

# Financial education at School International OECD/INFE Guidelines

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# Outline

**I. Rationale**

**II. Process**

**III. Main instruments**

**IV. Development of data**

**V. Main findings**

**VI. International Guidance**

# I. The focus on Financial Literacy in schools : Rationale

- **Increasing needs:**
  - New generations will bear more financial risks than previous ones + products are becoming more complex
  - Students make important financial decisions at younger age
  - Young generations are less financially capable than their elders
  - Parents are not necessarily well equipped to develop appropriate financial skills of their offsprings
  - Financial literacy levels are correlated with socio economic status : inequalities are reproduced and amplified overtime



# I. Rationale (cont.)

- **Benefits of FE in schools :**
  - Fair and *quasi* nationwide delivery
  - Start early + teachable moment+ appropriate methods ▶ potential stronger impact on behaviours
  - Potential spill-over effects to other generations and the larger community
- **Challenges :**
  - Lack of policy makers/ education systems' awareness and long term commitment
  - Pressure on curricula
  - Teachers competencies and interest in this field
  - Attractiveness of the issue for students
  - Resources!

## II. Framework of the OECD/INFE project

OECD 2005 Recommendation :

**“Financial education should start at school”**

- 2008 :Creation of an INFE subgroup on financial education in schools
- Broad stock take exercise 2008/2010 – **37 countries**
- Series of outputs **approved by the INFE and OECD Committees:**
  - **Guidelines on Financial Education in schools**
  - **Guidance on Learning Framework**
  - Background documents and resources available on the INFE website:
    - Case study report
    - Comparison on learning frameworks
    - Comparative tables and e-sharing/discussion space
- **PISA Financial Literacy Assessment**

### III- Main instruments :

## Guidelines on financial education at school

- Objective : high level international guidance for policymakers interested in introducing financial education in schools
- Complement 2005 OECD Recommendation
- Aim to be flexible and to take into account countries' particularities
- 3 parts:
  1. **Framework and modalities** of the introduction of financial education in schools : importance of MoE, flexible approach and policy options, focus on evaluation
  2. **Involvement of various stakeholders** : importance of MoE and teachers' involvement as well as parents and the community
  3. **Development of adequate means and tools**

### III- Main instruments : Guidance on Learning Framework

- Complement the guidelines
- Based on a comparison of existing learning framework on financial education
- Benefited from the work undertaken for the development of the PISA Financial literacy Assessment (and vice versa)
- Provides guidance on learning framework on financial education :
  - Definition of scope
  - Objectives
  - Outcomes
  - Content and length

## IV -Data collection : Programme for International Student Assessment – Financial Literacy component

- PISA is an OECD managed initiative
- Assess the level of literacy of 15 year old students among 70 countries every 3 years since 2000 (reading, math, science)
- NEW! Financial Literacy international option in PISA 2012
- First international benchmark on financial literacy of young generations
- 18 countries participating
- Measure : applied financial knowledge and skills of 15 year old +non cognitive factors
- Trial phase in 2011
- Results in 2012/2013



# V. Main Findings from the stock take and analysis

**Rapid growth** in number and range of financial education programmes at school – **24 countries**

**But uneven**, both within and between countries :  
- well established in some countries (US in some states, UK, Korea, Japan, Malaysia) more recent in others but fast developing (Australia, Czech Republic)

**Compulsory** in 10 countries ; **standalone** in 5 countries – **not the same!**

Full fledged **Learning frameworks are scarce (11)**

**Length**: one hour per week on average-  
8 countries teach throughout school (age 5-18)

Most programmes for students are for **schoolchildren**  
Far fewer programmes aimed at students in formal post-school education

### Few evaluations

- Canada British Colombia – evaluation of teaching tools provided to teachers
- NZ – framework for financial education programmes in schools has been trialled
- Netherlands – evaluation of teaching methodologies
- Scotland
- Brazil - ongoing

## VI. Highlights of the OECD/INFE international guidelines FRAMEWORK

Financial Education (FE) for students should form part of  
an **overall national strategy**  
**to financially empower individuals**

- In 12 countries of the stock take : Australia, Czech Republic, Hungary, Japan, Korea, Malaysia, Netherlands, New Zealand, Singapore, south Africa, UK and US

**Clear leadership and coordination** at national level  
either ministry of education  
and/or financial regulator

- Examples at national level include NZ Retirement Commission, Bank Negara Malaysia, Australian ASIC, UK's CFEB, Ministry of Finance Czech Republic, Ministry of Education in Korea

## VI. Highlights of OECD/INFE Guidelines: FRAMEWORK (cont.)

### Financial education at schools should :

Be developed through a planned,  
**sustainable coherent and  
comprehensive programme**

Involve closely the **Ministry of  
Education and its main  
stakeholders**

Be adequately **resourced**

Involve from the beginning  
rigorous **evaluation and  
monitoring** of programmes  
and curricula

Be developed through more  
limited **pilot exercise** in an  
initial phase if relevant



## VI. Highlights of OECD/INFE Guidelines: MODALITIES (cont.)

Financial education at schools should preferably:

Start **early**  
and  
**be ongoing**

Be **compulsory  
stand-alone**  
or  
incorporated  
through  
a **cross  
curricular  
approach**

Focus on :  
- financial  
**awareness and  
knowledge**  
and  
2- financial  
**attitudes and  
behaviours**

## VI. Highlights of the OECD/INFE Guidelines : MAIN STAKEHOLDERS

**Teachers and education stakeholders** should be clearly engaged, **well trained and supported**

Concerned **teachers** should benefit from initial, dedicated and ongoing training

**Schools staff and parents** should be involved as much as possible

Involvement of **technical experts and private sector** can support teachers and reinforce their ability (resources, expertise)  
BUT **conflicts of interest should be monitored**

## VI. Highlights of the OECD/INFE Guidelines : TOOLS

Teaching **material** should be **objective, high quality and easily as well as widely available**

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

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

**Australia-** ASIC has a quality assurance process in place to support development of resources that are high quality, suitable and relevant for use in schools

**Hungary:** Co-operation forum on financial education launched in 2006

## VI. Highlights of OECD/INFE Guidelines TOOLS (cont.)

**Importance of relevant and engaging ways to teach :**

**Relevant to the student and the school curricula, interactive, experiential and tailored to students' abilities**

- Cross curricular approach: relevance with the subject
- Games
- National Competition
- Role playing and simulation
- Use of real documents and first hand reports
- Links with local facilities
- Part of final examination



# THANK YOU!

Questions? Comments?



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