Review of school banking programs

Report 676 | December 2020

About this report

This report summarises the findings from ASIC's review of school banking programs in Australian primary schools.

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Executive summary

ASIC's review of school banking programs was undertaken to determine the benefits and risks of school banking programs. We sought to identify why banks, schools and students engage with these programs, understand whether banks assess the impact of their programs on students' savings habits, and analyse the long-term impact of marketing through these programs on children.

We conducted consumer research, carried out public consultation and engaged with financial institutions that offer school banking programs (school banking program providers). We also commissioned a literature review on the impact of marketing to children.

We also liaised with accountable state and territory education authorities on existing relevant policies and practices.

Key findings:

1. School banking programs claim to help children develop long-term savings habits; however, providers were unable to demonstrate that these programs in and of themselves improve savings behaviour.
2. Payments to schools for implementing school banking programs incentivise schools to encourage greater participation in the programs.
3. Young children are vulnerable consumers and are exposed to sophisticated advertising and marketing tactics by school banking program providers.
4. School banking program providers fail to effectively disclose that a strategic objective of these programs is customer acquisition.

Based on findings from the review, ASIC has developed a set of questions that school communities could consider to assist them in assessing the appropriateness of school banking programs.

Background

History of school banking programs

School banking programs originated in New South Wales in the 1880s and were run by the Government. In the early 1900s, school banking was introduced, in various forms, in each state in conjunction with a state bank. The Commonwealth Bank of Australia launched a school banking program in 1931, when it merged with the government-owned Savings Bank of New South Wales.

Today school banking programs are offered by a variety of financial institutions, including by banks, charitable institutions, credit unions, building societies and other mutual organisations to facilitate the establishment of bank accounts and the deposit of money into those accounts by students through their schools.

ASIC's review of school banking programs

One of ASIC's core statutory functions is to promote confident and informed participation of consumers in the financial system.

ASIC is the conduct regulator for financial products, including the deposit accounts offered to students through school banking programs.

The authorised deposit-taking institutions that issue deposit accounts through school banking programs must comply with their Australian financial services (AFS) licence obligations under s912A of the *Corporations Act 2001*, including the requirement to provide financial services efficiently, honestly and fairly.

Against this background, we undertook a review of school banking programs to:

- assess the benefits and risks of school banking programs
- determine how these programs are implemented and marketed to school communities
- determine how students are engaging with these programs, and the accounts established through these programs while they are at school and after they leave school, and, in particular, whether they affect students' savings habits
- identify the factors motivating banks, schools and students to engage with these programs
- develop a set of questions to assist schools in identifying appropriate conduct and good practice in the implementation of school banking programs.

To conduct the review, we:

- established a reference group that included representatives from the Commonwealth Department of Education, Skills and Employment, the Australian Competition and Consumer Commission (ACCC) and CHOICE (a consumer advocacy group)
- consulted with international regulators about comparable overseas school banking programs
- liaised with industry, including the Australian Banking Association and Customer Owned Banking Association

- engaged with school banking program providers to determine how their programs operate and analysed documents obtained from providers to understand how school banking programs are measured and evaluated
- engaged a consumer researcher to undertake qualitative and quantitative consumer research with school authorities, parents, and current and former students, to understand their experiences and expectations of school banking programs
- procured academic research to better understand the impact that marketing through these programs has on children
- undertook a public consultation process seeking responses to questions on school banking programs. We received over 1,200 responses and submissions from individuals and organisations
- consulted state and territory education authorities to understand their school banking programs policies.

Implementation of school banking programs

School banking program providers

At the start of our review, we identified the following 10 school banking program providers:

- Commonwealth Bank of Australia (CBA)
- Bendigo and Adelaide Bank Limited (Bendigo)
- Heritage Bank Limited (Heritage)
- Hume Bank Limited (Hume)
- IMB Bank Ltd (IMB)
- Maitland Mutual Limited (The Mutual)
- Northern Inland Credit Union Limited (Northern Inland)
- South West Slopes Credit Union Ltd (South West Slopes)
- South West Credit Union Co-operative Limited (South West Credit)
- Lutheran Laypeople’s League of Australia Limited (LLL Australia).

CBA and Bendigo offered their programs nationally. The other eight providers offered their programs to a limited number of schools that are usually located geographically close to the providers’ branches.

Participation in school banking programs

Based on the data we collected, as at 30 June 2020, there were nearly 4,000 schools (approximately 63% of Australian primary schools) and 180,000 accounts held by students (approximately 8% of Australian primary school students) participating in a school banking program: see Table 1.

The total number of school banking accounts held by students in Table 1 reflects the number of accounts opened though a school banking program. Figures for Bendigo, Heritage and The Mutual are not included in the total because they do not track the number of accounts opened in their school banking programs.

Table 1: Number of participating schools and school banking program accounts as at 30 June 2020

School banking program provider	Number of participating schools	Number of school banking program accounts
CBA	3,629	175,138
Bendigo	146	see note
Heritage	5	see note
Hume	36	1,691
IMB	30	2,829
The Mutual	9	see note
Northern Inland	1	65
South West Slopes	10	6
South West Credit	2	274
LLL Australia	60	113
Total	**3,928**	**180,116**

Note: Bendigo, Heritage and The Mutual do not track accounts opened in their school banking programs.

Delivery of school banking programs

The deposit accounts that underpin school banking programs are the standard accounts offered by the financial institutions to all children.

The programs are marketed to school communities as a way of encouraging and supporting students to understand the importance of saving, through regular deposits facilitated by the school. They are commonly promoted at school orientation days and through school newsletters. School banking programs are generally targeted at young children in their first year of school but are open to any primary school student.

School banking programs enable students to deposit money into their accounts through their school. Students can either place their money and deposit into a deposit box located at the school – these are generally collected and processed by provider staff; or students can give their deposit to parent volunteers or school staff who then process the deposits, stamp the slips or deposit books, and bank the money with the provider.

Participation in school banking programs is voluntary. Each school decides if school banking is offered to their students, and each student can decide if they wish to participate. Parents or guardians must open the accounts for their children.

While all programs have a similar approach to participation, school banking programs operate differently depending on the provider. CBA, Heritage, Bendigo, Hume, IMB and South West Slopes require volunteers (e.g. parents of students or school staff) to implement the program in the school.

Several school banking programs provide financial payments to schools or P&C Associations and feature rewards (e.g. toys, stationery, prizes and giveaways) to students.

It is uncommon for schools to offer more than one school banking program. This leads to a lack of competition between providers.

In July 2020, Bendigo, IMB, and South West Credit advised ASIC that they would be terminating their school banking programs in light of the key findings in this review and changed school environment as a result of the COVID-19 pandemic. IMB's program was wound up on 31 August 2020. On 30 September 2020, Bendigo confirmed, in writing, that their program had been wound up. On 2 December 2020, Northern Inland also advised ASIC that it would be winding up its program.

Consumer and financial literacy education in the schools

Consumer and financial literacy education is embedded in the Australian Curriculum (Foundation to Year 10)[1] and young people are learning about money in classrooms every day.

Consumer and financial literacy outcomes are supported through the eight learning areas, seven general capabilities and three cross-curriculum priorities of the curriculum. It features explicitly in the learning areas of Mathematics and Humanities and Social Sciences (HASS) and the general capability of Numeracy. Content descriptions on financial literacy start from Year 1 in Mathematics and from Year 5 in HASS (through the sub-strand Economics and Business), and financial literacy is reflected in the Numeracy learning continuum from Foundation.

While the Australian Curriculum provides well-defined achievement standards and content descriptors, how this content is delivered, including how much time is allocated to a given topic, often varies from state to state and from school to school. The implementation of the Australian Curriculum is at the discretion of the state and territory governments, government and non-government school education authorities, and individual schools and principals.[2] This model encourages schools and teachers to use their judgement about what concepts to cover and how to best meet the needs of students.

Financial literacy education is not just delivered formally in the classroom; students are also learning about money and key financial concepts through informal learning opportunities – for example, through school canteens, excursions, fundraising and after-school activities.[3]

Resources for teachers

The Australian Curriculum, Assessment and Reporting Authority (ACARA) has developed a range of resources to support teachers to implement the Australian Curriculum. The Curriculum Connections resources are designed around themes, and include a consumer and financial literacy module that identifies content in the curriculum that supports the development of consumer and financial capability in young people. This resource provides links to units of work and interactive activities that help teachers plan and deliver high-quality teaching and learning programs.

[1] On 18 September 2015, all Education Ministers endorsed the revised Foundation – Year 10 Australian Curriculum in all learning areas.

[2] For information on the implementation of the Australian Curriculum in each state and territory by curriculum and school authorities, see the Foundation – Year 10 webpage of the Australian Curriculum, Assessment and Reporting Authority (ACARA) website.

[3] ASIC is also aware that a number of banks and other financial institutions offer financial literacy education programs to schools, which are designed to build understanding of key financial concepts. As these programs are not promoting a financial product, they have not been captured in this review.

Methodology and findings

Document and information analysis

To determine how school banking programs are implemented and promoted to school communities, and how students engage with these programs, we collected information from the 10 school banking providers about:

- the relationship between providers and schools, including the number of schools and students that participate in school banking programs, which schools currently participate and financial payments by providers to participating schools
- why providers offer school banking programs, including whether the primary purpose of the programs is to benefit the community or provide commercial benefits to the providers
- whether incentives are offered to providers' staff to promote school banking programs or to students to participate in school banking programs
- how providers market school banking programs, including how extensively they use branding, how they promote the programs through school events and communication channels, and whether they invite children to participate in the program by contacting their parents directly or via promotional material that is sent home with the children
- how they facilitate school banking programs, including whether providers' staff or school volunteers (e.g. school administration staff or parents) administer the programs
- the features of the deposit products in the school banking program, including the deposit account eligibility requirements, accessibility features and interest rates (including bonus interest rates)
- what marketing materials providers send to customers that participated in a school banking program when they turn 18 years old (compared with adult customers who did not participate in a school banking program).

We also asked providers how they measure the objectives and impact of their school banking programs. We found providers undertook little to no measurement and evaluation.

Consumer research

We commissioned consumer research to analyse how school banking programs operate, the value they are perceived to provide and the influence they have on consumers.

Stage 1: Qualitative component

The qualitative research drew on input from participants in school banking programs and also parents who chose for their children not to participate. It consisted of group discussions with parents, participating students and former participants; consultations with school principals, staff and volunteers that administer school banking programs; in-home interviews with students and their parents; and online forums with participating and non-participating program parents to explore behaviours and attitudes of students, parents, past students and school staff and volunteers.

Stage 2: Quantitative component

The quantitative research involved surveying a nationally representative group of 1,349 Australian residents aged 18 years or over via a 15–20 minute online questionnaire.

The research revealed:

- 84% of parents with children participating in school banking programs are satisfied with the program.

> 'I love the school banking program; it teaches children the value of money and how to save. It shows that there are rewards to saving your money, even if at the moment it is only something trivial.'
>
> **Parent** | Regional NSW

- Parents with children participating in school banking programs expressed some concerns about elements of the program, including the lack of digital interaction and low interest rates. 68% of this group were also concerned about banks marketing to primary school children. 61% considered that these programs are just a way for banks to get future customers.
- Interest and participation in school banking programs among children is strongest in the early years and commonly driven by rewards and peer group pressure. Interest in the programs wanes as children age and the rewards become less motivating.
- Parents generally take responsibility for completing the deposit slips and reminding children to take the money to school. Children who retain interest in the program are more likely to be internally motivated and do not rely on their parents to fill out the deposit slip or remind them to take the money to school.
- Parents often allow children to participate because they want them to learn to save and because of an emotional desire to replicate their own childhood experiences.
- There was a perception that school banking programs primarily focus on encouraging children to develop savings habits.
- Classroom activities and talking about money at home are generally regarded as more effective than school banking programs for learning about money.
- There is limited evidence among past students that school banking programs have a lasting impact on their behaviour, and recall of the programs is often limited to the ritual involved.
- Many parents believe school banking programs are beneficial because they teach kids to save and, if not offered, children would not learn about money. Others consider children are too young (Prep–Year 3) to develop or meaningfully understand savings habits.

> 'It's a very big ask of a 5-year-old. And by Year 3 or 4, they are not interested in saving anymore. It should be aimed at high school students: they're more receptive ... it will be of relevance to their first job.'
>
> **School leader** | Sydney

> ‘I feel like it is just a way for the banks to get my child’s information and as soon as they turn 18 send them a credit card offer.’

Parent | Regional QLD

- Schools see the programs as reputable and they are well regarded. School leaders, including principals and administrators, value the potential educational opportunity, the banking service they provide to the school community and incentive payments received by schools.
- Most parents with children participating in school banking programs want the program to continue. 61% of parents whose children participate in these programs indicated that they would be furious if the school stopped school banking.
- Parents who chose not to enrol their children in these programs gave a number of reasons: their family’s relationship with another bank, negative publicity, low interest rates, limited educational outcomes, poor rewards, lack of trust in banks, and lack of funds and capacity.

> ‘[We] talked about how much it would actually teach them about saving/interest and decided not to sign up ... we didn’t want to encourage them to save in order to get plastic toys as a reward.’

Parent | Perth

> ‘The kids already earn chore money for helping around the house, and being a single-income family, we can’t afford to participate on top of everything else.’

Parent | Brisbane

Academic research

We commissioned academic research to understand the impact of financial institutions’ marketing within the school environment on children and their parents.

This research looked at how the marketing of financial products is understood by children and parents, how such marketing is perceived and the extent to which it may lead to customer ‘stickiness’ or long-term loyalty.

The objectives of the academic research were to:

- identify students’ ability to understand and assess marketing in schools
- identify parents’ ability to understand and assess marketing to their children
- understand the impact of in-school marketing and rewards on students’ perceptions of the deposit accounts that underpin the school banking programs and school banking providers’ brands
- understand the impact that being exposed to marketing as children in the school environment has on perceptions, attitudes and behaviour when they become adults.

The academic research found that:

- School banking programs are a marketing exercise for the financial institutions that offer them.
- Children aged 5–13 years are unable to understand messages and marketing at a sufficiently nuanced level to be informed consumers of any financial service or product.
- Children are susceptible to marketing tactics as they have limited cognitive capacity and lack the ability to effectively understand:
  - the connection between school banking programs and customer acquisition
  - the persuasive impact of implicit tactics such as competitions, rewards and prizes
  - that content formatted as a game or entertainment is advertising.
- Advertising and marketing is persuasive and children can develop attachments to brands. The use of brand personalities and humanisation of brand imagery can help to develop children's brand salience.
- The use of rewards and prizes increase a brand desirability and contribute to the development of a brand relationship.
- School banking programs work via a process of socialisation. This can influence children's brand attitudes and relationships and contribute to a feeling of 'fitting in'.
- If a child is not aware of a brand or unable to participate in branded activities, it can lead to negative emotions towards the group and self-exclusion.
- Brands that are marketed within the school environment come with a 'trust halo'. Trust in a brand is inferred by participants from the school environment context in which the brand is promoted. For this reason, incentivising teaching staff and schools to promote particular school banking programs is potentially involving schools in the promotion of a commercial product.
- Brand loyalty is developed over time. Customers build a relationship with their bank over time and don't switch banks regularly for a variety of reasons, including because they were introduced to a bank at school.
- Although there has been no published assessment of the long-term impact of school banking programs on adult behaviours, studies show that marketing to children is effective in other domains (e.g. food, shoes and cars). Academic research shows that the marketing of financial services via school banking programs is the same as other marketing activities.
- The role of parents in embedding saving behaviours is important. Children's interest in saving money is most strongly influenced by parents and peers' attitudes to saving money.

Public consultation

From 30 September 2019 to 31 October 2019, we undertook a public consultation that sought the views of members of the public, organisations, education authorities, teachers, school leaders, and others. We received over 1,200 responses. Of these, 609 involved responses to an online questionnaire.

Online questionnaire results[4]

Are there changes that could be made to how school banking programs operate to improve students' understanding of money and the importance of saving (such as incorporating more digital elements)? Response: 19% No, 31% Unsure, 50% Yes

Do you support financial institutions offering bank accounts to students through school programs? Response: 26% No, 11% Unsure, 63% Yes

Do you consider there are or may be negative consequences if financial institutions no longer offer bank accounts to students through school banking programs? Response: 38% No, 15% Unsure, 47% Yes

Do you have concerns about financial institutions marketing to young primary school students? Response: 41% No, 8% Unsure, 51% Yes

Do you believe that school banking programs provide beneficial educational opportunities not available through the curriculum? Response: 40% No, 23% Unsure, 37% Yes

Do you consider there are or may be drawbacks to students opening and maintaining bank accounts through a school banking program? Response: 41% No, 8% Unsure, 51% Yes

Do you consider there are or may be benefits to students opening and maintaining bank accounts through a school banking program? Response: 20% No, 7% Unsure, 73% Yes

A number of different themes emerged from the online questionnaire:

- School banking programs are perceived as an opportunity to learn about money and establish a savings habit.
- School banking programs allow for the practical application of skills, unlike many classroom activities.
- School banking programs are perceived to use persuasive marketing strategies aimed at children who are a vulnerable audience due to their age and development stage.
- School banking programs are perceived to be out of date and lack an educational component.
- There may be reduced access to banking products for certain groups if the programs are removed.
- Many parents don't have the time or capability to fill the perceived gap if programs are removed.
- There are some concerns regarding stickiness and competition – in particular, that there is often no choice of providers.
- Financial education should be independent of banks and those with commercial motives.

During the public consultation, CHOICE ran a campaign encouraging people to submit responses. We received nearly 600 responses from this campaign. These responses were emailed (rather than submitted through the online questionnaire established to manage the consultation). Of the emailed responses, 91% did not support financial institutions offering bank accounts to students through school programs.

Scott Pape, a financial counsellor and author, also ran a campaign with his Barefoot Investor Community. He submitted one response that collated 14,195 responses he reported receiving. Of the Barefoot Investor Community responses, 82% did not support financial institutions offering bank accounts to students through school programs.

[4] Other questions in the online consultation offered respondents the opportunity to provide additional information not previously provided, and asked if schools or education authorities have policies or processes guiding them when deciding whether to engage with school banking (or similar) programs.

Key learnings

Program effectiveness in developing a savings habit

School banking programs claim to help children develop long-term savings habits; however, providers were unable to demonstrate that these programs in and of themselves improve savings behaviour.

Most of the school banking program providers in our review publicly state in school banking program promotional materials and on their websites that the primary purpose for offering a school banking program is to encourage participants to develop good savings habits (i.e. the habit of saving every week) and increase their understanding of the importance of saving money. However, we found that providers made little or no assessment of the effectiveness of their programs in achieving these goals.

Consumer research findings

Consumer research commissioned in our review found that:

- participation in a school banking program does not appear to improve the savings behaviour of account holders, either in the short or long term (compared with account holders who do not participate in a school banking program)
- classroom activities and families are generally regarded as more effective for teaching students about saving money and developing financial capability
- parents, peers, schools and teachers most significantly influence a student's attitude to savings behaviour.

> I think it's a well-run program, it's pretty well organised and overall, I think it's a good thing that the school is able to offer it.'

School banking program volunteer | QLD

> It's what you make of it – it's a tool basically. You can use it to teach your children about the importance of earning money and savings, but if you just give them money out of your purse to take in, then they're not learning anything really.'

Parent of current school banking program participant | Brisbane, QLD

Providers make unsubstantiated statements that link school banking program participation to an increased understanding of money and savings. Should school communities rely on these statements, they may not seek to consider a range of other activities that may be more effective in building essential financial skills.

Contribution payments by providers to schools

Payments to schools for implementing school banking programs incentivise schools to encourage greater program participation.

CBA, Bendigo, Hume, IMB, Northern Inland and LLL Australia make contribution payments to schools (or P&C Associations) that offer their school banking programs.[5] Providers paid nearly $2.5 million to schools in the financial year ending 30 June 2018: see Table 2. Payments in the 2020 financial year were less due to school closures resulting from the COVID-19 pandemic.

Contribution payments made to schools by providers are based on a calculation that includes one or more of the following factors:

- participation by the school in the program (even if there is only one actively participating student)
- the number of new deposit accounts opened by students participating in the program
- the number of students actively participating in the program (through depositing money into their accounts through their school)
- the monetary amount deposited by students into their deposit accounts through their school.

The Queensland Government Education Department uses a tender process to select providers. Only successful tenderers can offer school banking programs in Queensland. Under the tender process, the successful providers are required to make commission payments to schools.

[5] Bendigo's school banking payments only apply to Queensland where it was contracted to provide its program.

> Contribution payments made to schools based on student participation in a school banking program may create an actual or perceived conflict of interest for those schools.

Table 2: Commission payments made to schools and P&C Associations by school banking providers

School banking provider	Commission paid in FY 2018 ($)	Commission paid in FY 2019 ($)	Commission paid in FY 2020 ($)
CBA	2,463,855	2,131,717	1,281,916
Bendigo	4,900	1,544	260
Heritage	0	0	0
Hume	1,981	1,534	546
IMB	2,260	1,880	1,795
The Mutual	0	0	0
Northern Inland	220	0	115
South West Slopes	0	0	0
South West Credit	0	0	0
LLL Australia	19,957	17,656	16,143
Total	**2,493,173**	**2,154,331**	**1,300,775**

Marketing to program participants

Young childen have limited cognitive ability to understand the marketing tactics of school banking program providers.

Our review found that:

- All school banking program providers use promotional material to encourage schools, parents and children to participate in their programs. However, there is significant variation in the extent of marketing tactics used by providers – from very little to extensive.
- Almost all promotional material, passbooks or deposit books, and rewards provided to students participating in a school banking program are branded with the provider's name, logo, slogan or mascots.
- The promotional material is either provided to students at school orientation events, school assemblies or via their classroom teachers. School banking programs are also commonly promoted in school newsletters and posters displayed at school premises.
- CBA, Bendigo, Heritage and IMB offer participating students rewards, such as toys or stationery, for participating in their program. The type of reward is usually based on the number of deposits made into a student's deposit account through the school.

Some parents and those within the wider community have ongoing concerns about the vulnerability of children to corporate branding in the school environment, including the branding accompanying school banking programs.

> Providers make use of persuasive advertising strategies to deeply engage participants with their brand. Little consideration is given to the participants' abilities to filter marketing messages.

Transparency of commercial interests

A key strategic objective in offering school banking programs is for commercial gain – signing up new customers at a young age. School banking program providers fail to effectively disclose this.

All school banking program providers acquire goodwill and new customers through their programs. This is often one of the main reasons that school banking program providers offer the program.

However, providers are not transparent about this; instead, providers routinely publicly state or imply that school banking programs are purely or largely a community service.

Reasons cited by providers in providing their school banking programs include providing a service to the community and promoting good savings habits to participating students. However, information provided by CBA, Bendigo, Hume, IMB, and Northern Inland as part of our review indicates that a motivation for providing a school banking program is also to acquire new customers.

> Providers do not effectively disclose that school banking programs are linked to a broader customer acquisition strategy. In the absence of this information, school communities may believe that these programs are purely or largely an altruistic community service offered by the provider rather than a commercial activity.

Outcomes

School banking program providers

In March 2020, ASIC wrote to each of the school banking program providers detailing the review's key findings. School banking program providers were asked to consider the findings and to provide a written response indicating the actions they could take to mitigate potential consumer harms.

Having considered the key findings in this review and the changed school environment as result of the COVID-19 pandemic, Bendigo, IMB, Northern Inland and South West Credit advised ASIC that they would be terminating their school banking programs. CBA, Heritage, Hume, and LLL Australia advised that they will be reviewing and modifying their school banking programs considering the findings of this review. South West Slopes, which offers its program in just one school, will continue their program aligned with expectations of the school community. The Mutual advised that going forward it will not be approaching schools offering its program but rather will support schools that approach them.[6]

State and territory education authorities

In September 2020, ASIC wrote to each of the state and territory education authorities outlining the review's key findings and to understand what policies their respective jurisdictions may have for the governance and oversight of school banking programs.

Queensland indicated that it will continue with its policy of contracting with CBA to provide school banking programs. Bendigo, which was previously contracted in Queensland, has withdrawn from providing the school banking program in Queensland and it has closed its program nationally.

Responses from other state and territory education authorities indicated that, while responsibility for school banking programs in their jurisdictions rests with school principals and P&C Associations, they will note the findings of ASIC's review in considering the provision of programs going forward.

We note that subsequently, on 29 November 2020, the Victoria Minister for Education announced that school banking programs would be banned from Victorian schools from early 2021.[7]

[6] On 4 December 2020, CBA wrote to ASIC advising it is modifying its program to: enhance the financial education, measurement and evaluation of its program; remove statements from digital and printed program materials about program objectives that cannot be substantiated; not distribute program materials to students; and ensure greater visibility of program payments.

[7] The Hon James Merlino MP, Victoria Education Minister, *School banking programs to be banned*, media release, 29 November 2020

Questions school communities could consider

It is essential that young Australians develop the knowledge and skills they need to become confident and informed consumers and to engage effectively with financial products and services. School banking programs are one tool among many that schools, parents and guardians can choose to draw on to educate children about money and savings.

ASIC has developed a set of questions for school communities to consider when engaging with school banking programs: see the appendix.

Appendix: Questions for consideration

Questions for school communities to consider when engaging with school banking programs

ASIC has developed a set of questions that school communities could consider to assist them in assessing the appropriateness of school banking programs.

Understand the objectives of school banking programs

- Does the school banking program have a clear educative purpose?
- Does the implementation of the school banking program incorporate strategies to fully engage students?
- Does the school banking program align with evidence-based principles of effective learning?
- Is the school banking program an appropriate learning mechanism for all students?
- Are learning opportunities related to the school banking program reinforced in the classroom?

Consider potential harms and benefits of school banking programs

- Are there school policies related to school banking programs to be considered?
- Have decision makers undertaken a risk assessment related to the implementation of a school banking program?
- Has the school considered potential harms and benefits to students in the context of the consumer experience?

Understand incentives associated with school banking programs

- Have you considered the impact of any incentives associated with the implementation of a school banking program?
- Have you communicated the nature of the incentives and any volunteer hours allocated to the implementation of a school banking program?

Consider the impact of marketing to children in the school environment

- Should marketing of school banking programs be directed to parents and guardians rather than towards students?
- Has there been consideration of potential impacts of establishing a direct communication channel between students and banks through school banking programs?
- Is there a relevant framework to assess the appropriateness of brands targeting children with marketing messages?
- Is any of the school population excluded from the school banking program?

Understand and disclose commercial interests related to school banking programs

- Does the school banking program provider clearly outline why it is in their interest to offer the school banking program and what they have to gain?
- Does the school banking program provider clearly outline the potential benefits for educators?
- Does the school banking program provider clearly outline the potential benefits for students?

Establish a monitoring and evaluation plan

- Does your school have a monitoring and evaluation framework in place to assess the effectiveness of the program?
- Is there a documented plan for periodic reviews to monitor the effectiveness of school banking programs in developing positive savings behaviours?

Test that programs are aligned to community expectations

- Does the provider clearly communicate their data-handling and storage policy?
- Does the school banking program reflect the needs, interests and abilities of the students?
- Do the provider’s values align with that of the school community?