

CITIGROUP-INSEAD
FINANCIAL EDUCATION SUMMIT 2006

Day 1 - Stream A: Primary School Students

Research has shown that money management values cultivated at an early age are carried into adulthood. The challenge is then to instill basic financial concepts among young children who have little life experience and limited opportunities to apply their financial knowledge.

Our panel of speakers from Greece, Japan and Australia spoke about their experiences on creating and delivering financial educational programs for primary school students in their respective countries and had a lively exchange with the audience on the key challenges faced when introducing financial literacy skills to the young and what can be done to overcome these challenges.

Key Takeaways:

- Young children regardless of culture learn best through experiential and activity-based programs. Most financial literacy programs for the young are designed to be engaging and interactive.
- Teacher development is critical. Teaching financial literacy involves new methods of teaching and teachers are often not equipped to deliver financial literacy programs.
- A key challenge in many Asian countries is to convince educators to incorporate financial literacy skills into the already crowded school curriculum.
- Some tried and tested ways include showcasing schools which have successfully incorporated financial literacy programs into their curriculum, conducting workshops for teachers to help them understand financial literacy skills and demonstrating how financial literacy teaching materials can be incorporated into the teaching syllabus.

Presentation Synopsis:

George Dariotis, Director, Hellenic Children's Museum, Greece

The Hellenic Children's Museum (HCM) in Greece, which specializes in experiential learning programs for young children, was approached by Citibank in 2004 to design the "Economy: Knowledge with Value" program. To date, HCM-trained educators have delivered this program to 20,000 children in schools across Greece. Through interactive educational activities such as games designed for different grades, children aged 6-12 years old are taught to differentiate between their financial needs and financial desires. Their rights as consumers, the power of advertising and the role of the European Union are among other topics in this scheme. The program offers valuable insights into how children of different age groups view the notion of economy and the age at which they are able to differentiate the concepts of needs and wishes.

In the next step of the program, HCM hopes to follow up with teachers on the reinforcement of concepts taught in the educational sessions. While these post-program evaluations take time, money and resources, they provide great value because this is only way the program can advance.

Yoshi Nakamoto, President and Chief Operating Officer, Junior Achievement, Japan

In more developed countries like Japan, financial information is widely available but the bigger challenge is the ability to understand and use this information in today's complex and changing economic environment. Junior Achievement (JA), Japan designed its programs to teach the young how society is organized, how the economy works and how they can adapt positively to their financial roles. Various activity-based programs, simulations and contests are conducted to teach the young about the fundamental structure of the society in which they live, their reliance on each other and society and the importance of decision-making skills under the basic economic concept of scarcity. Through experiential learning programs such as MESE, CAP and StudentCity, JA Japan hopes that the young armed with this basic understanding of the workings of society and skill sets will be able to cope with the complexity of the economy in the future.

Anne Southwell, Senior Curriculum Adviser HSIE, Curriculum K-12 Directorate, NSW Department of Education and Training, Australia.

In 2003, a number of government reports and surveys found that the young in Australia lack key financial skills. Consequently, as part of the Finance First project, the NSW (New South Wales) Department of Education and Training, Citigroup and the NSW YWCA jointly developed the *MakingCents* program for financial literacy education in primary schools. The materials for *MakingCents* were rigorously researched and tested in classrooms before the program's launch in 2005 by the NSW Minister for Education.

A definition of personal financial literacy was developed to underpin the teaching and learning activities in *MakingCents*. Key considerations during the development of the teaching and learning materials included:

- Lessons and activities are tailored to specific age groups.
- Units are designed around a problem or scenario, sensitive to the need to keep private information out of the classroom.
- Financial literacy lessons need to engage students through everyday applications that students can relate to. They are not just about providing information, like most other school programs.
- Value judgment about a financial decision is required and students are asked to give explanations. Responsible personal, family and community values are emphasized throughout the program.
- Lessons are developed with high expectations of student achievement and engagement, with consideration given to intellectual quality, significance of learning and the orchestration of a high-quality learning environment.
- The technical language of money is deliberately included to extend students' understanding and their capacity to use this language in appropriate situations.

MakingCents is comprised of three units, for Lower, Middle and Upper primary. For schools that choose to use this curriculum, it is anticipated that each unit will take about 10 weeks to complete. The Lower primary unit, *Using Money*, introduces children to the nature and form of money using a pocket money scenario and a game called "Home to bank". The Middle primary unit focuses on *Budgeting and Spending*. It begins with a scenario about planning a birthday party for twin siblings. Students are asked to rank different needs and wants and to

determine ways families pay for the different items. This fosters a wider discussion on the influence of advertising on spending choices. They also play a game that explores the different features of a savings account bank statement. The concept of credit being a loan that needs to be repaid with interest is explored in very simple terms related to the purchase of a birthday present. The Upper primary unit, *Calculating the Cost*, leverages on the mathematical understanding of students in this age group and teaches the calculation of the costs of owning a mobile phone.

Professional development for teachers is paramount to the success of the *MakingCents* program. Teachers from schools can attend professional development workshops at no cost.

Session Q&A:

The school curriculum in many Asian countries such as Japan, Korea is already so packed with activities, how much resistance are you getting from schools to introduce financial education and what can we do to overcome this?

Mr Nakamoto commented that in Japan, the classroom is like the kingdom of the teachers. The curriculum is close guarded by the teachers who do not want others to intervene. Hence, the way to overcome resistance from educators is for them to witness for themselves how excited the students are when participating in these activities, simulations and contests. Teachers are encouraged to join in the activities together with the students. Schools without financial education in their curriculum are invited to visit schools conducting the financial education activities. Lastly, local educational superintendents are invited to activity sites to see for themselves the interest and excitement that these financial educational programs generate among the students.

Ms Southwell acknowledged that the current school workload was a huge issue in Australia. To introduce financial literacy education into the schools, the NSW Department for Education and Training runs 1-day workshops for about 20 teachers, where the teachers are briefed on financial concepts, are presented with data on financial literacy, and are shown where financial literacy fits into the school syllabus. The aim is to give teachers the flexibility to replace some parts of the current curriculum with the new financial literacy teaching materials.

In Greece, the Hellenic Children's Museum offers the Economy: Knowledge with Value program directly to the primary schools and did not have to go through the Ministry of Education to incorporate the program in the school syllabus. Mr Dariotis said that the Greek educational system gives school teachers 1 hour per day of open time, which they can decide to use in different ways. At the beginning of each school term, HCM disseminates information on its financial literacy program to the different schools and the teachers invite HCM to the schools to deliver the program.

In countries such as Korea and Japan, there is a strong emphasis by parents on academic results. What advice can you give on how to balance financial literacy and the traditional school curriculum?

Mr Nakamoto commented that in Japanese society, all parents want their children to get into elite universities like Tokyo University. However, with the declining birth rate in Japan, attending such universities will no longer be difficult. Hence, the mindset of parents needs to

change. Similar to the way teachers can be convinced about the importance of financial education, parents can be asked to come to school and see how their children are enjoying themselves and learning in the financial education programs. Mr Dariotis noted that HCM conducts programs for parents (not necessary financial education) to sensitize them to the learning needs of their children.