Class credit for making sense of dollars

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Chris Tolhurst

Access multiple loan options without accessing your credit file.

Ben Clapp, MoneySmart co-ordinator at Mentone Girls Grammar, advises his students about the value of money. *Photo: Simon Schluter*

Literacy and numeracy aren't the only make-or-break life skills that children need to develop. Teaching young children about the rights and wrongs of handling money has become just as important as learning the three Rs.

The reason? Access to credit and money has changed dramatically in the past 40 years. In the internet age, managing money and differentiating between needs and wants can be difficult concepts for kids to get to grips with, compared to the easygoing 1960s and '70s when ATMs and eftpos were futuristic concepts.

The best way ... is a combination of learning about money at school, complemented by what you learn from your parents.

A consequence of the rise of electronic transactions, credit cards and "invisible money" is that some children see money as a limitless resource.
Deakin University's Dr Debra Bateman believes the established Earn and Learn primary-school program is more effective than MoneySmart. *Photo: Eddie Jim*

Debra Hutchinson, who teaches at Ballarat High School, says children can think that "money is just the card and it is paid for".

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It's little wonder that the chances of Australians experiencing crippling debts in their early or mid-20s are much higher than they used to be.

"Being able to handle money is a core life skill that all people need," says Robert Drake, the senior executive leader for financial literacy at the Australian Securities and Investments Commission (ASIC).

"The best way to get it is a combination of learning about money at school, complemented by what you learn from your parents."

The study of financial literacy in schools is being given a much higher priority, thanks to a national teaching program developed by ASIC, Australia's corporate and financial services regulator.

The MoneySmart teaching program is being trialled in 93 schools nationally. Ballarat High is one of 19 Victorian schools taking part, and the program is expected to be introduced to many other schools next year.

In 2012, ASIC led a joint response to the Australian Curriculum Assessment and Reporting Authority's economics and business shape paper in collaboration with the Australian government Financial Literacy Board, the Tax Office and the Australian Competition and Consumer Commission.
The shape paper has opened the way for all students in years 5 and 6 to be taught formal economics and business subjects under the new national curriculum.

But another important strand of the program involves including "money examples" in maths, English and science classes. This part of the program provides a toolbox of resources and lessons for teachers that cross subject areas and root learning about money in the day-to-day experiences of children.

Mr Drake says the resources help teachers talk about money issues with children in prep through to secondary school.

"In year 3 we talk about getting kids to distinguish between needs and wants, and how to design a breakfast within a fixed budget," he says. "Rather than organising the imaginary breakfast with all the things the grade 3s would like to have, it is all about: what can we do within the budget?"

Other MoneySmart tools zero in on the language of money, and on how to plan your finances around spending, saving and investing. Consumer rights and responsibilities, the concept of risk and reward and how to be enterprising are other potential talking points.

"Parents want their kids to be savvy about money and be able to understand advertising and what it is trying to achieve," Mr Drake notes.

"Kids are consumers quite early. They are learning about mobile phones and how you juggle usage."

Building financial literacy standards in the wider population is one of ASIC's main responsibilities. It has run a MoneySmart website pitched at adults since 2011 and other public education programs since 2000.

Ben Clapp, a year 6 teacher and the MoneySmart co-ordinator at Mentone Girls Grammar, says the school has broadened its approach to teaching economics with the addition of the ASIC program.

"We weren't covering financial literacy before as part of our normal curriculum," he says.

"The MoneySmart program gave us a more comprehensive approach: it gave me the tools, the resources and some good units of work that allowed [lessons] to unpack really well."

Teachers, by and large, don't like having curriculums introduced by people who have no teaching experience. There is a belief among education commentators that the ASIC initiative is being imposed in a heavy-handed way, and that it glosses over the fact that economics and enterprise are already taught successfully in schools.

Debra Bateman, who lectures in primary education at Deakin University, says it is disappointing to see "the enforcement of a minimalist economics and enterprise program in a primary school setting".

She believes the MoneySmart curriculum writers have not shown the creativity that already occurs with economics lessons. An established program called Earn and Learn, operating in
many Victorian primary schools, exposes children to macro-economic issues far more thoroughly than does the MoneySmart toolkit, she says.

Dr Bateman argues that the federal government has imposed its program on schools with little appreciation of the current state-of-play: "This is the problem with the whole Australian curriculum: it works on a deficit model and assumes that schools are not already doing fantastic things.

"Someone on high is making calls about what they think. I think there is a lot of influence from business communities and future employers that are saying we need to teach all of these things without understanding how they need to be taught, and how they are accessible for children."

Others disagree. Yasser El-Ansary, the general manager of the Institute of Chartered Accountants, rates the ASIC program as vital. He says children today face more complex life decisions than earlier generations and economics education needs a "more robust framework", from years 5 to 10.

"Superannuation is becoming such an essential part of the fabric of our economic safety net that kids have to have a basic understanding of business and economics," he says. "The biggest part of the challenge of differentiating between good financial advice and not-so-good advice is understanding the right questions that need to be asked."

In Ballarat, Debra Hutchinson has co-ordinated the program across different classes. She says the resources made available to teachers reflect everyday issues that students encounter.

At her school, year 9 students studied managing mobile phone accounts in term 1 this year, while year 8s tallied up the costs of travelling overseas.

"Even though the trial involved specific units, it still allowed you room for discussion and to take it whichever way it went," Ms Hutchinson says. "We still taught what was provided for us to teach, but the program seemed to open up conversation and engage the kids."

Other educators believe the ASIC program is working well with existing teaching frameworks.

Jennifer Quick is the curriculum manager for business and economics at the Victorian Curriculum and Assessment Authority. She is responsible for the Victorian Essential Learning Standards Economics domain, from prep to year 10, and for the VCE suite of business studies in the senior years.

Ms Quick says the amount of debt that young Australians are accruing is a concern.

"The Australian government is concerned about it, so this [MoneySmart] is a push to make our young people, who will move through the population and become our older people, more consumer and financially literate," she says.