Premier’s First State Super Financial Literacy Scholarship

Financial Literacy Education around the world

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Financial literacy is the ability to be able to make good financial decisions. It’s a skill we all need, and in our schools we have a responsibility to teach it to our students. I have always been passionate about teaching financial literacy. I’m fortunate that as a teacher of mathematics, I have been supported by a curriculum that contains financial literacy. What I didn’t realise was how unique that was compared to the rest of the world. Other countries are busy developing programs and resources to try to improve financial literacy for their young people, but they will not truly succeed until they introduce it to the mandatory part of their school curriculum.

However, we can do more to improve financial literacy in Australian schools. Students finish Year 12 with little knowledge of personal finances, especially if they study the higher levels of senior mathematics. The external organisations that present financial literacy seminars to schools can often have a special agenda or a vested interest in the program’s outcomes.

Some of the highlights from my study tour were the many benefits of visiting schools in other countries. It was rewarding to see how they run their schools and gave me many ideas to take home. Building connections also have benefits for future joint programs.

Summary of locations visited

My study tour took me to Italy, Switzerland, France, the Netherlands, England, the United States, Canada and Australia. On my travels, it was remarkable to see the amount of effort that is being placed into financial literacy education around the world.

*Rome (Italy)*

* + **Bank of Italy**

The Bank of Italy has a dedicated team of ten staff in their education unit. Their goal is to get their resources into schools to improve the financial literacy of young Italian people. Italy was ranked very lowly in the Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA) Financial Literacy Test in 2012. The bank’s booklets are high in quality. The problem is they train the teachers, but it’s not clear if the financial literacy program makes its way to the students.

* + **Mathematics Teachers Association of Italy**

The Mathematics Teachers Association of Italy showed me a slideshow that described in detail where 15-year-old Italian students ranked in the PISA Financial Literacy survey. They have very low levels of financial literacy. I presented a series of slides, links and videos to show the sorts of things we do in our school to improve financial literacy. They were amazed. The main difference in our two systems is that we have financial literacy embedded in the compulsory curriculum in Year 7–10 Mathematics and Mathematics General 1/2 in Year 11 and 12.

*Zurich (Switzerland)*

* + **International School of Zug and Luzern**

In Zurich I visited the International School of Zug and Luzern (ISZL), which is located about
35 km south of the Zurich CBD. The school teaches a mix of curriculums, including the International Baccalaureate (IB) curriculum, the US-based Advanced Placement (AP) curriculum and the UK-based International General Certificate of Secondary Education. The curriculum studied is typical of the large system of international schools in the world.

I met first with Leon Kandelaars. He is head of humanities at ISZL and teaches IB (International Baccalaureate) Economics. He said there is no formal financial literacy in that course. They also teach AP Economics. Following this I met with Fabio Parlon (a Canadian) who teaches that course. There is some financial literacy in the AP course and he engages the students by playing the stock market game.

Next I met with Bob Sugden. Bob is from Leeds in the UK. He is the Pastoral Care Coordinator for Year 12. They have one hour a week for the pastoral program at ISZL. They held a two-hour session last year on basic money matters that was well received. It focussed on the financial needs of life at university after leaving school. Of the leaving Year 12 students, 95 per cent go on to university.

My final meeting was with Valerie Koch. She is in charge of the Mathematics Department at ISZL. We compared notes on how we teach mathematics at our schools. The interesting thing is how similar the content and activities are! However, we have much more finance. There is a small amount of financial literacy in their Mathematics curriculum.

Valerie and I compared our ideas on assessment, especially formative versus summative assessment. They are, again, in the same boat as we are with that. They have assignments in the younger years, but are somewhat restricted by the final Year 12 exams in senior years.

*France (Paris)*

* + **Organisation for Economic Co-operation and Development**

One of my most anticipated meetings was at the Organisation for Economic Co-operation and Development (OECD) in Paris.

I met with Adele Atkinson. Adele is a policy analyst and she knows so much about financial literacy education and policies around the word. She knew what every country is doing and how it is progressing. She was very interested in the details of how we teach financial literacy in our school. She seemed particularly interested in Catherine Attard's recent study to lift the numeracy levels of primary aged children using financial literacy.

Adele also showed me four documents, produced by the OECD, that promote the implementation of financial literacy in school education programs. They range in types and are aimed at schools, organisations and national governments.

To finish, we discussed the types of questions that students see in the PISA Financial Literacy test. They are deliberately contextual, which means the students need to be able to find the relevant information from context.

*Amsterdam (The Netherlands)*

* + **The Money Wise Platform**

I met with Olaf Simonse from the Ministry of Finance in The Netherlands. Olaf has been at the helm of the Money Wise Platform (Wijzer in geldzaken in Dutch) since 2007. He gave me a detailed rundown of what they do.

The Money Wise Platform is a division of the Ministry of Finance in The Netherlands. Their job is to coordinate the activities of a group of stakeholders in the pursuit of advancing the financial literacy of the Dutch population. They coordinate the efforts and programs from banks, pensions funds, insurance companies, financial planners, academics, the National Institute for Family Finance Information and the Consumer Authority. They are regulated by the Central Bank and The Netherlands Authority for the Financial Markets.

One of the Money Wise Platform's main resources is their website.[[1]](#footnote-1) It had over 4 million hits last year, which was a large increase from the year before.

The Netherlands is setting a high standard for the rest of the world to follow. Financial literacy education is getting to the students in a variety of ways.

*The United Kingdom*

* + **Parkside School, Cullingworth, West Yorkshire**

Parkside is a co-educational state school with around 1000 students. I was fortunate to be hosted by Matt Barratt, Assistant Principal (Pedagogy and Teacher Improvement). He organised a great program of meetings and lesson observation.

He gave me a school tour and explained the strict evaluation of teacher’s performance. This seems to be the norm in the United Kingdom. Matt also went through the school-wide student feedback policy that all departments use when going through a task.

I met with four staff members and observed three lessons. Parkside is a great school and the staff and students work together very well.

I met with Marcus Isherwood, who discussed with me his Economics and Fiscal Studies classes and programs. I also met with Dave Needham, coordinator of the Personal Social Health Cultural and Economics program. Both of those teachers are improving financial literacy in their school.

My favourite meeting and lessons were with Michelle Harness, the Mathematics Coordinator. It was great to compare notes on how mathematics is taught in our schools.

* + **Islington Council Trading Standards Service, London**

I met with Janice Chisholm who coordinates the financial literacy programs run by the Islington Council. Janice is really passionate about improving the financial literacy of people in this region.

* + **Make Money Make Sense**

The Make Money Make Sense website is free to use. It provides access to teachers for a variety of resources like flash movies, PowerPoint preentations, lesson plans, worksheets and practical activities. It is concise and easy to use.[[2]](#footnote-2)

* + **Money Talk Islington**

Money Talk Islington is a 6-week training program aimed at families with primary aged children in the local Islington area. The program is delivered via primary schools. Parents come in with their children and run through the program. It’s all about instilling in the children how to be money wise.

* + **Fit Money**

This program, run by Islington Council, has been funded by a grant from National Lotteries. It has online activities that are aimed at 17- to 25-year-old who are not in employment, education or training.

* + **Money Advice Service**

The Money Advice Service is an extensive and expensive government funded resource in the UK. Its main purpose is to provide an online resource for adults to access resources and advice on financial matters. It’s especially for life events. Two to three years ago it began giving face-to-face meetings for more personalised advice.

* + **Young Consumers National Program**

The Young Consumers National Program is a UK wide competition in which teams of four
14-to-17 year olds go through a series of stages. Each stage is a competition about money and consumer choices. The stages have online quizzes and panel-style quiz competitions. Winners go from the local level to the regional final, then the London final, then finally the national final.

It was great to see what can be done on a local government level in terms of financial literacy.

*Washington (The Unites States of America)*

* + **Financial Industry Regulatory Authority (FINRA)**

FINRA is an independent, not-for-profit organization authorised by the US Congress to protect America’s investors by making sure the securities industry operates fairly and honestly. One function of FINRA is allocating money to fund research into financial literacy. The money comes from the fines that are imposed on companies. I was lucky enough to meet with two people from FINRA, Gary Mottola and Scott Hansen.

Gary is the research director for the Investor Education Foundation branch of FINRA, the part of the company that funds research and programs about financial literacy. One of their big projects has been the National Financial Capability Study. It shows that there are big concerns over the poor level of financial literacy in the US.

There are real problems with the financial capability of millennials (20- to-30 year olds). One of the biggest issues for them is university loans, which in total have now overtaken credit card debt.

Garry also spoke about the differences from state to state in terms of financial literacy in schools. It varies greatly. There is no national curriculum in the US. Some states have formal and mandated financial literacy in their curriculum. In others, it is less formal. Most states (about 30 out of 50) have none. Programs that do exist are more commonly included in Economics rather than in Mathematics.

I also met with Scott Hanson, a senior analyst for international affairs and services at FINRA. He gave me a good summary about who FINRA is and what they do. Their aim is to keep the financial industry fair, and all financial firms need to be members of FINRA.

* + **George Washington University School of Business, the Global Financial Literacy Excellence Center (GFLEC)**

After my meeting with Scott and Garry an FINRA, we walked over together to George Washington University. There, we met with Kirsten Burnell, Director of Operations and External Relations at the Global Financial Literacy Excellence Center.

Kirsten talked, like Garry, about the differences from state to state in what financial literacy is taught in schools. Twenty states have mandated financial literacy programs, but few have formal assessment.

There is also considerable research going on at the moment to see if improving peoples’ knowledge in sensible money decisions actually makes a difference in their behaviour and outcomes. At this point, the results are not conclusive.

We (again) spoke about student loans. This is a big problem for young people who are leaving university and entering the workforce. Millennials don't understand how much debt they are getting into as they work toward their university degrees.

One recent program GFLEC has developed is the micro-credential program, in which teachers can complete small online courses and become accredited. Also, the head of this GFLEC unit here, Anna Lusardi, is running a Personal Finance Grad Program at George Washington University.

*Calgary (Canada)*

* + **St. Elizabeth Seton Catholic High School**

I was fortunate enough to have a whole day at St. Elizabeth’s. This is a great school that got me really excited about education in Canada. The teaching I saw was high in quality. They are using a mix of traditional teaching methods (chalk and talk, text book work) and dynamic new methods (collaborative learning areas and student driven learning).

First, I had a tour of the school with my host, Jackie Porqu. About 800 students attend the one-building school. There are no uniforms and the school is co-educational with years from Kindergarten to Year 9. There are one to three classes for each elementary year and six classes each for Years 7– 9. It’s great having the elementary (primary) school kids in the same building. The scope for having older students helping younger students is high.

I spent most of the day with the Year 9 mathematics teacher, Troy Eager, which means all six classes in Year 9 have Mr Eager as their teacher. Year 9 maths is not blocked on the timetable; the same content could be taught to 6 classes period 1 to 6. That’s not the case in every year, though. One of the key highlights for me is that you can be flexible with things like allocations.

I was lucky enough to teach for about 10 minutes to three classes. They have just about finished inequalities. It was great to team-teach with Troy. That’s another thing on the agenda in

Australia, an increase in collaborative teaching and learning. At St Elizabeth’s, they have changed that library into a Learning Centre. The idea is for students to go in there and work in small groups.

* + **Alternative Teaching Methods: Student Directed Learning and Flex Classes**

While I was in Calgary I learned about two different schools and their focus on student-centred learning.

I met with Dave Gowans. Dave is the Assistant Principal at Father Lacombe High School. His school has timetabled flex lessons. Students choose tutorial-type lessons for the subjects they need extra time on. They happen every Wednesday; the students choose ahead of time and the lessons are prepared accordingly.

Another school has taken this to a whole new level. At Bishop Carroll High School, the students direct their own learning completely. They get advice and guidance from their allocated teacher advisor, but it's up to them what topics they do, what order they do them in and when they do assessments. It is clear that this school is working well.

* + **Lisa Myers, Mathematics Consultant with the Calgary Catholic School Board**

I met with Lisa Myers, an experienced mathematics teacher who is currently working as a consultant. She travels to schools in the Calgary Catholic Schools district to give advice to mathematics teachers.

As in most countries, there is almost no financial literacy is presented in the mathematics curriculum in Canada. It had a bigger presence until the new syllabus was implemented in 2011. Some schools hold a successful school bank program, and there are organisations that travel from school to school giving financial literacy seminars.

We talked about the structure of senior high school. Students fail if they don’t achieve suitable results, and they can retake that course or sit for an easier one. If they don’t finish the required units in time, they go to summer school or come back for another semester.

We also talked about formative assessment versus summative assessment and student centred learning.

Overall, I’m impressed with the education system in Canada. They have some great ideas on teaching and learning.

*Australia*

In Australia I travelled to Sydney, Toowoomba, the Gold Coast and Perth. I chose this way to finish my study tour to see how we approach the teaching of financial literacy at home.

Robert Drake from Financial Literacy Australia has an excellent understanding of what works and doesn’t work when it comes to financial literacy education. One of the main aspects of his organisation is allocating grants to fund financial literacy programs in Australia. I discussed a couple of ideas I have which are explained in the endnote.

Colleen Blancato from Moneysmart travels from school to school in NSW to show students and teachers the Moneysmart website. This is a great site that many countries in the world are using. All the training and resources are free, as the federal government funds it though ASIC.

Toni Chardon from the University of Southern Queensland, Toowoomba, and Annette Morgan from Curtain University, Perth, have taught and researched financial literacy. They are passionate about embedding financial literacy in schools and have some great ideas on how to do this. Annette has conducted a research project to find out what university students wish they were taught about financial literacy when they were in school.

Jason Knight is the head of the Business department at King’s Christian College on the Gold Coast. At that school, all students study financial literacy through the compulsory business subject in Year 7 to Year 9. In Year 9 they have a project task in which small groups run a stall at an activity fair that attempts to make money. The project forms the major part of the assessment for their course.

I visited La Salle College in Perth to get another school perspective. My school is a De La Salle school, so it was great to make more connections. That day they had a visit from a staff member from the Australian Tax Office who ran an information session with Year 9.

Conclusion

A remarkable amount of research is being performed all over the world to find out the best way to teach financial literacy to young people. This is happening in a variety of ways. Banks have specific education divisions. Government and local council departments are developing resources and programs. The OECD is researching and producing policy documents. However, there is clearly only one way to effectively improve financial literacy, and that is to teach it in schools.

We are very fortunate in NSW that there is more mandatory financial literacy in our high school curriculum than in any other country or Australian state. This is mainly due to the structure and content of our Mathematics curriculum.

The future improvement of financial literacy in Australia rests in the hands of schools. Ideal programs involve the community and parents along with students and teachers. Only the future will tell how successful this will be.

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OECD/INFE, High-Level Principles on National Strategies for Financial Education, OCED, Paris, August 2012, <http://www.oecd.org/daf/fin/financial-education/OECD-INFE-Principles-National-Strategies-Financial-Education.pdf>

OECD Website, http://www.oecd.org/

Make Money Make Sense website, http://www.moneymakesense.co.uk/

The Money Wise Platform website, <https://www.wijzeringeldzaken.nl/english/>

Endnotes

I have applied for two financial literacy grants from Financial Literacy Australia.

The following is link to a copy of the presentation I did for the Year 12 students at my school on financial literacy:
<https://docs.google.com/presentation/d/1E6NbGMUsn09-QFm6hCp5KRczeoDP7JtimDEKVesm8Ro/edit?usp=sharing>

I have been accepted to present at the Mathematics Association of New South Wales annual conference in Wollongong in September.

I have implemented a structured feedback process at my school for when a task is returned to students after marking.

More details are available on the blog of my study tour:
<https://sites.google.com/a/oconnor.nsw.edu.au/premier-s-scholarship-study-tour-stephen-chapman/>

The following is a link to the Google Slides presentation I did for the Mathematics Teachers Association in Italy:
<https://docs.google.com/presentation/d/1eZOOo0Dlnv1b3C0dbEnZSkI3CUKVIg7WCGMnhfdanOY/edit?usp=sharing>

1. [The Money Wise Platform website](https://www.wijzeringeldzaken.nl/english) [↑](#footnote-ref-1)
2. [Make Money Make Sense website](http://www.moneymakesense.co.uk) [↑](#footnote-ref-2)