

# **FINANCIAL EDUCATION PROGRAMMES IN SCHOOLS ANALYSIS OF SELECTED CURRENT PROGRAMMES AND LITERATURE DRAFT RECOMMENDATIONS FOR BEST PRACTICES**

## **EXECUTIVE SUMMARY**

Research in a number of countries has shown that many people lack the ability to manage their money well. At the same time, the consequences, both to individuals and to society at large, of a failure by people to take adequate steps to safeguard their financial future are becoming increasingly serious.

The OECD Financial Education Project was initiated in 2003, in response to OECD government concerns over the possible adverse effects of low levels of financial literacy and of financial education. The first major study of financial education at the international level was published in 2005. That report, *Improving Financial Literacy: Analysis of Issues and Policies*, identified and analysed financial literacy surveys in OECD member countries, highlighting the economic, demographic and policy changes that make financial education increasingly important. In 2005, OECD governments also endorsed a *Recommendation on Principles and Good Practices for Financial Education and Awareness*. This preliminary report on financial education programmes in schools and other educational establishments, forms part of this Project.

This report reviews financial education programmes aimed at students in selected OECD and non-OECD member countries. The focus is mainly on programmes aimed at schoolchildren, since the great majority of programmes intended for students are for those of school age.

The overall picture is one of rapid growth in both the number and range of financial education initiatives. But the picture is patchy, both between countries and within countries.

There is a wide variety of programmes in existence, many of which have been launched relatively recently. Many of the programmes are innovative and have been carefully designed so that their target audience will find them engaging. While many of these programmes have characteristics which are particular to the country in question, there is nevertheless clear potential for those who are looking to develop new financial education programmes to adopt ideas from existing ones – whether from their own country or overseas. This report refers to websites, and to other sources of programmes, on which policy makers and other stakeholders may wish to draw.

This report also reviews the available research on the effectiveness of financial education initiatives aimed at students. There is, at least as yet, a lack of unambiguous research to demonstrate the effectiveness of financial education programmes for students. Not surprisingly, the focus to date in many countries has been on the development of new programmes, rather than on commissioning research. The report recommends that a broad range of research is undertaken to establish the most effective ways of providing financial education, both to assist policy makers to decide how best to focus resources in the future and to help convince educationalists that, within what are often crowded curricula, space should be found for personal finance education.

Delivering high quality financial education to students is an idea whose time has come. This report sets out a number of draft recommendations for increasing the delivery of, and the effectiveness of, the provision of financial education to students.

Drawing on the main findings of this initial survey of financial education programmes in educational establishments, the OECD intends to launch in 2009-2010 a more extensive stock-take exercise covering all OECD countries and selected non-members countries. This broader exercise would enable the development of a more comprehensive report on financial education programmes in educational establishments across a wide range of countries.