Executive summary

Most national financial education[1] strategies have youth among the key target groups. As such, they aim at introducing financial education into the school curriculum and designing dedicated learning frameworks. The rationale for this focus and these new policy endeavours is multi-fold. First, while financial education concerns all ages, the education of younger generations on financial issues has become all the more important since they will likely bear more financial risks and be faced with increasingly complex and sophisticated financial products than their parents. Second, the young have access to, and are being offered, financial services at ever earlier ages (through pocket money, mobile phones, bank accounts, or even credit cards). Yet, most recent surveys show worrying low levels of youth financial literacy and, in many cases, significantly lower levels than older generations.

Against this backdrop, effective practices and results of existing programmes' evaluation show that including financial education in the formal school curriculum is one of the most efficient and fair ways to reach a whole generation on a broad scale. In addition, since the curriculum spans several years and can start as early as kindergarten, it is a unique means to inculcate and nurture a sound financial culture and behaviours amongst future adults. This is especially important since parents are unequally equipped to transmit to their children sound financial habits. Besides, as demonstrated in other related education fields (such as health), young people are potentially good disseminators of new habits in the rest of the population.

Yet the successful integration of financial education in school curricula can be challenging in many respects owing to a vast range of constraints, notably due to the fact that this is a new endeavour for most national administrations. These challenges include: lack of resources and time; overloaded curricula; insufficient expertise and know how; lack of easily available high quality materials; the variety of stakeholders involved; limited political willingness and commitment.

To address these challenges, the OECD International Network on Financial Education (INFE), with the support of the Russian Trust Fund on Financial Literacy and Financial Education, decided to develop research and guidelines to support the introduction and implementation of financial education in schools where needed. This work has been conducted through a dedicated group of experts and built on preliminary surveys conducted by the OECD Committee on Financial Markets in 2008, broad data collection conducted through the OECD/INFE in 2008/2013, as well as further research and analytical work prepared by the OECD/INFE and the OECD Secretariat.

The publication is a compendium of this extensive work and surveys. It provides policy makers with the rationale and framework for addressing the financial education needs of youth, a review of the main challenges and case studies of good practices as well as INFE Guidelines to successfully introduce financial education in schools.

Chapter 1 highlights the importance of financial literacy in the context of the global trends affecting both the risks borne by individuals and the changes in the demand and supply of financial services. It addresses specifically the need to focus on youth, and the rationale for doing so through schools.

Chapter 2 presents the main issues to be taken into consideration when introducing financial education in schools, and specific case studies showing the ways in which countries with different institutional frameworks and uneven resources have addressed similar challenges. These selected relevant experiences support the implementation of the Guidelines presented in Annex and assist countries in the design and implementation of financial education programmes in schools.

The topics of the case studies were identified by the OECD/INFE due to their importance and their relevance to policy makers. They include crucial elements such as political support to make financial education in school effective and sustainable over time, modalities of its introduction in schools, the training needed for teachers, the tools and pedagogical materials, the role of resources as well as the importance of programme evaluation.

Finally, chapter 3 provides a comparative analysis of existing learning frameworks for the formal school sector in Australia, Brazil, England, Japan, Malaysia, The Netherlands, New Zealand, Northern Ireland, Scotland, South Africa and the United States. These are followed by detailed examples of learning outcomes and standards for financial education, at the primary or secondary level. The chapter is articulated around two sections. The first one provides a comparative analysis of existing learning frameworks in relation to their institutional and organisational development, their content and pedagogical features. The second section presents frameworks in relation to their key characteristics.

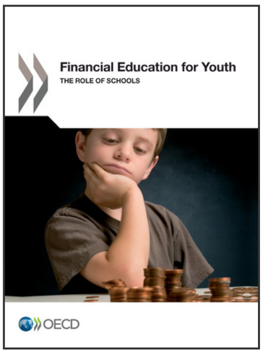
The selected experiences clarify the history of the development of the frameworks, putting them in a broader context that includes national strategies for financial education and analysing the role played by key institutions in initiating such programmes. They provide further details over the learning outcomes and the topics and objectives addressed in different school grades.

The INFE Guidelines for Financial Education in Schools and the guidance on learning frameworks are included in Annex A. They address the main steps for the introduction of financial education into schools and provide guidance on the development of a consistent and sustainable framework for its integration in school programmes. A successful introduction is better achieved through the setting of quantifiable and appropriate goals, matched by flexible modalities of introduction. It should also take into account resources and plan impact monitoring and evaluation. The Guidelines also highlight the need to ensure a suitable level of involvement of public authorities and educational system, teachers and parents, and other important stakeholders such as the private sector and NGOs. The Guidelines also stress the importance of the design and promotion of efficient means and incentives, methods for training teachers, the provision of adequate pedagogical material, and assessment of students' competencies.

The Annex includes guidance on the design of an appropriate learning framework for financial education, introducing topics that are addressed in more detail through concrete examples in chapter 3. The focus of the guidance is on the purpose of the framework, the outcomes that students are expected to develop, and on characteristics such as length of courses and specific content, pedagogical tools, assessment of students' results, monitoring and evaluation.

Note

1. The term "financial education" in a school context is used to refer to the teaching of financial knowledge, understanding, skills, behaviours, attitudes and values which will enable students to make savvy and effective financial decisions in their daily life and when they become adults. The outcome of financial education is typically referred to as financial literacy or financial capability. For the sake of clarity and consistency with OECD/INFE terminology, in this publication the term "financial literacy" will be used except when referring to programmes or documents developed by countries that use a different terminology. Financial literacy, as defined for young people within the OECD PISA Financial Literacy Framework, is "knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life".



From:

Financial Education for Youth

The Role of Schools

Access the complete publication at:

https://doi.org/10.1787/9789264174825-en

Please cite this chapter as:

OECD (2014), “Executive summary”, in *Financial Education for Youth: The Role of Schools*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/9789264174825-2-en