

REPORT BY
LYN MORRIS,
WINSTON CHURCHILL FELLOW
2002

CONTENTS

ACKNOWLEDGEMENTS.....	<u>2</u>
GLOSSARY	<u>3</u>
EXECUTIVE SUMMARY	<u>4</u>
CONCLUSIONS	<u>7</u>
RECOMMENDATIONS.....	<u>9</u>
OBSERVATIONS: UNITED STATES OF AMERICA.....	<u>11</u>
OBSERVATIONS: UNITED KINGDOM.....	<u>15</u>
SCHEDULE OF RECORDED VISITS	<u>18</u>
RECORD OF INTERVIEWS.....	<u>23</u>

ACKNOWLEDGEMENTS

I was privileged to have been awarded a Winston Churchill Fellowship for 2002. My project was to investigate the nature and delivery of school-based financial literacy curricula from primary to senior secondary levels in the UK and USA.

Enterprise New Zealand Trust gave full support both moral and financial. In particular, I wish to thank my two referees Ken Baker, Executive Director, Enterprise New Zealand Trust and Colin Blair, the Retirement Commissioner until his recent retirement.

While I was travelling throughout the USA and the UK, I received considerable support from family and friends, who provided me with accommodation and often made travel arrangements on my behalf.

I learned that the state of financial literacy is a common concern in the United States and the UK. That situation made the sharing of information and experiences that much easier. I believe there is no substitute for meetings on location and as a result of these meetings, I have made several friends and contacts with whom I can continue to communicate.

Finally, I wish to thank my husband Rhys, who encouraged and supported me in this project and who believes in the need for financial education in New Zealand as much as I do.

Lyn Morris
Churchill Fellow 2002

GLOSSARY

LIST OF ABBREVIATIONS

ABI	Association of British Industry
ASEC	American Savings Education Council
CIBS	Chartered Institute of Bankers in Scotland
DfES	Department for Education and Skills, UK
ENZT	Enterprise New Zealand Trust
FRB	Federal Reserve Board, USA
FSA	Financial Services Authority, United Kingdom
HMI	Her Majesty's Inspectorate, Scotland
IRD	Inland Revenue Department, United Kingdom
JA NY	Junior Achievement New York
JAI	Junior Achievement International
JAI Inc	Junior Achievement Incorporated, USA
LEA	Local Education Authority, UK
LTS	Learning and Teaching Scotland, Scotland
NCLBA	The No Child Left Behind Act (USA)
NEFE	National Endowment for Financial Education, Denver, USA
NTRB	National Teen Resource Board, Denver
OCR	Oxford Cambridge Royal Society Exam Board
Ofsted	Office for Standards in Education (The UK Inspectorate, which is the equivalent of NZ's Education Review Office)
Pfeg	Personal Finance Education Group, UK
PSHE	Personal, Social and Health Education curriculum strand
QCA	Qualifications and Curriculum Authority, UK
RBS	Royal Bank of Scotland, Scotland
SCFE	Scottish Centre for Financial Education, Scotland
SQA	Scottish Qualifications Authority, Scotland

EXECUTIVE SUMMARY

This was in the nature of an exploratory trip, with the primary foci on Financial Education delivery models and curricula at primary and secondary school level.

Spheres of concern

Financial Education is a recently recognised area of concern to a range of people interviewed including educators and policy makers. The majority of Financial Education efforts in the US and UK were started in the 1990s and most of them between 1995 and 2000. The shift towards personal financial responsibility in the 1970s and 1980s has not been accompanied or supported by education. The lack of Financial Educational support for the shift to individual responsibility has helped create a perceived impending crisis.

While I was in the US and the UK, I became very much aware of concerns other than delivery models and curricula. Such concerns included policy decisions relating to whether or not Financial Education should occur, and the drivers of that policy.

The two countries visited are putting substantial amounts of money into the development of policy, curriculum, resources, programmes and professional development. From this perspective, in New Zealand, recognition of the problem is not as widespread as it is in these countries. The policy and financial support for rectifying the impending crisis is weak and fragmented by comparison. New Zealand's Enterprise New Zealand Trust senior secondary programme, however, received praise for and some surprise at its leading edge approach.

The concern in the US is that despite the publicity and the awareness of poor financial management, it seems difficult to get those in a position of responsibility to make the ultimate decision to rectify the situation. This is creating much frustration within the circles of Financial Educating organisations (see above) and government policy makers. Teachers, schools, and parents, in the main show little interest in meeting the Financial Education challenge.

In the UK, the situation is somewhat different. Having recognised the impending problem, government members and officials have addressed the situation by including personal

Financial Education within the school curriculum. Scotland has a government body (SCFE) to implement Financial Education.

People involved

Both in the US and the UK, highly respected officials and CEOs of important business and community organisations are driving the inclusion of Financial Education in the primary and secondary education sector. Sir Howard Davies, Chairman of the Financial Services Authority in the UK, and Alan Greenspan, Governor of the Federal Reserve in the US, are two such people. Greenspan has commented, “Improving financial education at the elementary and secondary school level is essential to providing a foundation for the financial literacy that can help prevent younger people from making poor financial decisions that can take years to overcome.”

The Financial Education issue is seen as being beyond party politics. In the US, politicians at both ends of the political spectrum are keen to support its implementation. The Government of the day and government departments are conscious of their need to support the drive for increased Financial Education. In the UK, Financial Education is now included in a curriculum strand during the years of compulsory education.

The drive to improve financial capability is also coming from policy makers and the financial industry. Parents don't appear to be pushing for Financial Education because it is an emotional subject. It exposes their emotions and perhaps their weaknesses and parents would rather avoid the problems than deal with them.

Delivery models

Experiments with different models of delivery are taking place. In the US, internet-based delivery was used for one existing programme and will be used for an e-text in the near future. However, paper-based delivery is viewed as preferable for classroom use. In general, particularly among US financial educators and industry personnel, there is no clear consensus on delivery methods or approach.

In the UK, material is produced for classroom use in delivering the curriculum. It is available from the finance industry or via the Pfeg website. The Pfeg site aims to support teachers as a

one-stop shop for Financial Education requirements. Pfeg has high credibility with teachers, especially in their role as professional development organisers and facilitators.

Curricula shape and size

The Jump\$tart Coalition in the US has developed a set of benchmarks and standards for years K-12. These are guidelines for what teachers may deliver if they choose to do so.

Organisations including schools are being encouraged to view these standards as a starting point for Financial Education.

There is a move in some states to include Financial Education as a (20percent) component of an Economics course and to make that course mandatory for high school graduation. The state of New York, with interest from its financial district, is a strong proponent of this approach.

The curriculum for Financial Education for years 1 - 11 in the UK was initially developed by Pfeg and finalised by the QCA and the DfES. It is mainly delivered through the Personal, Social and Health Education curriculum strand (PSHE), but can also be delivered through other core curriculum areas where appropriate. The Personal Financial Education is encapsulated in QCA guidelines.

CONCLUSIONS

- 1 The work of Enterprise New Zealand Trust in the field of Financial Education is regarded highly by international educators in this field.
 - Lewis Mandell, a leading proponent of Financial Education in the US, praised the ENZT senior secondary Financial Literacy Programme, in particular.
 - Cambridge International Examinations, a division of the University of Cambridge Local Examination Syndicate, has recently expressed an interest in using the ENZT programme as the basis for a financial education course.
 - Nancy Needham, consultant of New York, asked if she could incorporate material from the New Zealand programme into the international Junior Achievement program.

- 2 Financial Education is a subset of Enterprise Education. The building blocks, ie the knowledge, skills, and attitudes/values, underpinning Enterprise Education also apply to Financial Education. All three building blocks should be a part of any financial education programme. Programmes which focus on knowledge are not likely to be as effective.

- 3 Concern about the need for Financial Education is very high in the United States and the United Kingdom. Both countries are attempting to extend the reach of Financial Education, and are working for this purpose within the boundaries of their own education and political systems. England and Scotland in particular have strong political support to deliver Financial Education. There is a firm commitment to fund the professional development of teachers for delivering Financial Education in England.

- 4 There is no clear consensus on delivery or approach. The problem of delivering Financial Education materials to the appropriate audiences was seen as constituting a major barrier to achieving the goal of Financial Literacy. A key perspective was that this needs to be a grass roots movement and although schools are viewed as the obvious place for this to be taught, the community realises that school communities are already very busy. There has to be parental and employer involvement as well.

The success levels of using technology as a delivery mechanism for Financial Education vary considerably. Teachers are not confident in using technology for this purpose, nor is the access to computers widespread. In the US, students were purported to “love the internet” and this was deemed to be a way of by-passing the timetable barriers. However, there were sceptics in both countries who consider that it is unlikely that students would access an educational programme in their own time, as their personal time is also limited. Internet educational use is competing with after school jobs, homework, sport and other entertainment options.

RECOMMENDATIONS

Based on the information gained on my visits, it is recommended that:

International links

- 1 ENZT maintain its links with the key organisations and personnel visited.

Financial Education policy

- 2 Financial Education be made more evident in the New Zealand curriculum, with the alignment of achievement objectives, assessments, and curricula to include basic financial education concepts and real-life applications in core curricula.
- 3 Schools need to be required to demonstrate where and how they are delivering Financial Education. It needs to be included as a component of the Health and Physical Well-being learning area, which is the equivalent of the Personal, Social and Health Education (PSHE) curriculum strand in the United Kingdom.
- 4 To put recommendation two into effect, a Financial Education guidelines document needs to be prepared.
- 5 An audit be conducted to establish the amount and type of Financial Education that is taking place and where in schools.

Professional development requirements

- 6 As Financial Education is a component of Enterprise Education, the Ministry of Education provide funding in the form of a professional development contract to ENZT to deliver professional development in the area of Personal Finance.
- 7 Financial Education, under the umbrella of Enterprise Education, be a component of teacher education courses, at Teachers Colleges and other teacher training providers.

ENZT functions

- 8 ENZT needs to audit the Financial Education component of its web site.
- 9 ENZT create a Framework of Financial Education, applying to years 1 - 13.
- 10 ENZT become a recognised source of Financial Education material in New Zealand for the education sector via its web site.
Desirable features of the website would be:
 - a compilation of a web-based bank of background material for teachers,
 - resources,
 - course structures
 - course materials (including the ENZT student learning portfolio) and
 - assessment material in the three categories of class work (discussion), field work (community activity and research), and web-work.
- 11 ENZT seek funding to modify the e-text written by Professor Lewis Mandell for the New Zealand environment.

Assessment and qualifications

- 12 ENZT contribute to a bank of test questions, being compiled by Jump\$tart.
- 13 Assessment material be collected by ENZT for use by teachers to support their teaching programmes.
- 14 Continued financial support for ENZT's Financial Literacy Examination be sought.

OBSERVATIONS: UNITED STATES OF AMERICA

Organisations involved

NEFE National Endowment for Financial Education - producer of multiple Financial Education programmes and an active player in the sphere of influence.

Junior Achievement - has one national and one international Financial Education programme, as well as a suite of economic and workplace programmes.

Jump\$tart Coalition - primarily a clearing house for Financial Education material and a promoter of Financial Education in general. Jump\$tart has prepared a set of standards and sponsored the benchmark surveys.

State of Financial Literacy

The October 2002 conference organised by the National Endowment for Financial Education produced a white paper entitled “Financial Literacy in America: Individual Choices, National Consequences”. It was reported that there is no universally acknowledged financial literacy agenda and while many share a common vision of national financial literacy, the overall effort is fragmented. There is consensus that although individual choices shape the future, and inappropriate choices can have long-term negative effects, national consequences will result from a continued lack of financial literacy. The conference view was that the US is facing an impending national crisis.

Reaching youth is deemed critical. This is exemplified in the No Child Left Behind Act (2001), which formally recognised the importance of Financial Education in schools. There is a divergence of opinion as to whether Financial Education should be treated as a subject in its own right or whether it should be integrated into existing curricula. While some advocate the concept of including Financial Education in core school curricula, a large percentage of leaders in this field prefer the concept of Financial Education as a separate topic, rather than as an adjunct to another subject.

Some claim that the concepts of Financial Education are not grasped if they are treated as being simple numerical problems. Others are reluctant to add to the curriculum and wish to find a position for Financial Education within the current framework. Eighty-five percent of

participants in the conference endorsed the idea of Financial Education as a “core subject” in schools.

The current situation is that Personal Finance is not being effectively taught in schools, usually as a result of being an elective. In general, the Personal Finance programmes suffer from a lack of quality delivery and the spread of programmes among and within schools is somewhat limited.

Delivery models

Two internet programmes were sighted; one was a complete programme with no hard copy activity (JAInc) and the other was Lewis Mandell’s e-text. Opinion on the usage and viability of internet and CD Rom delivered material was sought. It was clear that the preferred method of delivery was paper-based and delivered by a teacher. The internet was a second choice and CD Roms were generally viewed as a poor option.

Problems relating to delivery concern cost and access to computers and the internet.

A combination of hard copy and internet-based activities is seen as useful, although hard copy for teachers/students/mentors is still seen as essential. There are still many difficulties with internet and CD Rom classroom-based programmes and teaching material, which have yet to be solved. Having very good computer skills is viewed as necessary for internet-based programmes to work well. JA NY believes schools in New York are rather behind technologically and this situation does not make it easy for JA NY to expand the reach of their Personal Finance programme.

Some educators believe that providing a programme for students to use at home will not solve the problem of financial illiteracy. It was a view that students’ after school job involvement, sport commitment and homework requirements gave little time for students to work on computer-based courses. There was a deep-felt view that Financial Education should take place in the classroom, and that Financial Education needs to be part of the curriculum.

Components of a Personal Finance programme

Common components for a Personal Finance programme comprise class work (discussion), field work (community activity and research) and web-work.

The NEFE, JAlnc and JAI programmes contain fewer than 20 lessons. The programmes are not extensive in what they expect the students to explore. The main topics are income, insurance, and borrowing vehicles. Budgeting, saving and debt are generally covered in one lesson each.

The focus on topics goes hand in hand with the concentration on acquisition of knowledge. The programmes had a strong emphasis on telling students what they need to know or getting them to find out information. Learning is often about memorisation of facts, which is less effective than the experiential student-directed approach. Developing skills and dealing with attitudes and values were not so evident in the programmes.

Knowledge-only based short course programmes do not appear to have good results in improving the state of Financial Literacy. The curriculum needs to be spread over several years and have a wider approach than a knowledge-only basis.

Barriers

Decisions on whether or not to deliver Financial Education programmes and the enforcement of delivery are made at the local level. In the US there are 25,000 different school districts that make decisions on whether or not to include Financial Education in their curricula. It is believed that there is no core constituency that is promoting Financial Education in schools.

Although Jump\$start has produced guidelines and achievement objectives, many schools are slow to take up Financial Education programmes because of the back to basics movement, which is reinforced with standardised tests, and concern with league tables. Until Financial Education is perceived to be a significant area of concern by schools and their decision-makers, it will be marginalised. Financial literacy questions need to be a part of the standardised tests.

A further barrier to good Personal Finance Education delivery is the level of confidence of

teachers. Teachers were often regarded as having poor financial literacy and require education themselves. Teachers need strong support, through constant professional development, to effectively deliver Personal Finance Education in the classroom.

OBSERVATIONS: UNITED KINGDOM

Organisations

Personal Finance Education Group (Pfeg)

The Personal Finance Education Group is the organisation that promotes and facilitates Personal Financial Education in the United Kingdom. It is a trust funded by a range of organisations — government and business — and supported by other non-profit organisations. It was influential in getting Personal Finance accepted as part of the UK curriculum, and undertook much of the preparatory work to get it accepted. Pfeg has organisational oversight of England, Wales, Ireland and Scotland. The Scots, however, have incorporated Financial Education delivery into the Government sector.

The Scottish Centre for Financial Education (SCFE)

The SCFE is relatively newly established and going through a start up phase, following several years of exploration. Recognition of the need for Financial Education has existed since the mid/late '90s, when the Financial Advisory Group was formed and SCFE arose from its findings. Although it has private sector support, as a division of a government department, there is a strong official commitment to the concept of Personal Finance as a part of student learning in Scotland. It has a clear strategy for Personal Finance development in schools.

Delivery models

In the UK, Personal Finance is a recently established component of the curriculum and is delivered chiefly through the Citizenship and Personal, Health, and Social Education (PSHE) curricula. This curriculum strand is similar but not the same as the Health and Physical Well-being learning area in the New Zealand Framework.

The PSHE Framework was introduced due to the importance the current Government attaches to the personal and social development of young people in today's complex and changing world. Personal Financial Education became part of PSHE in 2000.

In England, each school has its own Citizenship/PSHE coordinator. Delivery is through time tabled class time. Resources vary in format and length. Most resources were paper-based

and several were created by Financial Institutions, for example the IRD, in order to support teacher professional development and teaching in that area..

In Scotland, classroom-based materials are preferred, although the internet is deemed useful for rural communities.

Components of a Personal Finance programme

Each school is responsible for identifying where Personal Finance can be delivered, with most preferring the PSHE curriculum, but sometimes supplemented in other subject areas, such as Maths or IT. Using Maths or other standard subjects is viewed as providing an inadequate approach to learning in this area. The focus, if delivered in Maths, encourages emphasis on numeracy, rather than focussing on the many concepts embodied in Financial Education.

Schools are encouraged to identify what materials they will use to deliver the Personal Finance curriculum. Resources and material are made available via the Pfeg website.

Professional development for England and Wales is well funded. The Professional Development model is a facilitator working on a one to one basis alongside a teacher to advise and develop Personal Finance within the existing curriculum (especially PSHE). The aim is ten hours a year for all years of compulsory schooling years 1 - 11.

Assessment is not highly developed but exists within the Citizenship curriculum. Ofsted will report on PSHE and Personal Finance in their school visits.

Barriers

As Financial Education is part of a Curriculum strand, the chief barrier is teacher willingness to deliver the content. Teacher confidence is a significant aspect of successful implementation. This is being addressed through the Pfeg Excellence and Access project and considerable progress is being made with professional development.

Evaluation

A feature of Financial Education research discovered by the researchers at Brunel University

that knowledge was important but not the most important aspect in improving financial literacy. Students can gain knowledge but can still not put the knowledge into practice. Attitudes were found to be a more important factor and are likely to have a greater impact on how people behave financially. Consequently, the Brunel test for evaluation is to be largely defined in terms of attitudes, rather than knowledge.

SCHEDULE OF RECORDED VISITS

CONTACT	POSITION	ORGANISATION	LOCATION	DATE
Beth Schiever	Director	National Endowment for Financial Education	5299 DTC Blvd., Suite 1300 Greenwood Village, CO 80111 Ph: 303-224-3510 Denver	4-5 Nov
Rebecca Nackos	Fellow	National Endowment for Financial Education		
Debbie Pierce and Linda Childears		Young Americans Bank	Denver	4 Nov
Diane Riggs	Director, Education - Research and Innovation	Junior Achievement Inc. National Headquarters and Service Center	Colorado Springs Ph: 719 540-6219	6-7 Nov
Anne Clark and Linda Logan	Researchers and Evaluators	Junior Achievement Inc. National Headquarters and Service Center	Colorado Springs Ph: 719 540-6219	6-7 Nov

Nancy Needham	MMBiz Programme	ICGS	307 East 51 st St, New York	9 Nov
Peter Mertens,	Chief Operating Officer	Junior Achievement NY	Ph 212-907-0020	11-13 Nov
Kara O'Leary	Director, Education	Junior Achievement NY	Ph 212-907-0020	11-13 Nov
Robert Almonte	Teacher	Norman Thomas High School	113 East 33 rd Street, NY	12 Nov
Sheldon Meltzner	Teacher	Edward R. Murrow High School	Brooklyn ph 718-258-9283 ext. 341	13 Nov
Professor Lewis Mandell	Prof. Finance and Managerial Economics	State University of New York at Buffalo	Buffalo, NY 14260-4000 Ph 716-645-3274 Amherst, Buffalo, NY	14 - 18 Nov
Judith Barber, PA to the DG	Director General	Winston Churchill Memorial Trust	15 Queen's Gate Terrace London SW7 5PR Ph 0044 0207 584 9315	25 Nov

Jim Lally		Scottish Centre for Financial Education (SCFE) Learning and Teaching Scotland		26 Nov
Giles Cuthbert	Financial Education	Chartered Institute of Bankers in Scotland		26 Nov
John Laydon	Head of Financial Education	The Royal Bank of Scotland	Edinburgh	26 Nov
Margaret Atherton	Facilitator and Advisor	Pfeg	Bolton (home ph number) ph 0044 01204 657 413	28 Nov
Margaret Ferrie	PSHE and Citizenship subject advisor	Sunderland Local Education Authority		28 Nov
Maxine Bailey	PSHE and Citizenship team	Department for Education and Skills	Caxton House, 6-12 Tothill Street, London SW1H 9NA ph 0044 020 7273 5091	2 Dec

Sir Howard Davies	Chairman	Financial Services Authority	25 The North Colonnade, Canary Wharf, London E14 5HS ph 0044 020 7676 1000	2 Dec
Liz Lowen	Manager	Edexcel	London	3 Dec
Wendy van den Hende	Executive Director	Pfeg	Centurion House 24 Monument Street London EC3R 8 AQ ph. 0044 020 7220 1736	3 Dec
Jan Campbell	Principal Officer Citizenship and PSHE	Qualifications and Curriculum Authority	83 Piccadilly, London W1J 8QA ph 0044 020 7509 5782	3 Dec
Prof. Linda Thomas	Pro-Vice Chancellor	Brunel University	300 St Margaret's Road, London ph 0044 01895 816 233	4 Dec

Kristin Smith	Director of the Office of Financial Education	Department of the Treasury	1500 Pennsylvania Avenue, Washington	Dec 9
Dr. Jeanne Hogarth	Programme Manager, Consumer Policies	Federal Reserve Board	1709 New York Avenue, Washington	Dec 9
Dara Duguay	Executive Director	Jump\$tart Coalition		Dec 10
Randy Lively	Chairman of the Board	Jump\$tart Coalition		Dec 10
Don Blandin	President	American Savings and Education Council	Suite 600 2121 K Street, NW Washington DC 20037-1896 ph. 202 572-7420 (DDI)	Dec 10
Margaret Anderson		Department of the Treasury		Dec 11
Johnathon Pepper		Department of the Treasury		Dec 11
Margie La Fond		US Savings Bond Office		Dec 11

RECORD OF INTERVIEWS

Beth Schiever

National Endowment for Financial Education (NEFE)

4 - 5 November

Based in Denver, the National Endowment for Financial Education is well funded and a leading organisation in the delivery of Financial Education. It supplies Financial Educational programme material to a number of groups and sectors. NEFE runs a small office and has three (staff) Fellows, who are assigned two year projects. They produce material for a wide variety of organisations and programmes, such as the 4H programme, Girl Guides and Boy Scouts, the Military as well as for the school sector.

State of Financial Literacy in America

NEFE has just conducted a comprehensive review of the State of Financial Literacy in America. This national symposium represented a “Who’s who of Financial Literacy in the USA”. It was recognised that a national consciousness-raising has been witnessed as it relates to financial literacy and well-being of the US population. The aim of the symposium was to examine the state of financial literacy in the US and discuss the progress that has been made and concerns that need to be addressed. The symposium was expected to identify ways to increase outreach by combining or leveraging resources and explore a variety of issues relevant to Financial Education. It also expected to develop a financial literacy agenda. that reflected a full range of issues and concerns.

NEFE’s core business is to provide Financial Education courses and supplementary supporting information for teachers. There are competitions, posters and an opportunity to provide further resources and links to other sites. Exercises are posted from the learning portfolio.

Barriers

NEFE's High School programme faces the same barriers as New Zealand's such as timetable constraints. NEFE has had feedback from teachers who believe that organisations such as Amex, Visa etc are inclined to push their own product too much. These organisations have great materials but there is a latent ulterior motive. NEFE perceives that financial institutions are problematical in that they don't update their resources and only deal with the topic that is topical.

Delivery through technology

A recent development is the construction of a Youth Website. It has a teen advisory board. Students apply to be on the board for a set period of time. NEFE Fellows are assigned to work with the Teen Board.

NTRB web page is put together by a financial planner, the Student Board, the staff at NEFE, and a computer consultant. There is a teachers' section as well. The web site was donated by a JP Morgan Chase Manhattan grant.

The Teen Advisory Board has recently completed a conference to outline the web-site for the following next four quarters. The Teen Board will update the site quarterly. Each quarter has a specific theme. There will be a 3 page article, a "Dear Madam Moolah" column and a car-related decisions section. It has a game for 14 - 18 year olds and will be on-line in the near future. All can be archived.

School-based technology

NEFE's opinion is that both CD Roms and the Net may have a place in Financial Education delivery but teachers still have to print material off. That causes a problem as schools believe they don't have the money to print off many pages. The National Secondary Director is convinced that students still need a book of some kind. Often student books are "shared" among classes, often because the teachers are concerned about wastage of resources, even

though the books are free to the schools.

Some groups e.g. the US Marines, want a hard copy **and** a CD Rom. The CD Rom is “nice to have” but people want the hard copy too.

Debbie Pierce and Linda Childears

Young Americans Bank (sponsored by Bill Daniels)

4 November

The Young American's Bank was started in 1987. Children can bank with it up till age 22. It offers all the services of a normal bank and is free of fees. The costs of running the bank are met by the Founder, Bill Daniels.

In addition, the Young American's Bank runs a programme "Young Ameritown" that is very close to Enterprise New Zealand Trust's PrEP. The children spend the day at Young Ameritown, setting up their own society and economy. There is a level of predetermination in products and jobs. The buildings are fixed and the products and warehouse are to some degree already organised for the children who come in to Young Ameritown.

A new operation about to be launched is called "International Economy". In this programme, the world is divided into 4 areas of the globe, with 3/4 countries per area. Each country has an export product, and students are encouraged to trade and exchange currency to do so. It was developed in association with Junior Achievement.

Diane Riggs

Junior Achievement Inc - Colorado Springs

6 - 7 November

Junior Achievement Inc has a Personal Finance programme for American 14 - 18 year olds and adults. It is a web-based programme, funded by Goldman Sachs (US\$2 million). The adult programme (public version) and the student programme are side by side on the net. It has been designed to encourage parents to work with information alongside their teenagers. The sites can be accessed at www.japersonalfinance.org and www.japersonalfinance.com

The list of topics for the adult programme is as follows:

JA Public version - Money might, count on it:

- 1 Your pay check - the bottom line
- 2 Career option - what will it take
- 3 Budgeting - planning to spend
- 4 Credit - using it wisely
- 5 Saving and investing - building your money
- 6 Risk management - planning for the future.

Student version has 16 lessons as follows:

- 1 Make the right choice (Income)
- 2 Where's the rest of my paycheck? (Income)
- 3 Jobs, jobs, jobs (Income)
- 4 Mind your own business (Entrepreneurship)
- 5 How will I pay for my education (Income)
- 6 Are you a smart consumer? (Fraud)

- 7 The home game (buying vs renting, mortgages)
- 8 Making ends meet (Budgeting)
- 9 The power of credit (maintaining a good credit history)
- 10 In over your head (Debt)
- 11 Saving for your future (Saving)
- 12 The case of the shrinking dollar (inflation)
- 13 The Fed is watching (fiscal and monetary policy)
- 14 Protect yourself (auto and other insurance)
- 15 Risky business (life, health and property insurance)
- 16 The future is now (The Retirement Plan).

Teachers are only required to do at least 8 of the 16 activities.

Programme structure

Each activity has the following components:

- a portfolio (for storing the assignments)
- a thinking journal (for storing the thinking entries)
- web-based assessment
- authentic assessment (also called assignments)

For the web-based research, teachers have a list of the websites to which the students should be directed. The information accessed from the web-based research is paper-recorded and followed up by communication with a volunteer, via email. The linkage with the volunteer satisfies JA's requirement that JA programmes be run or linked to a business person.

The teacher sets the activities for the students and at this stage of the development, all

students are working on the same activity. In the pilot stage, the students worked at their own pace and they were therefore on different activities. The teachers believed this created difficulties in classroom management. With the pilot phase over, the teachers are now requesting that the activities all be available at the same time. Each student has his own password. By entering the student name, the password is generated.

Visit to Harrison High School, Colorado Springs

The teacher showed the students around the site but the class was not in a computer laboratory so he had to deliver the lesson via a data projector. The students could not do any individual work on it as they did not have their own computers and they got bored very quickly.

Anne Clark and Linda Logan, Programme Evaluators at Junior Achievement

Anne and Linda carried out an evaluation of the Junior Achievement Inc Personal Finance programme. At this stage the report is not complete.

The main problems of the programme seem to be the access to computers and the internet. A combination of hard copy and internet-based activities is seen as useful. Hard copy for teachers/students/mentors is still seen as essential. One problem is that the website links can go dead quite regularly.

JAInc Technology Manager for Personal Finance.

The Technology Manager's comments and advice on general problems relating to using technology for the programme's delivery are as follows:

- 1 Avoid putting the teacher orientation on a separate site (as it is currently organised).
- 2 The CD Rom is a stand alone application. The programme needs to either be built for one audience or so that it can fit on everyone's hardware. Explorer/flash/netscape all have different fits.

- 3 Web-based - the benefit is that there is only one copy. It is helpful if schools have the proper network facilities. Schools are not as advanced in this area as might have been expected.
- 4 Web-based programmes are relatively easy to update and relatively inexpensive compared with CD Roms.
- 5 The down sides of using the internet for delivery are:
 - not all schools are prepared for on-line programmes
 - many teachers don't like working with computers
 - availability - there is downtime if the site is not properly hosted.

The technology people believe that a CD Rom is the same as a pencil and paper format.

The following need to be considered in relation to CD Rom based material and the internet:

- New disks are required every time something needs updating on a CD Rom and the Technology Manager's considered opinion is that CD Rom is the worst medium.
- CD Roms have the problems the paper-based versions have, but also the web-based down sides as well. They need at least 3 different versions (Mac/Lennox/Unix/Windows 95/98/2000).
- A web-based version is suitable if the population is comfortable with it. However not everyone has the technology to access it.
- A paper-based version can be translated into pdf format which can be edited (database pdf). However, it can still be copied.
- The technology people suggested that student work-books be turned into a web-based programme. The danger of making a student work book available on a web site is that once it is downloaded, the material can be "lost".

Nancy Needham
New York Consultant
9 November

Ms Needham wrote the Junior Achievement International (JAI) Personal Finance programme (MMBiz). She stated that Junior Achievement International believed that the Junior Achievement Inc Personal Finance programme (viewed in Colorado Springs) was not suitable for countries outside the US and JAI wanted something that was more universally appropriate.

Ms Needham commented that the web-based format is “not the way to go”. She has a different opinion on how a Personal Finance programme should be delivered compared with the personnel at JAI Atlanta.

Programme material

She believes the emphasis in Junior Achievement Inc’s Personal Finance programme is not appropriate. She disliked the aim of the domestic version, which focuses on employment and making money. Her focus is that people need to do the best with what they’ve got, making wise use of their resources.

The 19 lessons in the MMBiz programme are as follows:

- Unit One: Spending and budgeting (3 lessons)
- Unit Two: Saving (2 lessons)
- Unit Three: Investing (3 lessons)
- Unit Four: Borrowing (2 lessons)
- Unit Five: Insuring (2 lessons)

Unit Six: Transacting (2 lessons)

Unit Seven: Keeping informed about money (3 lessons)

Unit Eight: Designing a life strategy (2 lessons)

Three components of a Personal Finance programme were identified:

- class work (discussion)
- field work (community activity and research)
- web-work.

The approach embodied in the ENZT Financial Literacy Programme had great appeal to Ms Needham. She suggested she could incorporate some of the activities and emphases of the ENZT programme into the MMBiz programme. Ms Needham recognised that concentrating on knowledge was not the only or best way to approach Financial Education. She was fascinated by the multi-pronged approach, embodying knowledge, skills, attitudes and values, for delivering Financial Education and felt that ENZT had much to offer in the Financial Education field.

Peter Mertens

Kara O'Leary

Junior Achievement New York

11-13 November

Junior Achievement New York is a branch of Junior Achievement Inc. JA New York runs many of the programmes in the stable of JA Inc's programmes. 95 percent of JA Programmes are considered "in school" programmes, with a volunteer. In addition, workplace experience is very important in NY. September 11 has changed the way of operating for numbers of visitors/mentors/volunteers who visit schools.

JA NY has 10 Personal Finance classes operating among the 300-400 schools in the New York city area. JA NY gets a licence from JAInc to run Personal Finance. JA NY pays \$65 to JA Inc per class to run Personal Finance. The teacher, volunteer and administrator are assigned their passwords by JAInc.

Delivery through technology

The teacher of Personal Finance is trained on-line. Volunteers are encouraged to visit the students 2-3 times. There is an FAQ section and email, but volunteer support takes a little time to get back to the student. Having someone in the classroom is seen as desirable and the volunteer is not part of the programme as much as usual for JA. The teacher actually delivers the programme.

JA NY believes a teacher champion, who also has very good computer skills, is needed for their programme. JA NY believes schools in New York are rather behind technologically and this situation does not make it easy for JA NY to expand the reach of Personal Finance.

JA NY commented that Personal Finance needs to be part of the curriculum as students are involved in so many after schools activities, e.g. jobs, that they would not have much time to do Personal Finance at home on line. Depending on the semester in which the programme is undertaken, schools may not get through the whole programme. The minimum required/expected is 8 out of the 16 activities.

Kara O'Leary would like the programme to have an on-line **and** a paper version. Computers intimidate teachers and computers may not work. She would like to see a paper back up. Schools lack financial resources so they like the programme material and resources on paper in order that they are not constrained by time.

New York State Curriculum Policy

When a curriculum review was undertaken in New York, the financial community and Federal Reserve lobbied the New York State Department of Education. They met with State officials to ensure that Economics remained a compulsory subject. The Board of Regions (who make education policy) decided that Economics would remain compulsory if a section on Personal Finance was included as 20percent of the total course. Enforcement is at the local level. At this stage, there is no state exam in Economics. Personal Finance can also be taught as part of a Business Course. There is a lot of discretion where a course such as this (Personal Finance) is delivered.

Personal Finance is now regarded as a component of an existing curriculum class eg Home Economics, Economics, Social Studies, Business Studies, Computer Studies or any kind of specific finance class that may exist. In Economics, it is often one period a week out of the 4-5 periods a week for 1 semester (up to 16 - 20 lessons).

The No Child Left Behind Act (NCLBA)

The "No Child Left Behind Act" is regarded as one of the most significant statements about education in the last few decades in the US. It is about accounting and reporting procedures

that drive standardisation. School areas decide how to implement the NCLBA and spend the funding attached to it.

The NCLBA is about what a child should know about a subject by a specified age. Personal Finance was regarded as sufficiently important to be funded by the Act. As a consequence, school districts are supposed to demonstrate that they deliver Personal Finance, but enforcement is at the local level.

The emphases on (Performance) standards, embodied in the NCLBA, have long-term consequences for JA, as it is necessary for JA to address the correlation between standards and JA programmes. If it does not do so, its programmes will go out of business. One of the key activities for JA is to find an advocate for JA Programmes at the Department of Education.

For Personal Finance, there is community awareness of the need for the programme. Difficulties arise with matching educational standards and outcome-based learning requirements. It is regarded as a “niche market” area at the moment. State standards have been correlated with standards for Personal Finance (often using the Jump\$start guidelines).

Sheldon Meltzner, Edward Murrow High School

Personal Finance is a part of the Economics curriculum and in New York, Economics is mandated (compulsory). As Personal Finance is a component of Economics, there is curriculum time allocated for Personal Finance Education. A range of programmes (in book form and paper based, as well as the JA Personal Finance internet-based programme) are available to choose from. Sheldon believes that saving and investing are the most important components. He incorporates Personal Finance mainly in to the different aspects of the Economics lessons.

There were units on:

- 1 Financial planning
Income, wages, personal budgeting, bankruptcy
- 2 Banking

- Types of financial institutions, checking accounts, savings and investment products and services
- 3 Credit
 - Use and abuse of credit, credit reports and credit ratings, consumer loans
- 4 Money and markets
 - Investing in stocks, buying and selling, how does the newspaper affect our knowledge of stocks, mutual funds, the stock market game
- 5 Creating wealth
 - Bonds, commodities
- 6 Taxation
 - Federal, state, city taxes, the W-2 form, tax shelters.

Professor Dr Lewis Mandell
State University of New York at Buffalo
14 November

Professor Dr Lewis Mandell is a key member of the Board of the Jump \$tart Coalition. He has longstanding networks in the Personal Finance education area. When the Jump\$tart Board came together in the mid 1990s to improve the state of Financial Literacy in the US, it realised that there was no benchmark against standards and improvements would be difficult to identify. Professor Mandell created a 31 question test for the students in their last high school year. The idea was that this test be repeated every two years to identify improvements in financial literacy, to identify strengths and weaknesses in the education in this area.

The test has now been carried out three times (1997, 2000, 2002). Instead of any improvements in the state of financial literacy, there has been a steady decline. In 1997, 44.2 percent of all students failed the test. In 2000, that figure was 58.1 percent and in 2002, the failing proportion had risen to 68.1 percent. The average score had also fallen. In 1997, the average was 57.3 percent, in 2000 it had fallen to 51.9 percent and in the 2002 survey, it was 50.2 percent.

Professor Mandell believes there is no simple solution regarding how to improve financial literacy. However, when interviewed on national television in New Zealand on a recent visit, he commented that New Zealand runs a world class programme for Financial Education.

Past results have shown that putting investments in a student's name, (parents) talking to them about their investments and giving them a regular allowance have no effect. Taking classes in Personal Finance is no guarantee that students will learn to make smart financial

decisions. Reasons for this include poor teacher knowledge, lower ability students are offered the course instead of higher ability students, and the course may be very short. Teaching is often about memorisation of facts, which is less effective than the experiential student-directed approach.

Professor Mandell considers that Financial Education is not just a matter of numeracy or Mathematics. He stated that Financial Education encompasses a broad range of concepts, skills, attitudes and values, and learning cannot be fitted neatly into Maths, for example.

Delivery

As one of the solutions to the problem of poor financial literacy, Professor Mandell is writing an e-text on Personal Finance. It is intended that it become reasonably freely available in the future in the US, although there may be some restrictions, e.g. it may be free to interested teachers. The teachers take the test themselves to “guarantee” a basic level of financial literacy themselves. The text is targeted at 12th graders (NZ year 13 students), as this is the year that teachers are virtually guaranteed access to them since after they leave high school, they may not go on to a tertiary institution. Once the teacher is regarded as competent with the financial ideas and material in the programme, the students can be loosely supervised taking the programme, either at school or at home. The teacher maintains the record of the student’s progress. The text is also being used by freshman honours students at University (17 - 20 year olds). Professor Mandell is to enquire if ENZT can have access to the programme for the purposes of modifying it for the New Zealand environment.

Policy

Some states have Financial Literacy mandated for example, it is a component of the New York State Economics course and all students must take that course before they can graduate.

The Federal Government is in the process of setting up a National Examination for

Economics. Currently national exams are not part of the US education system. As Personal Finance is a part of Economics, it is therefore expected to be a component of this exam testing Personal Finance. Just recently, Dara Duguay, Jump\$Start Executive Director, has recommended that Professor Mandell be in charge of this component of the Economics Exam and he is to convene a panel of teachers to ensure questions are standardised.

Part of the exam process will be to provide a bank of test questions, to which ENZT has been invited to contribute. Currently, there is no bank of test questions for lower grade students along the lines of the Jump\$Start survey. Professor Mandell commented that since surveys like that were expensive to administer, resources were put into finding out the state of Personal Finance knowledge of 12th graders. There are two reasons for this:

- 1 The students could be expected to know something about Personal Finance by this age (he used the concept of teen relevance).
- 2 Because of the expense, it was decided to test them when they were at the end of their schooling before they went in to the work force or tertiary education. It appeared as though the aim was to ensure some learning when the students were still within the education system.

Professor Mandell indicated that there are no plans at this stage for teaching junior financial literacy. He believed that if this happened it would become another academic subject and lack the relevancy it consequently assumed at the 12th grade level.

Jim Lally

Director

Scottish Centre for Financial Education

Learning and Teaching Scotland

26 November

Scottish Centre for Financial Education (SCFE).

The Education Department in Scotland is part of the Scottish Executive. The Department has three sub-areas:

1 Learning and Teaching Scotland (LTS)

2 HMI (=ERO)

3 SQA (=NZQA)

The Scottish Centre for Financial Education is a part of Learning and Teaching Scotland. The Scottish Executive provides Learning and Teaching Scotland with funds and Learning and Teaching Scotland provides the Scottish Executive with advice and curriculum documentation. HMIs are entitled to ask where and when Financial Education is delivered in a school.

SCFE believes that to be financially capable, both the micro (personal) and the macro (enterprise education) aspects are essential. The aims of Financial Education are:

- engage in financial problems
- understand financial responsibility

SCFE is working hard at winning the hearts and minds of educators and raising awareness for the SCFE.

Management group

A management group for SCFE exists, comprising:

- 1 John Laydon (Head of Community Investment Programme at the Royal Bank of Scotland)
- 2 SQA
- 3 HMI
- 4 Further Education sector representation.

Delivery and policy

Religious Education is the only compulsory subject in Scotland's schools. Everything else is encapsulated in Guidelines (pretty close to compulsory and not in statute, but universally provided).

Financial Education is regarded as an entitlement. Jim Lally works with schools to ensure that the entitlement is delivered.

LTS's curriculum has three main purposes:

- 1 Citizenship (Education for Citizenship)
- 2 Preparing people for the world of work
- 3 Personal/social education aspects - helping people reach their full potential.

Jim Lally is linking Financial Education to each of these three main thrusts of curriculum purposes.

Financial Education policy history

An advisory group was set up in 1997 to ascertain the need for Financial Education and to work out policy on how to deliver Financial Education to fulfil the need. Jim Lally worked with the Financial Advisory Group between 1998 and 1999. When the Scottish Centre for Financial Education was established in 2002, he was appointed as its director. Subsequent curricular documents have swamped Financial Education and it now has to be relaunched.

Process

The sequence for the development of Financial Education is as follows:

- 1 Preparation of a policy document containing guidelines and learning outcomes.
- 2 Preparation of exemplars of learning outcomes and an outline of where Financial Education fits in to the curriculum.
- 3 Undertaking an audit.
- 4 Preparation of Guides for teachers - based on the audits.
- 5 Production of resources in a directory to align with outcomes.

Financial Education is seen as a context for delivering the learning areas and the skills.

It is expected that Financial Education will be delivered principally by PSHE (within the 5-14 year age groups) but supported by other curriculum areas such as Maths and English. There is a large money component (strand) in the Maths curriculum. Three documents exist which include Financial Education:

Guide for teachers for PSHE

Maths

Primary education

Financial Education is regarded as cross curricular.

Audit of Financial Education

Jim Lally is currently undertaking an environmental scan of what Financial Education is taking place and where in schools. At this stage, a pilot audit is occurring in 3 secondary schools, 2 primary schools and 1 special needs school. The audits will demonstrate good practice and lead to the development of the curriculum documents, and guidelines.

Financial Education and Education for Citizenship - the contribution of Industry.

This is a national event to be held in late November, in partnership with Scottish Enterprise.

Aims: To provide a network with the business sector for teachers.

To give teachers high quality a Professional Development event

Funding for teacher release comes from the Local Education Authorities (LEAs). By sending teachers to this event, LEAs accept the costs of relief and any payments for the event.

The industries at this event will be the IRD, RBS and financial institutions.

The programme consists of:

- keynote speakers, workshops and exhibitions
- CEO LTS
- Excellence and Access (Pfeg)
- Standard Life (a sponsor) - insurance

Some of the teachers coming to this event have been recruited via Scottish Enterprise, and some have been recommended by the LEAs.

The Pfeg Excellence and Access project is to be piloted in Scotland. Funds for this are being made available from the SCFE and business contributions.

Assessment in the Scottish Education system

In Scotland, core skills are certificated. These are communication, numeracy, ICT, problem solving, and working with others (teamwork).

They can be certificated by:

- 1 stand alone assessments
- 2 what is embedded in subject qualifications (like the NZ matrix)

The core skill profile is enhanced by the stand alone assessments.

Financial Education can be used as a context to certificate the core skills.

The 2 methods of certification have equal status.

Giles Cuthbert
Education Manager
Chartered Institute of Bankers in Scotland (CIBS)
26 November

Giles Cuthbert is a director of the Financial Education Partnership (FEP). He strongly believes that an entitlement is all very well, but it needs to be backed up by greater expectations. He believes that as it is not compulsory, Financial Education needs greater promotion.

Financial Education Partnership (FEP)

This partnership is one where business people deliver workshops in Personal Finance (e.g. a one hour workshop over a period of time) to support teachers' knowledge development for use within the SCFE programme.

It is intended that these workshops focus on the key areas for Financial Capability. The presentations are followed by workshops and a number of people would deliver the six topics. All materials are with the teachers and the FEP.

Assessment

The CIBS is able to award qualifications because it has a Royal Charter. It is possible that the first level of the Financial Advisory Qualifications (which are not yet finalised) could be available at school level. Within the Diploma of Financial Services, Giles would like to see an "Introduction to Financial Services" paper as an introductory, generic paper. It could be at "highers" or "A level".

Delivery model

The creation of a CD Rom was discounted as there are not enough schools with high tech equipment, and the FEP could not get it to work. Giles Cuthbert's opinion is that although people have access to computers, they may not have sufficient time allowance for each pupil and computer-based learning then does not have the same impact. A CD Rom was deemed to be much less valuable than the net, especially for updating. The net gets used far more in schools than do CD Roms. However, with the Internet, quality control can be lost, and a school needs interactive exercises with email teacher contact to "monitor" the exercises.

The internet is very expensive for what is delivered, but would it increase reach. In general, computer-based learning has not made any significant difference to exam results. The main benefits are gained by remote communities.

Margaret Atherton

Pfeg Area advisor and facilitator

28 November

Pfeg - Personal Finance Education Group

Margaret Atherton is one of several advisors on Pfeg's Excellence and Access programme. She facilitates as well as advises, which is not common. Other staff involved in the Excellence and Access project include Steve Stillwell, a Pfeg facilitator who works full time for the Financial Services Authority, Ken Brown, a Pfeg facilitator and Alister Mathews, a Pfeg facilitator and advisor.

UK Financial Education curriculum

Pfeg lobbied to get Personal Finance into the curriculum, targeting those in the Financial Services Industry, DfES, QCA. Pfeg was able to convince these organisations of the value of Financial Education and endorse Personal Finance is a beneficial learning activity. Pfeg drew up the initial skills and knowledge framework as a tool for lobbying. At a later stage, QCA and DfES modified the framework and Pfeg, DfES and QCA created a working party to shape the curriculum. Some pilot work was carried out in areas to show evidence of what the curriculum would look like in practice.

Curriculum requirements and implementation

The Citizenship learning area of the curriculum at Key Stages 3 and 4 (ages 11- 16) is statutory and compulsory. UK Exam Boards have GCSEs for Exams in Citizenship. Personal Social and Health Education (PSHE) isn't statutory but obligatory. The Secretary of State for Education (Charles Clarke) has made it clear that he wasn't "letting teachers off the PSHE hook", just because it wasn't statutory. Many schools are wrapping up Citizenship and PSHE together.

So, schools have to find a way of delivering Citizenship and PSHE, of which Personal Finance is a component. It was considered that teachers were likely to need guidance, so a PSHE guidance statement, but not a programme of study, has been written. A whole range of approaches are practised about how to implement the Personal Finance curriculum. Personal Finance (Financial Capability) is seen as a hook to hang Personal, Social and Health Education on.

Citizenship and PSHE curriculum

The strands of the Citizenship and PSHE curriculum are:

- health and wellbeing,
- careers and lifelong learning. (Personal Finance fits here),
- self esteem,
- life skills (Personal Finance fits here),
- roles and responsibilities.

Each strand is taught over a half term each, i.e. one period a week for 6 weeks.

Key stage 3 school years 7 - 9

Key stage 4 school years 10 - 11 (up to fifth form)

Year 12 and 13 (sixth and seventh form) are not dealt with.

The Financial Services Authority is producing an adult framework for further education. This is where years 12 and 13 sit (Sixth form College). The year group numbers are the same as those in New Zealand.

Pfeg Excellence and Access project

This is a £1.9million project over three years. It is a professional development project, designed to raise the competency levels of teachers delivering the Personal Finance curriculum. The advisor visits schools, working with them to identify where they can deliver the Personal Finance Curriculum. There are at least two teachers per school involved in this project. The Pfeg target is 400 schools (800 teachers), 10 hours of learning for each year

group (at key stages 3 and 4), 5/6 hours per year in PSHE, topped up in other areas in the curriculum.

When working with schools, the advisor focuses on one area/unit of work at a time.

Each school gets four support days - 3 curriculum and 1 exit strategy days per school.

Usually, one teacher is sent to training and the other staff members have the information passed on to them by the trained teacher.

Assessment

The standard GCSE course is two years long. There is a GCSE short course in Citizenship = half a standard GCSE. Students can do courses in Citizenship or Religious Education or Information Technology for example from year 10 and 11 upwards. Citizenship as a subject is on a par with any other GCSE grades. The UK's Examining bodies offer assessment in Citizenship, including an exam, which has Personal Finance in it. The assessment comprises course work (40percent) and a short exam (60percent).

School visits

Hylton Red House School - Helen Elderkin

The lead teacher at this school manages a PSHE team of 14 and covers years 7 - 11.

Following her Personal Finance training, Helen Elderkin gained permission from the school for the implementation to go ahead. The school is working to develop Personal Finance elements into the curriculum.

Helen has designed programmes for Key Stage 3 and 4 for Personal Finance within the PSHE and Citizenship, planning relevant units of work.

The focus on cultural diversity is also important - how different cultures manage money. Units of work have been put together for years 8 and year 9.

- Year 8 students use the “Real Game” one period a week.
- Year 9 focussed on Citizenship. Students cover advertising, images, money in other countries, debt crises in other countries, family finances (what is essential, ie needs and wants, luxuries, survival, lifestyle). In year 9, some students work with Banks (possibly using the NatWest Face to Face programme).
- Year 10 focuses on money management. Resource used: the Football Resource, a Maths resource for the less able students.
- Year 11 half year course.

Barbara Priestman School - Maureen Henson

This school is for severely intellectually and physically disabled students.

As a pilot, the school trialed a fund raising activity for a field trip for the residential students. Personal Finance skills were employed in the planning for the trip and for their time away. Year 12 students experienced money handling and time management activities. They had to deal with coin recognition (within the ASDAN courses of work), which is an area the students would not have had much experience in.

The teacher uses two half days, but could do more if she wanted to. ASDAN is an alternative curriculum and there is a money unit in year 12. In the normal curriculum this would be in year 3/4.

Oxclose Community High School - Sheena Allison

The teacher here is the PSHE and Citizenship coordinator. Each school has a coordinator for this for this curriculum area. The development for each year group is undertaken by the PSHE Coordinator.

The programme in this school started small and at different year groups. It was intended that

this would enable the teachers to gain confidence. Personal Finance is considered good practice and fulfilling the needs of students. The school conducted its own audit. The teacher reported that Ofsted (the Inspection arm of the DfES) will check whether PSHE is being done and will look for PSHE and Citizenship schemes of work. Schools that don't do Personal Finance with Pfeg will have to do it for themselves.

The school's scheme is constructed so that each class has one lesson per week of PSHE/Citizenship. There are six tutors per year group. The school also looked at other curricular activities relating to Personal Finance.

Houghton Kerpier High School, Year 7 - 11 school - Christine Norton.

Houghton Kerpier High School is in year 2 of the Excellence and Access project. This teacher is the full time PSHE teacher. PSHE is allocated one period a week for all year levels.

Christine Norton reported that in-service training is essential, as teachers lack confidence in this area.

Margaret Ferrie
Local Education Authority Secondary Link (subject) Advisor,
PSHE and Citizenship (11 - 18)
Sunderland LEA
28 November

Margaret Ferrie is responsible for the curriculum of Citizenship and PSHE in the Sunderland area. Her role is to maintain standards, develop curriculum, support networks, develop best practice, audit and evaluate activity. Margaret relies heavily on the Pfeg advisor for information on what is happening. Also she has regular meetings with PSHE teachers independent of Pfeg. Each school has a PSHE and Citizenship coordinator for the curriculum area.

She is aware that there was little capability and perhaps some hostility by teachers, when it was introduced. In the past, Business Studies Departments had very little quality education in business finance. There were very brief courses in life skills etc, mainly for the “transition” and less able children. Personal Finance started from all these negative bases.

The Business Studies areas and PSHE teachers have made the most progress in Personal Finance. There is greater pressure to teach sex/drugs rather than Personal Finance. In the UK, race, sex and drugs were high priority.

School contracts

If a school enters a contract, there is a commitment to attend training and contribute to materials and project evaluation. In return, the school gets free coaching and advice (some outside school i.e . theory of the project and action planning) plus 2 days in school support. Video evidence can set up a bank of good practice. In general, Margaret Ferrie acknowledges that expertise is not evident among the teachers, and space in the PSHE/Citizenship

curriculum is limited. No other resources are available at the LEA level to put into Personal Finance or Citizenship.

Schools find the money from their own Professional Development budgets and are not charged for attending. The LEA advisor believes a better model for the project would be phased entry points over 2 years with 6-9 month entry points.

Margaret Ferrie believes that Ofsted inspectors are not sufficiently well trained in this area, so they have insufficient knowledge of how much should be covered. Her opinion is that only political influence will change the priority for Personal Finance, as the roots to change are political change and examinations.

Her ideal would be

Citizenship - increased training and specialisation
structured change in schools (have it as a subject in its own right)
Subject Heads Of Departments have more control over the funding
needs to go into the post grad teacher training programmes
full course GCSE, instead of the current half year course. OCR's uptake for the GCSE course exam is very slight.

The LEA will need to find an exit strategy for Pfeg. Expertise may have to be developed at the LEA to fill the gap.

Personal Finance could be part of Key Stage 5 in Business Studies and Economics, which are optional. There are elements of Personal Finance throughout Business Studies and Economics. There could be an argument for Personal Finance skills to be part of the key skills throughout Key Stage 5 and Personal Finance could be a context for the key skills of problem solving and working with others. Personal financial management may be part of a qualification other than A levels at Key Stage 5. Unlike Scotland, England has shied away from soft skills assessment.

Maxine Bailey

Citizenship and PSHE team

Department for Education and Skills, United Kingdom

2 December

The National Curriculum in the United Kingdom is developed by the QCA and the DfES. Although literacy and numeracy are at the centre of the Government's policies, education is also about the wider personal, social and moral development of young people as they grow up, move through childhood into adolescence and prepare for adulthood.

DfES' main role

- work with QCA to create the curriculum
- supporting the effective delivery of curriculum
- producing guidance
- supporting the Ministers of Education (all 5) and the Secretary of State (who oversees the Ministers of Education).

There is one Minister in Government who specialises in PSHE (among other things).

The rationale for PSHE in the curriculum

The PSHE Framework was introduced due to the importance the current Government attaches to the personal and social development of young people in today's complex and changing world. Personal Financial Education became part of PSHE in 2000. The Advisory Group for the PSHE curriculum is composed of teachers, external consultants, and the DfES.

The current Government believes it is necessary for children and young people to appreciate the effect of their actions on their own lives and the lives of others, to understand the difference between right and wrong and to understand the limits and codes of personal behaviour. The PSHE framework covers a wide range of learning opportunities ranging from

basic emergency aid procedures, **becoming competent in managing personal money** through to managing risk and making safer choices about healthy lifestyles including drug misuse. The DfES believes that good PSHE in schools supports parents in helping their children to develop the ability to make informed, healthy and responsible decisions about their lives. Although it is not statutory for Ofsted inspections to comment on PSHE, PSHE is often mentioned within the curriculum section of inspection reports.

Citizenship allows students to gain skills in adult life. It became statutory in September 2002 for Key Stages 3 and 4, but PSHE itself is non-statutory. The DfES made Key Stages 3 and 4 statutory in Citizenship to ensure a universal coverage and provision. At the Primary level (key stages 1 + 2 for 6 - 11 year olds), Citizenship and PSHE are both non-statutory and the DfES is confident that there is no need or plans to make them so. Although PSHE is non-statutory, it is part of the Curriculum Handbook. This gives it a status.

Personal Finance, Sex Education and Drug Education are three areas which have Guidance statements.

The DfES has commissioned an eight year longitudinal study of citizenship education. The aim of the project is to assess the short-term and long-term effects of Citizenship Education on the knowledge, skills and attitudes of young people aged 11-18. The study will collect detailed information about how schools elect to teach Citizenship, and relate these to student outcomes to assess which models are particularly effective. The study is being undertaken by the National Foundation of Educational Research, and was started in May 2002.

PSHE in schools

The DfES believes that every LEA has a PSHE Advisor (about 150 advisors altogether). These advisors have usually picked up Citizenship as well. The LEA supports schools in the Citizenship area. The inspectorate, Ofsted, looks for a separate element during inspections for SMSC (spiritual, moral, social and cultural), which would include looking at PSHE. Also the National Healthy School Standard (NHSS) encourages schools to make schools a healthy environment for learning. This relates to PSHE and gives PSHE added status. NHSS

elements are about creating a healthy environment. Schools can gain NHSS accreditation. This can boost PSHE delivery expectations. PSHE is acknowledged as an essential element by Head Teachers.

The current situation

A lot of schools were delivering PSHE prior to 2000 but the non-statutory framework subsequently provided formalisation for its delivery. The DfES is confident most schools are doing Personal Finance as part of their PSHE delivery. However, individual schools can pick it up where they want to.

The DfES believes that Personal Finance does not get the same slant if it is delivered through Maths. However, making links between Personal Finance and the other curriculum areas is up to the individual schools. There is often a PSHE coordinator in a school but it is not always a person trained in Personal Finance nor in there a time allowance for doing the job.

Sir Howard Davies
Chairman
Financial Services Authority
2 December

The move towards government funding for Enterprise Education

Sir Howard Davies conducted the Enterprise Education Review at the request of the Chancellor, Gordon Brown. Sir Howard believes there is a danger if schools only just bought in to enterprise schemes such as Young Enterprise.

Treasury has agreed in the pre-budget report (late 2002) to include targeted, explicit provision for Enterprise Education: £5m in 03/04, £10m in 04/05, £60m in 05/06. In order to finance an entitlement of 5 days of enterprise education, the cost would be £54m a year. Sir Howard believes the UK needs to pilot different ways of doing enterprise education. Now that £5m has been initially allocated for this, the next stage is to develop the more promising ways. A range of accredited providers of Enterprise Education is possible but Ofsted will then check that they have delivered. The first two years will be driven by the DfES (also the DTI and Treasury). From year three, funding will be routed through the school.

Sir Howard believes that it is more difficult to deliver Enterprise Education mini enterprise type activities in inner city poorer comprehensive schools. These schools need more support by the providers of programmes than the more well-off schools. Adequate additional money is required for support, which needs to go to schools so that they can buy off the shelf enterprise education programmes such as Young Enterprise. However, he commented that it is better to do a variation of Young Enterprise rather than work experience, which he believes is a low-value added activity. Businesses need a well-organised framework and Treasury thinks that this is well worth paying for. Sir Howard may be asked to monitor the delivery of Enterprise Education programmes.

Financial Education is a component of Enterprise Education

Sir Howard believes that Enterprise education is less successful and less useful if there is no basic knowledge of Personal Finance. In his review, he included Financial Education as an integral component or characteristic of Enterprise Education. In 1998/9 there was a debate on whether Financial Education be included in education. When the Government introduced Citizenship, it was decided to put it there as part of PSHE. A recent MORI poll (a research polling type organisation) found that students were knowledgeable about sex and drugs but wanted to know more about money management.

Sir Howard believes that the United Kingdom has been struggling for Financial Education to get its rightful place, to have it regarded as mainstream, to get it as an entitlement. He considers it is also important to get it inspected. Currently there are no Financial Education targets.

The Financial Services Authority (FSA) has been given an additional objective: to promote public understanding of the financial system. The FSA had been producing conventional leaflets for adults but now wanted to make a difference in the education system. The FSA sourced money from the financial services industry and invested in Financial Education resources for schools. Money also came from the EU for these resources.

Primary school approach

Sir Howard suggested that, especially in the primary school system, Financial Literacy materials be used in a context for the numeracy strategy. A competition was conducted for primary schools about how would they promote Financial Education through their Maths classes (one school turned the Christmas party into a Financial Education exercise via Maths). The Financial Services Authority has produced curriculum materials, which are intended to be used within the Citizenship and PSHE area but also in Maths.

Wendy van den Hende,
Chief Executive
Personal Finance Education Group (Pfeg)
3 December

Pfeg - the organisation

Pfeg aims to promote and facilitate the education of all UK school pupils about financial matters so that they are able to make independent and informed decisions about their personal finances and long term security. Pfeg brings together teachers, government, consumer bodies, the Financial Services Authority and industry representatives. It has a board (9 organisations), an advisory group (45 organisations) and 19 organisations who fund it. The funding organisations are varied, including Inland Revenue, DfES, ABI, FSA, and at least 4 banks and Financial Services organisations.

Pfeg projects

Pfeg is developing and promoting

- 1 written good practice guides
- 2 a website - with lesson plans, case studies. Teachers like a one stop shop. They want resources on the Pfeg website rather than directing them to other websites.
- 3 national conference - like a 6 months road show, designed to alert the finance industry journalists etc to tell them what is happening.
- 4 the Excellence and Access project for professional development.

The website has a database of endorsed resources for teachers to use especially for delivering the Personal Finance curriculum (year 1 - 10). The resources, developed in partnership with teachers, are awarded a Quality Mark so that teachers can be assured of their quality and relevance. Treasury and IRD are producing web-based materials, a video and web-based and paper resources for Personal Finance. It was considered that CD Roms have too many “glitches” and the Web-based format is better for updating.

Pfeg is half way through the Excellence and Access project of professional development. £1.9 million is available to train up to 800 teachers in 400 secondary schools. The teachers, in conjunction with the Pfeg advisor, are responsible for identifying within their school how the Personal Finance curriculum can be delivered. An independent evaluation of the project is being carried out by Brunel University. The Interim Report indicates that Personal Finance Education is switching people on. The areas that the students are not confident in, the teachers aren't either, especially taxation.

In Scotland, the SCFE is developing superteachers (advanced skills teachers).

Good practice

What works is a **person** working alongside the teacher. The personal approach is expensive but is unique in its success rate. In addition there are regional seminars, which are practically orientated, demonstrating lessons in workshops, which demonstrate different ways of delivering Personal Finance e.g. through Citizenship, Maths. At Key Stages 3 and 4, there are 10 case studies each.

In England, the QCA organises a key players meeting for Citizenship. It is so broad and there are so many players, that it is very difficult to get one's voice listened to. In Scotland, the approach is less mechanistic and more holistic.

The Excellence and Access project is quite reliant on the quality of the delivering personnel. For Pfeg, where Excellence and Access is working, it is working well. Where it is not working, the advisor is not as good, and there is a lack of teacher enthusiasm. Not all regional consultants (advisors) have the enthusiasm.

Cultural diversity project

There is considerable work being done around cultural diversity and three case studies are being prepared:

- 1 Asian approach to pensions.
- 2 Caribbean approach to saving (for a holiday).
- 3 Islamic approach to getting a mortgage.

There are four specialist advisors on specialist projects, which support schools in bringing in the cultural diversity element. A broadsheet relating to cultural diversity is to be posted on the website.

Post Key Stage 4 curriculum

After age 16, Personal Finance is expected to be in the Citizenship curriculum, and key skills will focus on numeracy, money management and working life.

Jan Campbell,
Qualifications and Curriculum Authority
United Kingdom
3 December

The Citizenship curriculum

The Citizenship curriculum is fairly short. A lot of detail was not put into it. Financial Education has not been developed in a lot of depth and no financial skills list have been created. Testing is carried out at the end of each of the key stages. Jan Campbell commented that the community should not confuse testing with assessment. Assessment is for learning.

The rationale for Citizenship was for young people to address their personal and social questions. Engagement in democracy was a key area for Citizenship. The details of Citizenship focus on issues, and priorities, and depend on what is happening in communities. Citizenship, then, takes Personal Finance into the realms of the community. Young people's understanding of economic ideas are addressed through PSHE and Citizenship.

Compulsory education ends at age 16, so Citizenship is not statutory post 16 and there is no defined post-16 curriculum. There are development projects looking at how Citizenship might be delivered in different educational contexts e.g. school based option 11-18 year olds, college 16 - 19 year olds, and vocational training.

The place of Personal Finance

In the past, Personal Finance suffered from being spread around and was not well defined in the curriculum as a whole, but the introduction of Citizenship and PSHE frameworks has provided a flexible context for it to be developed more appropriately.

PSHE looks at the micro (how does it affect me) and Citizenship (how does it affect others) looks at the macro (2 sides of the same coin). For Citizenship, the primary focus is the family and the local neighbourhood, a secondary consideration is a group focus, more global.

Professor Linda Thomas

Brunel University

4 December

Involvement in the Pfeg Excellence and Access project

Brunel University won the contract to evaluate the Excellence and Access project. Professor Linda Thomas is in the Department of Education and undertakes educational research.

The survey was designed to take a 3-pronged approach.

- 1 Initially the researchers surveyed all the schools involved in Pfeg.
- 2 The 2nd survey approached a sample of these schools and aimed to collect a more in-depth set of data relating to the schools and the teachers.
- 3 The third prong was to carry out qualitative research using case studies (10 schools). During interviews for the case studies, the researchers followed teachers through the training, interviewed the students, and witnessed the lessons.

The report is to be produced separately from the case studies.

The research to date has found that teachers are sympathetic to Pfeg. However, teachers have a poor view of their own expertise and lack confidence in delivering Personal Finance.

Financial Literacy test

During the research, it was seen as essential to develop a test for financial literacy. An initial 48 question test, using the Likert 1 - 5 scale, has now been reduced to fewer than 20 questions for using in the research. The aim is to get the Financial Literacy test for the students up and running by the end of April.

During the research for composing the test, it was discovered that knowledge was important but not the most important aspect in improving financial literacy. Students can gain

knowledge but can still not put the knowledge into practice. Attitudes were found to be a more important factor and are likely to have a greater impact on how people behave financially. The test is to be largely defined in terms of attitudes, rather than knowledge.

Interest in the ENZT programme

Professor Thomas was impressed by the ENZT Financial Literacy Programme. She readily identified that although this programme had been developed six years ago, it had recognised the importance of addressing and emphasising attitudes and values at the commencement of the programme.

Dr Jeanne Hogarth
Programme Manager Consumer Policies
Federal Reserve Board
Washington, DC
United States of America
9 December

(also at the meeting were other Federal Reserve Board Staff: Carolyn Welch, Marianne Hilgert, Maureen English, Lynn Fox)

Government policy

The Federal Reserve Board acts as a “cheer leader”, a promoter, for Financial Education. The FRB does not do any aggressive lobbying itself. It is also trying to do more in the area of workplace education. The aim is for an educated consumer. The FRB Communications and Community Affairs sectors are working together to promote Financial Education and the availability of financial materials. Jeanne is undertaking research on “what works”. Research on behavioural change is also being undertaken.

It is believed that three primary indicators often frame financial illiteracy - the Nation’s growing consumer debt, an increasing number of personal bankruptcies, and a low personal savings rate. In the US, revolving credit card debt is increasing, per household, the number of bankruptcies is rising and the national personal savings rate hovers around zero. Hence there is concern regarding national financial literacy.

Larry Summers (The Treasurer) is very keen on Financial Education. Treasury has created an Office for Financial Education. Treasury has a partnership with the (Federal) Department of Education (Robert Page).

Use of technology to deliver Financial Education

Alan Greenspan believes that technology is a potential source of opportunity but cautions that education is a prerequisite to successful application. He told the Senate Committee that technological advances represent the opportunity for achieving efficiencies and exercising preferences but only when end users possess the knowledge of how to access pertinent information and how to capitalise on those choices.

Individual school policy decisions

Most of the curriculum decisions in American schools are made at the local level. States have competency exams (standards of learning). In the last 8 years, the policy has been to test students every year. New York state was mentioned as a key state where there is an Advanced Placement test in Economic Education and students get points for College in this test. NY State has a statewide Economic Curriculum and Financial Education is part of this.

It was noted that part of the situation which needs to be addressed is that teachers are not financially literate either. It was necessary to support teachers through their education as well through professional development.

Key issues in the USA

A recent Senate committee hearing identified the following problems and situations:

- 1 Predatory lending and abusive lending mortgage processes.
One of the points that came out of the hearings was that Financial Education would assist here. There is a concept that everyone ought to have a home - mortgages are a big thing in the US and that has driven an interest in Financial Education.
- 2 An individual's financial record/credit history needs to be in order to get a mortgage.
- 3 There is a surge of interest in unbanked households. Electronic banking has highlighted the number of households without cheque accounts (9-10 million people). Some couldn't get bank accounts because they didn't have the right kind of documentation. Many Mexican families are un-banked and are bringing in up to \$5-7k cash to pay for items.

- 4 Retirement programmes. Changes were made in the pension laws in the '70s. Payout was now dependent on choices the individual had made. It is believed that people do not do a good job of allocating their investment dollars and are too cautious. They are not well educated in risk and reward, nor the time value of money.
- 5 No education accompanied the shift from “we’ll do it for you” to the “you do it for yourself”.
- 6 Credit card problems. Non-profits help with this work in conjunction with the credit card industry. Preventative work is going on.

Community Reinvestment Act

Financial institutions have a responsibility to invest in the local community. Financial Institutions are obligated under the CRA to have financial literacy training in communities, to coach and counsel home buyers.

Research

Researchers are looking at the Military and their financial behaviour, with a longitudinal study over three years taking place. The Military were chosen because a captive audience is needed and they can be easily traced and tracked. The Military move but at least they can be located.

In her research (Money managers - the good, the bad and the lost), Jeanne indicated that there was a connection between knowledge and skills and behaviour. To demonstrate this, ownership of financial products was compared with a range of financial behaviours. Learning patterns and preferences were also investigated.

A key finding of the study was the significance of both education and financial knowledge. In addition to income, these were the only statistically significant variables associated with a decreased probability of being in the “lost” category and an increased probability of being very good money managers. The findings not only support the well-held notion of the importance of education but of financial literacy in particular.

The study also found that learning experiences and learning preferences were associated with type of money managers. People who used both proactive and reactive methods of learning were less likely to be in the “lost” or “poor” money managers categories. Learning in high school, outside courses, media and the internet had a slightly greater marginal effect among the “lost” than did learning from personal experience, friends and family or an employer. Individuals who liked to learn in a group environment also had a decreased probability of being “lost”.

Finally, Jeanne concluded that there is a need to better understand the differing effects of information delivery (improving awareness), and actual education (resulting in a skill set and motivation to take action).

For policymakers and programme leaders, the distinction between information and education is an especially important point. Financial literacy campaigns and learning tools (websites, brochures) all important in their own right need to be coupled with audience-targeted educational strategies.

Kristin Smith
Director
The Office of Financial Education
US Treasury
Washington, DC
9 December

Government departments and their links with Financial Education

This is a new office. Judy Chapa is the political appointee in charge of the office. Kristin Smith is the government official. Treasury has asked for funding to expand the Office of Financial Education.

Treasury did an environmental scan and Secretary O'Neill decided this office was necessary. There were many financial studies in the news highlighting the need for this type of office. It is believed that the appropriate role for Treasury is to act in a coordinating role. The Director deals with the policy perspective.

It was stated that when Treasury talks, people will listen. Treasury is a key influencer. Treasury is continuing to work with interest groups (as in the white paper), and with education groups.

In the past, there has been very little coordination within Government in this area e.g. the Department of Education, Dept for Housing and Urban Development (HUDD), FDIC and other banking agencies, Dept of Commerce and Dept of Defence, Dept of Ag.- Cooperative Extensive Service. At the Dept of Education, Joseph Esposito is a political appointee, who works for Deputy Secretary Hansen in the area of Financial Education.

Treasury has been able to raise awareness of the need for Financial Education to a higher

level i.e. a decision-makers' level, Chief of Staff level (3rd in command at the Department).

Specific areas which are believed to be particularly important:

- 1 **Youth education.** O'Neill is a strong supporter of integrating Financial Education into Maths and other curriculum areas.

A white paper entitled *Integrating Financial Education Into School Curricula: Giving America's Youth the Educational Foundation for Making Effective Financial Decisions Throughout Their Lives by Teaching Financial Concepts as Part of Math and Reading Curricula in Elementary, Middle and High Schools* was prepared in October 2002 and there is continuing work with the Department of Education on this issue.

The paper recommends that States align standards, assessments, and curricula to include basic financial education concepts and real-life applications in core curricula. The reason for this is to both reinforce concepts year after year and to avoid the cost of separate Financial Education classes and materials. It emphasises that education leaders at the state and local level need to understand the benefits of Financial Education and the importance of including it in a standards-based system.

- 2 **Adults.** Concern exists in relation to savings, credit management, home ownership and retirement planning. Treasury wants to work with key organisations to address these issues.

Access points:

- 1 **Teachers have poor Financial Education.** Therefore encouraging Financial Education in teacher training courses is seen as important, as is including Financial Education to maintain teacher accreditation (this varies state by state). NFTE - National Foundation for Teaching Entrepreneurship can deal with business ethics for Financial Education.
- 2 **Provision of textbooks and resources.** Textbooks are purchased at the state level. States could insist that books with Financial Education be the ones that are to be

purchased. Request for proposals for providing textbooks would need to include Financial Education.

- 3 **States have state standards.** The community needs to suggest that state boards need to be briefed on this.

The “No Child Left Behind Act” encourages states to set standards and then test them.

Financial Education needs to be incorporated into the standards, specifically stated and if so, it would be specifically tested. Financial Education being incorporated into the standard needs to be set by the State Board of Education. However, there is no “one size fits all” approach.

Jump\$tart are working on a bank of questions for incorporating into tests.

Dara Duguay
Executive Director
Jump\$tart Coalition
and
Randy Lively
CEO
American Financial Services Association
Washington, DC
10 December

Jump\$tart is a coalition of business and non-profit organisations formed for the purpose of promoting and improving Financial Education and Financial Literacy. It acts as a Clearing House for material prepared by organisations, but Dara believes it is far from perfect. For example, Visa have prepared a Basic Financial Education kit, which has a teacher guide and workbooks. Jump\$tart also is interested in policy. Jump\$tart cannot “lobby”, but can “inform”.

Dara Duguay believes that the Secretary of Education needs to repeatedly say that Financial Education is important. Very few education groups see it as a priority. Personal Finance is not being effectively taught in schools, usually as a result of being an elective.

Jump\$tart has recently received US\$250,000 from the Department of Education for the purpose of disseminating standards and setting up a clearing house (for Financial Education promotion). This is part of the funding of the “No Child Left Behind Act”.

Visa sponsorship is paying for exposure time for Dara for as many business media stories on TV as possible.

Assessment

An assessment framework is coming out in 2006. 30percent of the questions will be written in a Personal Finance context. The questions are being written now and Professor Lew Mandell is overseeing the bank of writers. Personal Finance assessment material will be given to the states that are writing assessments for Maths and other subjects. The funding for this is coming from CTB MacGraw Hill, Assessment Division (US\$216,000 sponsorship). Questions will be constructive response and multi choice. The availability will be in 3-6 month's time depending on funding. A question bank of 400 questions is envisaged.

E-text development

Professor Mandell is developing an e-text. A teacher has to be trained in the course and can then enroll the class and monitor the progress. There are 38 modules, 45 minutes each. It is set out in four major quadrants - income/expenses/assets/liabilities. It is designed for 11 and 12 graders. It does not require teacher intervention. It does not allow you to go back and correct mistakes. The aim is to teach a "core" set of knowledge.

Key barriers:

- not part of the core curriculum
- need to convince schools that it can be integrated
- crowded curriculum

Curriculum models

Personal Finance is mainly taught:

- 1 Family and Consumer Sciences
- 2 Business classes (not for the high fliers)

The closest of the required courses are Maths and Economics.

Don Blandin
Director
American Savings Education Council (ASEC)
Washington, DC
11 December

ASEC's aim is to encourage the community to save. It was formed to undertake and encourage initiatives aimed at raising public awareness about what we needed to successfully ensure long-term financial independence. Its goal is to make saving and retirement planning a vital concern for Americans of all ages, life stages and backgrounds. The organisation is involved in a variety of activities to promote this cause. The organisation is skilful at lobbying, and can mobilise resources and gain access to influential people. Determining the attitudes and behaviours of young people toward personal finance and money management is important in developing appropriate savings messages.

Recent surveys

1999 "Youth and Money Survey"

The 1999 "Youth and Money Survey" set out to ascertain the financial understanding and money management practices and perceptions of the country's youth. It investigated the self-appraisal and actual attitudes and behaviour to saving and investing money. It looked at the reality of earning and spending money. It investigated where students learned their money information from. It concluded that despite feeling reasonably confident, they do not know as much as they think they do. Financial Education courses provide confidence and generate a willingness to face up to behaviour. While many students are saving regularly or sometimes, at the same time they do not appear to value saving and what it can do for them. Many of them report that they should know more about money and financial management.

2001 "Parents, Youth and Money Survey"

In the earlier survey, students revealed that parents were most likely to be a source of

financial information for their children. This survey set out to discover how well-positioned their parents were in serving as sources of information and role models.

It was discovered that while parents thought they do an excellent job of managing their money, the financial habits they report suggest that many are overly confident about money management skills they exhibit on a day-to-day basis. Even those who believe they do an excellent job may not be good role models for their children. Credit card behaviour does not reflect good financial management. A proportion of parents who say that saving is important, do not save money on a regular basis.

From the survey it appeared that parents had not given much thought to their role as providers or teachers of financial education. They saw themselves as sharing this teaching role with schools. The results showed that some of parental reported behaviour confirms their self-assessment of their capability to act as role models and give guidance. However, other behaviours relating to budgeting, credit cards and investment information indicate that they are not as good as they think they are. Parents do not appear to be adequately prepared to be teachers and role models to their children in financial matters.

Jonathan Pepper and Margaret Anderson

US Savings Bonds Office

US Treasury

and

Margy La Fond

Social Security Department

Washington, DC

11 December

Money is an emotional subject. It is believed that parents are not well educated with money. So parents are not pushing Financial Education because it is a touchy subject. However, Financial Literacy is a hot issue in the media now especially in the last year. Enron and the decline of the stock market has also helped sharpen the focus of the general public.

Promotional activities

Save for your future campaign partners include non-profits, Dept.of Treasury, some other government departments (Dept.of Labour, Defence) and the Centre for Medicare and MedicAid. 1 May 2003 there will be a Press Conference, with examples of people who have done a good job with savings, plus an event.

There are many financial products, but no-one is doing a good job marketing them. The purpose is to get media attention for marketing. The materials are in English, Spanish and 8 Asian languages. Leading opinion leaders are coming to the events. It is there fore hoped to get these people to see the value of this area of activity.

Resources

Treasury has produced a resource called Money Maths, which is targeted at ages 7 - 9 years.

The resource has a range of sponsors in order to avoid the impression that one sponsor in particular is directing the project.

Also there is to be a competition for informing people regarding the impact of compound interest. ING Direct (a partner of ASEC) in this project.

The Social Security Department has produced a teachers' kit on social security.