

# OECD Project on Financial Education at Schools

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# Outline

OECD Financial Education (FE) Project and financial education at schools

Importance and Challenges of Financial Education at School

Main Findings of OECD Research

Preliminary Policy Conclusions

Ongoing and Future Projects

# 1) Financial education programmes at school: At the core of the OECD Project

## **OECD 2005 Recommendation:**

« Financial Education should start at school..  
People should be educated about financial  
matters as early as possible in their lives »

- Initial stocktake on financial education programmes at schools in OECD and non-OECD members countries in 2008
- Review of international research on the effectiveness of financial education programmes in schools
- Some preliminary policy conclusions

## 2) Importance and Challenges of financial education in schools

### *A) Increasing needs*

Result of recent institutional, demographic, financial and risks evolutions  
→ New generations will need more financial skills than previous generations


Schoolchildren increasingly take financial decisions

Research suggests that young people less financially capable than their elders

Parents are not necessarily well equipped to transmit appropriate financial skills

Inequal coverage; level of financial literacy relying on socio-economic determinants

## B) Benefits of financial education programmes in schools



Quasi universal coverage of Financial Education (FE) for a same age cohort

FE can provide building blocks for sound financial decisions throughout individuals' life

Tailored to national and/or local circumstances and needs



## C) Challenges

Lack of awareness of governments and policy makers on the importance of FE in schools

Pressures on curriculum

Lack of confidence/competence of teachers to deliver FE well

Possible lack of attractiveness of financial matters for students

Lack of research on how to teach FE most effectively

### 3) Main Findings of OECD Research: *Stock Take report*

Rapid growth in number and range of financial education programmes at schools

But uneven, both within and between countries

Most programmes for students are for schoolchildren (especially those aged 16 or under)

Far fewer programmes aimed at students in universities or colleges

Some exemplary experiences of efficient tools and practices

### 3) Main Findings of OECD Research: *Evaluation of efficiency*

Mixed and inconclusive results

Different criteria for evaluation:

- Awareness, knowledge and understanding
- Changes in attitudes and behaviours

More research is needed to determine what works best:

- for different audiences
- on the medium/long-term
- on behaviours

## 4) OECD Preliminary Policy Conclusions

Financial Education (FE) for students should form part of an overall strategy to improve financial capability

- Australia, Ireland, Malaysia, Netherlands, New Zealand, Singapore, UK and US among countries with national financial education strategies or which are developing national strategies

Clear leadership and coordination needed at national level

- Examples, at national level, include NZ Retirement Commission, Bank Negara Malaysia, Australian Financial Literacy Foundation, UK's Financial Services Authority

## 4) OECD Preliminary Policy Conclusions

Financial education at schools should preferably:

Be developed through a planned, coherent and comprehensive programme

Involve rigorous evaluation of programmes in order to build understanding of most effective ways to deliver FE in different contexts

## 4) OECD Preliminary Policy Conclusions

Financial education at schools should preferably:

Be provided from as early an age as possible and should continue as children progress through school

Be included in the school curriculum as a compulsory element-either as a stand-alone subject or incorporated within other subjects

Focus on developing financially capable behaviours and responsible attitudes, as well as knowledge and skills

## 4) OECD Preliminary Policy Conclusions

Importance of relevant and engaging ways to provide financial education:

Relevant to the student, interactive and experiential, tailored to the ability of the students, well taught

- the British Columbian Securities Commission's financial life skills course blends fictional characters with real-life financial activities and decisions
- Malaysia - interactive skit Saving – the Sensible Habit (about a bear named TRIFF and his friends), performed by a local theatre group, as well as a quiz
- NZ - Sorted Kids and Money website, with on-line games for children and supporting information for parents and for teachers
- Visa and the US National Football League have developed a financial football game... to earn yardage and score touchdowns

## 4) OECD Preliminary Policy Conclusions

Teachers are key actors who should be clearly engaged in the delivery of FE

Experts (eg financial services staff) can bring technical knowledge and first-hand experience, but may lack expertise in delivering information and messages in the classroom

UK – pfeg website to match volunteers with schools

## 4) OECD Preliminary Policy Conclusions

Importance of training teachers: initially and on an ongoing basis

Australia - National Consumer and Financial Literacy Professional Learning Strategy

Bank Negara Malaysia, in collaboration with the Ministry of Education and financial institutions, arranges workshops to train teachers in charge of Student Financial Clubs

Singapore - Ministry of Education provides teachers with lesson plans and CD-Rom "Promoting Financial Literacy in Schools"

UK - teachers have opportunity to work with pfeg's trained consultants

US – teacher training is a critical component of the NEFE High School Financial Planning Program

## 4) OECD Preliminary Policy Conclusions

Importance of accessibility and availability of materials and tools to deliver effective FE :

Jump\$tart's Clearinghouse of financial educational tools lists around 700 resources, including printed materials, on-line resources, CDs, DVDs and games

pfeg website lists around 150 resources, the majority of which have been awarded the pfeg quality mark

Australian Financial Literacy Foundation's website lists a range of educational materials, each of which have been assessed, through the Foundation's Essential Elements Financial Literacy Assessment (EEFLA), as being of good quality

Citi's Financial Education Curriculum contains a large number of activities, from kindergarten level upward

## 4) OECD Preliminary Policy Conclusions

### **Universities and colleges should be encouraged to:**

- offer FE courses
  - provide financial education support for students taking other courses
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- Bank Negara Malaysia - participation in seminars and workshops in universities and colleges. FE to be provided as a mandatory subject to undergraduates from 20 to 24 years old
  - Singapore – all publicly-funded institutions of higher learning have general/cross-disciplinary financial literacy modules, or modules that incorporate financial literacy content
  - US – NEFE website, CashCourse, for colleges, universities and alumni associations to offer students and recent graduates
  - UK – FSA's Money Doctors toolkit for money advisers in universities and (with adaptations) further education colleges

## 4) OECD Preliminary Policy Conclusions

Role of the OECD on FE at schools:

Enhancing public and policy makers awareness

Providing access to international resources of information : [www.financial-education.org](http://www.financial-education.org)

Promoting international co-operation and policy dialogue : International Network on Financial Education

Developing operational international principles, guidelines and good practices

## 5) OECD Future Project on Financial Education at Schools

Enlarge the initial stock take exercise

Develop international guidelines based on the preliminary policy recommendations

Launch a wide global data collection on the level of literacy of youth (in the framework of the PISA programmes)

Develop methodology to evaluate more in-depth the efficiency of financial education programmes in schools



THANK YOU



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