school.

Evidence of financial literacy opportunities in curriculum

The broad learning outcomes for the Resources strand are that:

‘The student demonstrates knowledge and understanding of:

- the nature and use of resources
- the relationship between people and work
- the processes and ideas of management and enterprise’

In outlining the possible content of the Resources strand in Years 7–10 the Curriculum Framework states:

‘The skills students develop prepare them to participate effectively as consumers and future workers.

‘Financial management competencies are also developed as students analyse the costs and benefits to individuals, families and businesses of using credit.’

It goes on to state possible content for management and enterprise:

- sources of financial resources;
- financial and consumer competencies;
- methods of income disposal, such as saving, spending, investing and taxation;
- access to social support services;
- marketing strategies;
- personal and group management skills;
- personal and elementary business record-keeping techniques, including budgeting; and
- the changing role of money and the impact of technology, increased competition and government legislation on forms of exchange and banking practices.

*Maths***Strand/syllabus**

The Mathematics Curriculum Framework is divided into eight strands: Attitudes and Appreciations; Mathematical Inquiry; Choosing and Using Mathematics; Space; Number; Measurement; Chance and Data; Patterns/Relationships/Algebra.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

In the Number strand in Years 7–10 the framework states that among other things students should be able to:

- ‘4.7 Apply ratio, proportion and percentage in everyday contexts;
- 4.8 Remember basic addition and multiplication facts and perform mental computation on decimals, including money and measures;
- 4.13 Interpret the language of, and deal with, matters of personal finance.’

*Health and Physical Education***Strand/syllabus**

The Health and Physical Education (HPE) Curriculum Framework is divided into seven conceptual strands and these strands may be taught in a range of subjects. The seven strands are: Human Development; Human Movement; Physical Activity and the Community; People and Food; Health of Individuals and Populations; Safety; and Human Relations.

Evidence of financial literacy opportunities in curriculum

No evidence of financial literacy opportunities in current curriculum.

Transition agenda

There are nine Across Curriculum Perspectives in the Curriculum Framework, which address those educational and societal issues that should be applied to the whole curriculum. The Across Curriculum Perspective with most relevance to financial literacy is Work Education. One of the objectives of Work Education is for students to ‘develop those personal, technical and social skills which will enhance their

performance as workers'. Financial literacy could be considered a technical skill in this context.

South Australia

The overarching document is the South Australian Curriculum Standards and Accountability (SACSA) Curriculum Framework K–12. The framework is organised around the eight Key Learning Areas through which Essential Learnings, Cross-curricular Perspectives and Enterprise and Vocational Education are woven. Within each learning area there is a description of the curriculum scope (with examples) and corresponding standards and outcomes.

SOSE

Strand/syllabus

The Learning Area of Society and Environment is organised around four strands: Time, Continuity and Change; Place, Space and Environment; Societies and Cultures; and Social Systems. Opportunities for learning financial literacy are in the Social Systems strand.

Compulsory

SOSE is compulsory in Years 7–10 but individual strands within SOSE are not compulsory.

Evidence of financial literacy opportunities in curriculum

Learning Outcome 4.11 (for students in Years 7 and 8) states:

‘Identifies factors that should be analysed by consumers, producers and governments regarding their decisions about goods and services, including people’s work.’

Learning Outcomes 5.11 and 5.12 (for students in Years 9 and 10) emphasise an understanding of the rights and responsibilities, roles and relationships of people and groups in a variety of settings within political, legal and economic systems. The focus is on critical examination of decision making at all levels; the use of power and control of resources to maintain or change society; and ways to participate in civil societies, including in connection with issues and practices related to work.

Maths

Strand/syllabus

The Mathematics Learning Area is divided into five strands: Exploring, Analysing and Modelling Data; Measurement; Number; Pattern and

Algebraic Reasoning; and Spatial Sense and Geometric Reasoning. The Number strand is most suited to financial literacy learning.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

These are some examples of relevant learning outcomes for financial literacy in the Number strand:

- adding, subtracting, multiplying and dividing positive and negative integers with pencil/paper, mental strategies or with a calculator, and discussing social uses (eg budgeting, shopping and global economies);
- analysing the inverse relationships between addition and subtraction, multiplication and division, and squaring and square roots — students use these relationships when working with quantities, money, measurements and data in authentic settings; and
- estimating and calculating, using rational number, when searching for patterns; exploring relationships; making predictions; planning or analysing decisions; and when managing money, materials and resources.

Health and Physical Education

Strand/syllabus

The Health and Physical Education Learning Area is organised around three strands: Physical Activity and Participation; Personal and Social Development; and Health of Individuals and Communities.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

No evidence of financial literacy opportunities in current curriculum.

Transition agenda

There is an Enterprise and Vocational Education (EVE) Unit in the SA Department of Education and Children's Services. The EVE Unit funds 20 regional networks across the state to improve coordination and delivery of enterprise and vocational learning programs and services for their young people.

Tasmania

Tasmania has adopted the National Curriculum Profiles and Statements as an overarching Framework. Curriculum for students up until year 9 is considered to be a school responsibility, provided that Departmental policies and guidelines are followed. The Tasmanian Secondary Assessment Board is responsible for determining the curriculum syllabuses for the upper years of secondary schooling (years 9-12). In Years 9-12 the curriculum is divided into eight levels of difficulty.

SOSE

Strand/syllabus

The Learning Area of Society and Environment is divided into six strands and six organisers. Financial literacy opportunities arise in the Resources strand and the Career and Work Education Organiser. The SOSE syllabus in Years 9-12 is divided into core units and optional units.

Compulsory

Yes, but there are a range of core and optional units to choose between.

Evidence of financial literacy opportunities in curriculum

The most relevant units for financial literacy in the Years 9-12 syllabus are the optional units 'Working in Australia' and 'Economic Systems'.

Maths

Strand/syllabus

Years 9 – 12 Maths Syllabus with 8 levels of difficulty.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

At difficulty levels 5 and 6 15% of the Maths Syllabus is dedicated to Finance. The Finance strand involves the use of mathematical tools in an analysis of finance and consumer issues. The investigation of financial and consumer issues should enable students to develop competence in handling calculations associated with:

- simple interest
- compound interest
- appreciation and depreciation
- cost of credit
- the mechanics of savings plans

Health and Physical Education

Strand/syllabus

Health and Physical Education (HPE) K-10 Core Curriculum and Years 9 – 12 HPE Syllabus with 8 levels of difficulty.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

No evidence of financial literacy opportunities in current curriculum.

Transition agenda

There is evidence of enterprise education initiatives occurring in some Tasmanian schools.

Northern Territory

The overarching document is the Northern Territory Curriculum Framework (NTCF). The NTCF is organised around the eight Key Learning Areas. EsseNTial Learnings are then linked with each Learning Area.

SOSE

Strand/syllabus

The Studies of Society and Environment (SOSE) Learning Area incorporates the disciplines of History, Geography, Politics, Economics, Business and Careers. The SOSE Learning Area is organised into three strands: Social Systems and Structures; Environments; and Enterprise. The Enterprise strand provides opportunities to teach financial literacy.

Compulsory

SOSE is compulsory but individual strands within SOSE are not compulsory.

Evidence of financial literacy opportunities in curriculum

Enterprise has been organised into three elements:

1. Financial Literacy:

- develop personal financial literacy
- develop an understanding of business enterprise
- explore personal and business financial options
- examine factors that impact on the Australian economy
- participate in the development, delivery and assessment of action projects, services or activities to meet specific needs.

2. Life Roles:

- explore the range of options available through paid and non-paid work
- identify individual pathways and identify goals to achieve successful entry into the workforce
- examine post-compulsory schooling options
- examine workplace issues and responses.

3. Consumerism:

- investigate the patterns and impact of consumerism and consumption
- investigate the rights of the consumer and the organisations that support consumer rights.

Maths

Strand/syllabus

At levels 4 and 5, the Mathematics Learning Area is divided into four strands: Space and Measurement; Chance and Data; Number; and Algebra. The Number strand is most suited to financial literacy learning.

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

No explicit evidence of financial literacy opportunities in current curriculum.

Health and Physical Education

Strand/syllabus

At levels 4 and 5, the Health and Physical Education Learning Area is divided into three strands: Promoting Individual and Community Health; Enhancing Personal Development and Relationships; and Participating in Physical Activity and Movement. The Enhancing Personal Development and Relationships strand is most suited to financial literacy learning

Compulsory

Yes

Evidence of financial literacy opportunities in curriculum

One of the Outcomes for Level 5 of the Enhancing Personal Development and Relationships strand states:

'demonstrate self-management skills that enable them to make informed decisions for healthy living ...'

Transition agenda

The EsseNTial Learnings lay the foundation for 'connected life-long learning', and are essential for preparing students for complex future life roles. EsseNTial Learnings develop through all Learning Areas and links are identified in the NTCF. The EsseNTial Learnings are organised into the Inner Learner; Creative Learner; Collaborative Learner; and Constructive Learner.

Appendix 6: Survey of resources

Overview

Category 1: Specifically designed for schools and/or aligned with curriculum

- 1.1 *Insurance is Everyone's Business*, Insurance Council of Australia
- 1.2 *Take Cover*, Insurance Council of Australia
- 1.3 *People and Banks*, Centre for Economic Education
- 1.4 *More on Money*, Australian Bankers Association
- 1.5 *Banking on the Internet*, Australian Information Industry Association
- 1.6 *Managing Money*, Centre for Economic Education
- 1.7 *Operation Financial Literacy*, Collection House Foundation
- 1.8 *Dollars and Sense*, Commonwealth Bank
- 1.9 *NSW DFT School Projects*, NSW Department of Fair Trading
- 1.10 *ASX Schools Sharemarket Game*, Australian Stock Exchange
- 1.11 *Dollarsmart*, Financial Planning Association
- 1.12 *Don't get rung out*, Victorian Commercial Teachers Association
- 1.13 *The Credit Trail*, Victorian Commercial Teachers Association

Category 2: Not specifically designed for schools but targeted at youth, accessible and written in plain English

- 2.1 *FIDO*, Australian Securities & Investments Commission consumer website
- 2.2 *Money Stuff*, NSW Department of Fair Trading student website
- 2.3 *The Source*, Department of Family and Community Services student website
- 2.4 *B4U Splash for Cash*, Office of Consumer and Business Affairs South Australia student website
- 2.5 Department of Consumer and Employment Protection (WA) website

- 2.6 *Linkzone*, Tasmanian Office of Youth Affairs website
- 2.7 *Youth Affairs*, Northern Territory Office of Youth Affairs website
- 2.8 *School visits Communication Kit*, National Insurance Brokers Association
- 2.9 The Association of Superannuation Funds of Australia website
- 2.10 *The Maze*, Office for Youth (SA) student website
- 2.11 Consumer and Business Affairs (Victoria) website
- 2.12 Consumer and Business Affairs (Northern Territory) website
- 2.13 The Consumer Credit Information Bank website
- 2.14 *Backpocket*, WA Government student website
- 2.15 *Choice*, Australian Consumers Association website
- 2.16 *Money Matters*, The Australian Credit Union Network
- 2.17 *Moneymanager* website

Detail

Category 1: Specifically designed for schools and/or aligned with curriculum

1.1	Title	Insurance is Everyone's Business
	Author	National Curriculum Services, Insurance Council of Australia and The Life, Investment and Superannuation Association of Australia
	Sponsor	Australian Insurance Institute
	Year of Publication	1996
	Cost	Free
	Type of Resource	Print Material
	Target Audience	Years 11 & 12
	Availability	On request from the ICA
	Contact phone	02 9253 5100
	Topics Covered	Superannuation Insurance

1.2	Title	Take Cover
	Author	National Curriculum Services
	Sponsor	Australian Insurance Institute and Insurance Council of Australia
	Year of Publication	1998
	Cost	Free
	Type of Resource	Print Material and Audio Visual
	Target Audience	Years 9 & 10
	Availability	On request from the ICA
	Contact phone	02 9253 5100
	Topics Covered	Spending Money Budgeting Saving Money Financial Planning Investing Money Superannuation Insurance Investments

1.3	Title	People and Banks
	Author	Peter McGregor, Centre for Economic Education
	Sponsor	Australian Bankers' Association
	Year of Publication	1999
	Cost	Free
	Type of Resource	Print Material and Online Material
	Target Audience	Est. Years 7-10
	Availability	Online at http://www.bankers.asn.au/ or http://www.vicnet.net.au/~econoe
	Topics Covered	What is money? Where money comes from Spending money Saving money Borrowing money Bank accounts Electronic banking

		Credit and loans Financial industry
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1.4	Title	More on Money
	Author	Australian Bankers Association
	Sponsor	Australian Bankers Association
	Year of Publication	2001
	Cost	Free
	Type of Resource	Online material
	Target Audience	Years 7-10
	Availability	Online http://www.bankers.asn.au/
	Topics Covered	Saving money Bank accounts

1.5	Title	Banking on the Internet
	Author	National Office for the Information Economy, Australian Bankers Association, and Australian Information Industry Association
	Sponsor	Australian Information Industry Association
	Year of Publication	1999
	Cost	Free
	Type of Resource	Online material
	Target Audience	Consumers generally
	Availability	Online http://www.bankers.asn.au/
	Topics Covered	Electronic Banking

1.6	Title	Managing Money
	Author	Peter McGregor
	Sponsor	Centre for Economic Education
	Year of Publication	1996
	Cost	Free
	Type of Resource	Online material
	Target Audience	Est. 7-10
	Availability	Online http://cee.org.au/library/index.htm
	Topics Covered	What is money Where money comes from Spending money Budgeting Saving Money Financial Planning Investing Money

1.7	Title	Operation Financial Literacy
	Author & Sponsor	Collection House Foundation
	Year of Publication	2003
	Cost	Free
	Type of Resource	Pilot program in schools
	Target Audience	Years 8-10
	Availability	Online http://www.collectionhouse.com.au/foundation/
	Topics Covered	Budgeting Saving money Borrowing money Credit and loans

1.8	Title	Dollars and Sense
	Author & Sponsor	Commonwealth Bank
	Year of Publication	2002
	Cost	Free
	Type of Resource	Online
	Target Audience	14-21
	Availability	Online http://www.dollarsandsense.com.au/
	Topics Covered	What is money Where money comes from Spending money Budgeting Saving money Borrowing money Financial planning Investing money Bank accounts Electronic banking Credit and loans Mortgages Superannuation Insurance Investments Financial industry Where to go for assistance

1.9	Title	NSW DFT School Projects
	Author & Sponsor	NSW Department of Fair Trading
	Year of Publication	2003
	Cost	Free
	Type of Resource	Online
	Target Audience	Secondary Students
	Availability	Online http://www.fairtrading.nsw.gov.au/
	Topics Covered	Credit and loans Understanding that consumers have rights Importance of shopping around Where to go for assistance

1.10	Title	ASX Schools Sharemarket Game
	Author	Australian Stock Exchange
	Sponsor	Salomon Smith Barney Australia
	Year of Publication	2003
	Cost	Free
	Type of Resource	Online
	Target Audience	Years 7-12
	Availability	Online http://www.asx.com.au/
	Topics Covered	Investments

1.11	Title	Dollarsmart
	Author & Sponsor	Financial Planning Association
	Year of Publication	2003
	Cost	Free
	Type of Resource	Workbook on CD rom
	Target Audience	Teenagers
	Availability	Online http://www.fpa.asn.au/
	Topics Covered	Budgeting Saving money

		Borrowing money Financial planning Investing money Investments Credit and loans Insurance
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1.12	Title	Don't Get Rung Out
	Author & Sponsor	Victorian Commercial Teachers Association
	Topics Covered	mobile phones

1.13	Title	The Credit Trail
	Author & Sponsor	Victorian Commercial Teachers Association
	Topics Covered	Research on the status of credit teaching across the school curriculum

Category 2: Not specifically designed for schools but targeted at youth, accessible and written in plain English

2.1	Title	FIDO
	Author & Sponsor	Australian Securities and Investments Commission
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Consumers generally
	Availability	Online http://www.fido.asic.gov.au/
	Topics Covered	All financial literacy topics covered

2.2	Title	Money Stuff
	Author & Sponsor	NSW Department of Fair Trading
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Years 8-10
	Availability	Online http://www.moneymatters.fairtrading.nsw.gov.au/
	Topics Covered	Budgeting Saving money Insurance Understanding information about financial products and services Importance of shopping around

2.3	Title	The Source
	Author & Sponsor	Department of Family and Community Services
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Youth and young adults
	Availability	Online http://www.thesource.gov.au/
	Topics Covered	Where money comes from Spending money Saving money

		Credit and loans Superannuation Financial industry Where to go for assistance
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2.4	Title	B 4 U Splash your Cash
	Author & Sponsor	Office of Consumer and Business Affairs – South Australia
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	16-20 year olds
	Availability	Online http://www.b4usplashcash.ocba.sa.gov.au
	Topics Covered	What money is Budgeting Borrowing money Electronic banking Credit and loans Insurance Importance of shopping around Where to go for assistance How to make an effective complaint

2.5	Title	Department of Consumer and Employment Protection (WA)
	Author & Sponsor	Department of Consumer and Employment Protection (WA)
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online http://www.docep.wa.gov.au/
	Topics Covered	Credit and loans

2.6	Title	Linkzone
	Author & Sponsor	Office of Youth Affairs Tasmania
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Online
	Target Audience	20-25 year olds
	Availability	Online http://www.linkzone.com.au/
	Topics Covered	Where to get (independent) information Where to go for assistance What a regulator is and who they are

2.7	Title	Youth Affairs (NT)
	Author & Sponsor	Northern Territory Office of Youth Affairs
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Youth and young adults
	Availability	Online http://www.youth.affairs.nt.gov.au/
	Topics Covered	Where to go for assistance

2.8	Title	Schools Communication Kit – National Insurance Brokers Association
	Author & Sponsor	National Insurance Brokers Association

	Year of Publication	Unavailable
	Cost	Free
	Type of Resource	School visit guide for visiting brokers
	Target Audience	Years 10-12
	Availability	On request from the National Insurance Brokers Association
	Contact phone	02 9964 9400
	Topics Covered	Insurance

2.9	Title	The Association of Superannuation Funds of Australia website
	Author & Sponsor	The Association of Superannuation Funds of Australia
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online http://www.superannuation.asn.au/
	Topics Covered	Superannuation

2.10	Title	The Maze
	Author & Sponsor	Government of SA and Office for Youth
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Young adults
	Availability	Online at http://www.maze.sa.gov.au/
	Topics Covered	Bank accounts Budgeting Credit and loans Investments

2.11	Title	Consumer and Business Affairs (Victoria) website
	Author & Sponsor	Consumer and Business Affairs (Victoria)
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online at http://www.consumer.vic.gov.au/
	Topics Covered	Borrowing money Credit and loans Importance of shopping around Understanding that consumers have rights Where to go for assistance

2.12	Title	Consumer and Business Affairs (Northern Territory) website
	Author & Sponsor	Northern Territory Government, Department of Justice
	Year of Publication	Current as June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online at http://www.nt.gov.au/caft/
	Topics Covered	Borrowing money Credit and loans

		Importance of shopping around Understanding that consumers have rights Where to go for assistance
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2.13	Title	Consumer Credit Information Bank
	Author & Sponsor	Consumer Credit Fund and the Financial & Consumer Rights Council
	Year of Publication	Unknown
	Cost	Free
	Type of Resource	Bibliography of research and consumer education materials funded by Consumer Credit Fund. Materials include audio and video tapes for public broadcasting, posters and displays, consumer booklets, school curriculum material, credit education material customised for people with special needs.
	Target Audience	All consumers
	Availability	Online at http://home.vicnet.net.au/~ccib/
	Topics Covered	Credit and loans Mortgages Financial planning Insurance Importance of shopping around Understanding that consumers have rights

2.14	Title	Backpocket
	Author & Sponsor	Government of WA
	Year of Publication	Current as June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	Young adults
	Availability	Online at http://www.dotu.wa.gov.au/backpocket/index.html
	Topics Covered	Budgeting Borrowing money Saving money Credit and loans Insurance Importance of shopping around Where to go for assistance How to make an effective complaint

2.15	Title	Choice
	Author & Sponsor	Australian Consumers Association
	Year of Publication	Current as at June 2003
	Cost	Free content and subscriber content
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online at http://www.choice.com.au/
	Topics Covered	Budgeting Saving money Borrowing money Financial planning Investing money Bank accounts Electronic banking Credit and loans Mortgages

		Superannuation Insurance Investments Where to go for assistance
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2.16	Title	Money Matters
	Author & Sponsor	Australian Credit Union Network
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online at http://acun.cu.net.au/presentation/money/main.asp
	Topics Covered	Budgeting Saving money Investing money

2.17	Title	Moneymanager
	Author & Sponsor	Fairfax Interactive Network, associated with <i>The Sydney Morning Herald</i> , <i>The Age</i> , <i>Sun Herald</i> , <i>Australian Financial Review</i> , <i>Personal Investor</i> and <i>Shares Magazine</i> .
	Year of Publication	Current as at June 2003
	Cost	Free
	Type of Resource	Website
	Target Audience	All consumers
	Availability	Online at http://moneymanager.com.au/index.html
	Topics Covered	Spending money Budgeting Saving money Borrowing money Financial planning Investing money Bank accounts Electronic banking Credit and loans Mortgages Superannuation Insurance Investments Understanding that consumers have rights

Appendix 7: Extracts from *Financial Capability through Personal Financial Education, Guidance for Schools*, Department for Education and Employment, July 2000

Table 1: Summary of learning about financial capability at each key stage and for each element of PSHE and Citizenship				
Elements of PSHE and Citizenship	Key Stage 1 (5-7 years)	Key Stage 2 (7-11 years)	Key Stage 3 (11-14 years)	Key Stage 4 (14-16 years)
Developing confidence and responsibility and making the most of their abilities	Pupils learn about money in the context of their own lives and to make real choices about how to spend and save money sensibly	Pupils learn to look after their money and realise that future wants and needs may be met through saving	Pupils learn about what influences how we spend money and how to become competent at managing personal money in a range of situations including those beyond their immediate experience	Pupils learn about financial decision-making and to use a range of financial tools and services, including budgeting and saving, in managing personal money, and about the financial implications of post 16 options
Preparing to play an active role as citizens	Pupils learn to realise that money comes from different sources and can be used for different purposes	Pupils learn that resources can be allocated in different ways and that these economic choices affect individuals, communities and the environment	Pupils learn about the finances of local and national government and about the economic implications of the world as a global community	Pupils learn about how the economy functions, including the role of business and financial services and the issues and challenges of global economic inter-dependence. They learn about the rights and responsibilities of consumers, employers and employees.

Table 1: Summary of learning about financial capability at each key stage and for each element of PSHE and Citizenship (continued)

Elements of PSHE and Citizenship	Key Stage 1 (5-7 years)	Key Stage 2 (7-11 years)	Key Stage 3 (11-14 years)	Key Stage 4 (14-16 years)
Developing good relationships and respecting differences between people	Pupils learn that different people may make different choices about spending money and to consider social and moral dilemmas about the use of money that they come across in everyday life.	Pupils learn that people have different financial circumstances and that standards of living vary across time and place and about the different values and attitudes that people have with regard to money.	Pupils learn about social and moral dilemmas about the use of money including how the choices they make as consumers affect other people's economies and environments.	Pupils learn about the wider social, moral, ethical and environmental consequences of personal financial decisions.
The Mathematics curriculum and National Numeracy Strategy	Mathematics and financial capability are interrelated. A financially capable person will necessarily be numerate, whilst personal finance education provides a good context in which to develop mathematical skills and understanding. There are numerous opportunities to link personal finance education to the Mathematics curriculum, including numerical problems involving money, calculations in real-life financial contexts and the use of graphs and tables in data-handling.			

Table 2: Summary of financial capability at each key stage	
Key Stage 1	During key stage 1, pupils learn about money and making real choices about spending and saving money in the context of their own lives, including how to solve whole number problems involving money. They learn that money comes from different sources and can be used for different purposes. They learn about the importance of looking after money. They learn that people will make different choices about spending money. They learn about social and moral issues about the use of money in their everyday lives.
Key Stage 2	During key stage 2, pupils learn about making simple financial decisions and consider how to spend money including pocket money and contributions to charity. They learn that resources can be allocated in different ways and that these decisions have individual, social and environmental consequences. They learn how to look after money and realise that future wants and needs may be met through saving. They develop an understanding that people have different financial circumstances and that standards of living vary across time and place. They learn about the different values and attitudes that people have with regard to money. They learn how to solve word problems involving money and simple percentages and how to approximate and check their answers.
Key Stage 3	During key stage 3, pupils learn about what influences how we spend or save money and how to become competent at managing personal money in a range of situations including those beyond their immediate experience. They learn how local and central government is financed. They learn about insurance and risk and about making safer choices about healthy lifestyles. They learn about social and moral dilemmas about the use of money including how the choices they make as consumers affect other people's economies and environments. They learn to solve complex numerical problems involving money including calculating percentages, ratio and proportion.
Key Stage 4	During key stage 4, pupils learn about financial decision-making and money management, and to use a range of financial tools and services, including budgeting and saving, in managing personal money. They learn about and how to assess the different sources of financial help available to them. They learn about how the economy functions and the rights and responsibilities of consumers, employers and employees. They learn about the different risk and return involved in savings and investment. They develop an understanding of the wider social, moral, ethical and environmental consequences of personal financial decisions. They continue to learn to solve complex numerical problems involving money including calculating percentages, ratio and proportion. They learn to interpret social statistical information.
Adult Life	Personal finance curriculum prepares pupils for their life as adults. Financial capable adults are able to make informed financial decisions. They are numerate and can budget and manage money more effectively. They understand how to manage credit and debt. They are able to assess needs for insurance and protection. They can assess the different risks and return involved in different saving and investment options. They have an understanding of the wider ethical, social, political and environmental dimensions of finances.

Appendix 8: Related projects

Financial Planning Association (FPA)

The FPA has a financial literacy in schools taskforce headed by Gwen Fletcher. ASIC is represented on this taskforce. One of the initial aims of this group was to assess the status of financial education in existing curriculum and develop resources to support financial education curriculum. To avoid duplication of work the FPA agreed to fund our research on the stocktake of resources and allow us to take the lead on any assessment of the existing curriculum.

FPA's project has recently released *Dollarsmart*, a resource for schools in the form of a workbook on CD-ROM. It is based on a financial literacy program for high schools in the US that was developed by the National Endowment for Financial Education. The workbook was launched in May 2003 and is available on CD-ROM.

ANZ

In response to the results of their national financial literacy survey, ANZ is developing an adult learning program in the area of financial literacy targeted at adults who were found to have the most to gain from increased levels of financial literacy. The program will provide people with the necessary skills to become more informed and aware consumers.

ANZ has formed an Advisory Committee with representatives from the Financial Counsellors Association of NSW, ASIC and OTEN to produce a program that is widely available and accessible.

Collection House Foundation

Collection House Foundation is a not-for-profit company established by Collection House Limited in 2002. It runs Operation Financial Literacy, a pilot program, aimed at increasing the financial understanding and money management skills of young Australians. The program is being piloted in Queensland, Victoria and Tasmania. Participating schools have been provided with funding to develop their own financial literacy program, tailored to the needs of their school and local community. Students will be exposed to topics such as managing credit, how to budget, the importance of saving and the consequences of gambling.

Axiss Australia

Axiss Australia has developed a pilot program for high school students to engage in workplace learning in the financial services sector – *Money@work*. ASIC is on the Advisory Committee for this project.

Finance First: YWCA/Citigroup

The Finance First project is a community/corporate partnership between the YWCA and Citigroup. Finance First is a family education project designed to provide financial literacy education for disadvantaged and low income parents and children. Finance First has formed an Advisory Board for the project with representatives from the NSW Department of Education, Financial Counsellors Association of NSW and ASIC.

Anglicare: Tasmania

My Money My Future is a project aimed at increasing the financial knowledge and skills of young people. With funding from Connect Community Foundation, Anglicare has developed a training package that seeks to empower young people to maintain control of their personal finances. The project's second stage will involve delivering the training to young Tasmanians across the state.

The strategy is a preventative approach to maintain stable housing, positive relationships and social participation opportunities for young people.

The pack has been designed as a complete workshop on basic financial literacy and money management. The topics covered include smart shopping, budgeting, credit, debt, renting and who can help. It has been designed for use in a group work setting, and is informal and interactive, using quizzes, role plays and discussion, focusing on situations that young people will recognise. Stage 1 (training package development) of the project has been completed, and Stage 2 (training delivery) will commence soon.

Hot Topics

Hot Topics is 24-page publication produced by the Legal Information Access Centre, State Library of NSW. *Hot Topics* is a plain language law publication produced primarily for school teachers and community groups who use it as a valuable teaching resource. We have written Issue 41 *Consumers & Money*.