The importance of inclusive design in financial education

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Financial Education

- There is a general consensus that some form of financial education in school is a good idea:
  - Improving financial literacy is seen as important for navigating our financial systems
  - Important for developing life skills such as saving
- Financial literacy has been part of Australia’s National Curriculum since 2014
- Despite this, the OECD’s 2018 Programme for International Student Assessment (PISA) showed that Australian 15 year olds’ financial literacy assessment had fallen by 15 points (equivalent to 6 months of schooling) since 2012

Efficacy

- The efficacy of financial education in schools is contentious
- While many studies have shown a positive impact, there are often methodological issues
  - Data reliability, particularly self-reporting
  - Research design – inadequate controls
  - Measurement – validity of measures
- Evidence that developed skills quickly decline
- Practical issues around overcrowded curriculum and teacher training

Research Questions

1. What do students know about personal finance concepts?
2. Where do students learn about personal finance concepts?
3. How can we improve the financial education of young Australians?

Methodology

- Qualitative approach
- Four state high schools
- Focus groups and interviews
- Ethics approval from Department of Education and University Ethics Committee

Area	School	Focus Groups	Interviews
Regional	School A	3	5
	School B	4	6
Urban	School C	6	6
	School D	3	14
Total		16	31

What do students know about personal finance concepts?

- Saving ✓
- Loans
- Credit cards
- Inflation
- Insurance ✓
- Investments
- Superannuation ✓

"I always get confused with the two. Like you know how there's like credit, debit, keycard. I don't know, like credit card – is that where you ask for some money and there's a certain amount of money on there that you can spend that's not your money?"

Where do students learn about personal finance concepts?

Parents

- Highly influential
- Parents who own small businesses
- Parents employed in finance sector
- Parents involved with major buying decisions (cars)

<u>But</u>

- Many students in single-parent homes
- Many students living with other carers
- Many parents did not demonstrate good financial habits

“ My mum’s spending habits were really bad, and the things she spent it on were really bad, and I don’t want to go down that path.”

“My parents borrow money off me.”

Where do students learn about personal finance concepts?

School

- Maths
- Accounting and Business Studies ✓
- Work Studies

" We learned about interest... and shares we learned about this year. We had an assignment in Maths first term, where you either had an apprenticeship or you were going to uni. You had to make a budget out of how much money you get."

Where do students learn about personal finance concepts?

- ***Work***

“ I found out how to do my taxes from one of my bosses that I used to work with. He taught me how to do it.”

- ***Media***

“ I watch a TV show and like some 13-year-old has to budget for a family to make them spend less money… I picked up something from that.”

- ***Own Research***
  - When making their own significant financial contribution

Insights into how we should teach and assess financial concepts

1. Reduce the focus on calculations

- Most students currently associate financial education with calculations

"I think I learned this last year. Is it like the interest rate, and the P? I forgot what the P meant."

- Focusing on calculations means students who struggle with Maths become disengaged and reduces their confidence with finances

- Financial concepts can be taught without calculations

2. Incorporate more stories

- Students who had a story about a financial concept demonstrated greater understanding
- Stories help students understand and apply financial concepts

“Over time, because obviously more money is being printed…people think printing money creates more money and you’re richer, when in reality you're just making the currency you have worthless, because there’s so much of it, that it’s not difficult to acquire it at all. I learned most of that from history.”

3. Build the skill over time

- Different financial concepts become more relevant as students progress towards adulthood
- Revisiting financial concepts throughout senior schooling will help students reinforce their learning, leading to less decline in financial knowledge

"We haven't really covered it since we did that assessment. So, we really covered it, then did the assignment, then moved on."

4. Use a variety of assessment

- A well as shifting the focus from calculations, we also need to move away from predominantly calculation-based assessment
- This approach may disadvantage students who need more context or have different strengths when communicating their financial knowledge
- Having more written assessments that measure an understanding of a concept without focusing on calculations would benefit these students, which in turn can help with confidence

5. Link assessment to relevant contexts

- Linking assessment to relevant contexts for students will make the learning experience more relatable, increasing engagement
- Students will feel more comfortable learning about situations with which they are familiar
- Using context relevant to students' experiences can make assessments more inclusive

6. Expand financial education to other subjects

- Increase engagement with learning about financial concepts by also teaching it outside of Maths
- Increase exposure to financial education for students who do not take Maths or only take lower-level Maths
- Scope for more diverse ways of learning and assessing financial education

Conclusion

- Expanding the ways we teach and assess financial concepts allows more students to be exposed to and engage with this knowledge
- Designing learning materials to be more inclusive of different learning styles allows for a more equitable approach to financial education
- Students who have the opportunity to engage with financial concepts that they understand, are more likely to feel confident in their financial self-efficacy

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