



*A response from
The Australian Association of Mathematics Teachers Inc.
to the ASIC discussion paper*

Financial literacy in schools

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Q4.1 Are there other available options for incorporating financial literacy into the curriculum? If so, what are they?

None of the options detailed in the discussion paper seem to involve taking the opportunities which currently exist within curriculum and making better and more consistent use of them.

A pervasive model for curriculum is that of warp and weft. Key Learning Areas are the *warp*, with cross-curricular learnings/competencies woven through as the *weft*. A further option would therefore be to advocate the importance of financial literacy as a cross-curricular concern without attempting to tie it exclusively to the potentially restrictive areas of Life Skills, vocational learning and enterprise education.

Although the discussion paper mentions the option of teaching financial literacy across a variety of subjects and contexts, options (d) and (e) address only the possibilities of inclusion in formally identified Life Skills outcomes (which do not exist in all jurisdictions or exist with different aims and purposes) or the transition from school agenda. Taking up the warp and weft/cross-curricular model is a different option from all those provided. In practice, it may look like option b), but it has a different emphasis.

Some states are currently reconceptualizing curriculum in terms of the big ideas that enable people to be productive and critical members of society. “New basics” (Queensland) and key essential learnings (Tasmania) are two examples of this approach. These initiatives do not appear in the discussion document. It will be important to ensure that financial literacy is integral to such a conception of curriculum.

Q4.2 Which option/s do you support and why?

Non-preferred options

We do not support option (a) as the arguments for the existence of financial literacy education in the school setting are compelling, and the evidence is that at present there are students who are missing out on aspects of this learning.

Option (c) is likely to encounter resistance from many who would not see a natural “fit” between financial literacy and the Health and Physical Education KLA.

Option (d) seems impractical in the short term, given the great disparity across jurisdictions with regard to the existence of Life Skills programs (described in Section 2 of the discussion paper).

Option (e) locates the attention to Financial Literacy at the end of schooling, rather than as part of the entitlements from the compulsory years.

Preferred option

We are most in favour of a cross-curricular emphasis (as described in response to Q4.1) which incorporates option (b). The underpinning skills for financial literacy ARE addressed in mathematics in the compulsory years, although whether mathematical modelling is added in at post-compulsory levels is more problematic. As is noted in the discussion paper (Section 2), there are natural opportunities for addressing financial literacy within existing subject areas such as Mathematics and SOSE (ie option (b)), and these opportunities are already being taken up, albeit to

differing extents depending on circumstances in different classrooms and educational jurisdictions. It is important that these existing opportunities are supported and enhanced. In doing this, it is also necessary to understand and recognise the key pedagogical issues of context and relevance to the learner.

It is also worth noting here that the systematic implementation of a framework of competencies and learning outcomes is perhaps not the most important thing to aim for, as mandating is not necessarily equivalent to doing it well!

However this issue is resolved, there is no avoiding an emphasis on mathematics as one key ingredient of the necessary set of concepts and understandings that underpin financial literacy.

It will be important and useful to learn from some of the recent initiatives such as Discovering Democracy, which have been successfully incorporated across the curriculum.

Q4.3 Do you agree that financial literacy competencies should be developed with general standards and skills for different levels?

A set of guidelines concerning what a financially literate person will know and be able to do would be of obvious use to teachers. It is, however, important that any list of competencies recognises the necessarily dynamic nature of the issues involved. The focus must be on teaching broad skills which will enable students to be financially literate into the future, and not on “ticking off” specific skills associated with current financial concepts and products.

Financial literacy for students in schools will look very different to that for the adult population, and we cannot assume that issues that appear to be relevant for adults will necessarily engage students. Thus competencies need to be specific to different age groups, perhaps at three or four different stages of schooling. Attempts to distinguish between levels of student achievement against such competencies should be approached with great caution, bearing in mind that there are many different contexts in Australian society, and that the measure of control that children are able to exercise over, for example, their earning and spending, will be highly dependent on home background.

Q4.4 Who should develop the financial literacy competencies?

As noted in the discussion paper (4.11), a collaborative body with expertise from the education, industry, community and government sectors would be well-suited to such a task. The research reported at 4.12 found that educators and financial industry members emphasised different types of characteristics when defining financially literate students; it seems that each group makes the assumption that the set of capabilities or qualities emphasised by the other will be present! Thus it will be important that a variety of perspectives is represented in the discussion and subsequent development. One group that is in danger of being overlooked is the community assistance sector, including organisations such as the Central Mission or local councils, many of which have financial counselling outreach programs to those in need. As such organisations deal on a day-to-day basis with the consequences of financial illiteracy, they would be well placed to provide input into such competencies.

Q4.5 Do you have any other comments on the development of financial literacy competencies or on the nature of the competencies themselves?

It is of primary importance to recognise that “literacy” goes well beyond “knowledge”, and that the emphasis must be on teaching *for* financial literacy rather than the teaching *of* financial literacy. Financial literacy education must equip students for their future needs, which are necessarily unpredictable given the rapidly evolving nature of the area.

Whilst the Jumpstart coalition’s National Standards in Personal Finance (Section 4.13) might provide a useful starting point for discussion, consumer rights and responsibilities (noted in ASIC’s list of key concepts in 2.3) and community issues are also important aspects of financial literacy education.

Q4.6 What other initiatives are required to support financial literacy in the curriculum?

The discussion paper makes specific mention of resource development, professional development for teachers, establishing competencies, and raising awareness, all of which will be important. We note particularly that “the research found that many teachers, administrators, parents, community and industry representatives already clearly espouse the value of financial literacy and agree to its status as ‘essential learning’ for young people” (Section 4.16) – this indicates that many of the necessary people are already on-side, and that if these things are done properly then they are likely to be well-received.

Q5.1 Do you agree with our assessment of a good quality teaching resource? If not, what would you omit, change or add?

The discussion paper mentions the need to make “links to curriculum” (5.3 and 5.4). This will be a complex task as it must be done for each of the eight KLAs and with respect to different curriculum frameworks in all the States and Territories.

We agree with the need for teaching resources to be relevant, current and stimulating, and that they should be linked to practical, real-life experience and built around contexts to which students can relate (5.5). We are less convinced of the cost-effectiveness of putting a great deal of effort into teachers’ notes and lesson plans (5.6), as our experience is that teachers will want to adapt good resources to their own particular classroom circumstances. Step-by-step lesson plans are unlikely to be able to address all possible classroom contexts (!) and are likely to be disregarded by many teachers.

Mathematics has a history of “materials as professional development” through the MCTP project. These materials elucidate the WHY as well as the WHAT/HOW. They provide a vision for the classroom work, a model for pedagogy and “starters” that teachers can take in directions consistent with students’ needs, backgrounds etc. Materials as “recipes” have limited value and currency. Teachers are critical and constructive practitioners. Providing a theoretical framework for the resources is critically important if they are to be used constructively.

Q5.2 What formats do teachers prefer for resources?

Teachers still prefer resources to be available in hardcopy and to be readily photocopyable. Interactive formats (the discussion paper mentions web-based

resources, CDs and DVDs) will presumably become increasingly feasible, but their use is at present still restricted to a subset of classrooms and schools.

It is important to recognise that presenting large slabs of text will still be sub-optimal if these are in electronic form, and that simply making a resource available on CD rather than as a traditional textbook is not sufficient to render it intrinsically appealing to students and teachers.

Q5.3 Do you agree with our proposed best practice principles?

With respect to the “Independence” principle, blatant promotion of a particular product is clearly inappropriate as part of a teaching resource. However, if the resources are to promote genuine financial literacy then they must use data and case studies from real situations rather than hypothetical ones. The capacity to make judgments about the relative merits of competing products is a critical component of financial literacy, and an extremely conservative hard line approach to branding issues is probably unnecessary as teachers (and students!) are more sophisticated than this.

“Alignment to curriculum” is not the only important factor regarding relevance of a resource. In addition to being linked to formal school curriculum and outcomes statements, resources must address subject matter which is appropriate for and relevant to the target audience. Linking superannuation issues to the understanding and use of percentages for Year 8 students will not result in productive learning.

Regarding “Inclusivity”, the requirement for resources to cater to the needs of all students is of very great importance. Recognising different home and cultural experiences must particularly encompass the idea that a “wealth accumulation” emphasis will not meet the financial literacy needs of a great many students.

Q5.4 What else should be taken into account when developing and reviewing teaching resources?

It is not appropriate for members of the financial services sector to be solely responsible for the production of resources. Schooling has a multiplicity of concerns, and resource development also requires expert input from educators. Teaching and learning principles, contemporary pedagogical practices, student choice, ownership and negotiation of curriculum are all important to consider if a resource is to be in line with current trends in education.

Materials should also support learning in areas outside of financial literacy (eg written literacy; other content areas) and approach mathematics as a means for modelling in a financial context, not as a series of skills.

Q6.1 As a stakeholder in the education sector, particularly as a principal or teacher, what are your comments on the issues raised in this discussion paper?

We welcome the discussion paper’s emphasis on the importance of involving teachers in the conversation at all levels, and the recognition that any attempt to impose changes in financial literacy education from an external perspective is unlikely to succeed.

We are concerned that the financial literacy education agenda must address the needs of *all* students, and therefore include wealth accumulation as only one of a number of

domains in which students need to gain some fluency. It is extremely important that mechanisms are found for involving community sector stakeholders, and we note with some disappointment that although the discussion paper mentions the value of their input (Sections 6.18 - 6.20) there is no question designed specifically to solicit feedback from these organisations.

Q6.2 Do you agree with the need for professional development of teachers in this area?

We agree that there is a need for the provision of appropriate professional development opportunities for teachers. It should be noted that this needs to be well-supported, relevant and ongoing, and that professional development is not something that can be done to teachers. Modern theory and practice of teacher professional development will need to be referenced in the development of programs and approaches.

Q6.3 Who should be involved in developing and delivering professional development for teachers and what form should it take?

More modern, school-centred approaches to teacher professional development include approaches such as research and development projects in schools and these are proving effective in terms of professional development and dissemination of findings and practices.

It seems unlikely that we will have the resources to use any mechanism as costly as the UK model in which specially trained teacher advisers provide workshop training and direct support in schools.

Q6.4 As a stakeholder in the financial services industry, what are your comments on the issues raised in this discussion paper?

N/A

Q7.1 What do you think of the idea of establishing such an independent body?

The arguments in favour of a cross-sectoral partnership with the aim of improving financial literacy across the population are strong. It is important and appropriate that this mandate should extend beyond addressing school education issues to include adults with the greatest financial literacy needs.

Q7.2 What do you think of the name the 'Financial Literacy Institute'? Can you suggest any alternatives?

This title is perhaps a little bland and old fashioned, and may not adequately convey the purpose and function of the organisation. It might be useful to engage an image consultant on this and related issues of presentation to the education and wider communities.

Q7.3 Would you or your organisation be interested in being involved in FLI?

The AAMT has canvassed its Councillors, and there is "in principle" support for being involved in such a body. The Association has appreciated the opportunity to be involved in this work from the outset. This reflects a respect for the organisation and

its membership in terms of what they can bring to the discussions and developments. We look forward to continuing this involvement in partnership with others with similar concerns and aspirations.

Q7.4 What would be the nature of your involvement?

The AAMT is not in a position to contribute financial support to the FLI, but can give expert advice and access to teachers. In particular, the Association has an extensive network of excellent teachers of mathematics at all levels of schooling, in all sectors, and in all states and territories. While teachers are often willing to undertake development tasks for the “good of the cause” of students’ learning and for their own development as more effective teachers, the involvement of teachers must be suitably funded.

As indicated above, one effective model for accessing the expertise of teachers is to undertake action research projects in school groups. Our evaluation of such projects suggests that the outcomes generally far exceed those that can be achieved through other means such as external experts. When they are engaged in projects they see as important and worthwhile, teachers often commit far more of their time than that which is funded. The AAMT, through its Affiliated Associations, is well placed to manage such projects.

Q7.5 Do you have any suggestions or comments on the structure and funding of FLI?

Presumably funding issues will require that such an organisation will initially be relatively small in size and personnel. The approach in which FLI undertakes a management and facilitation role and contracts out research activities and resource development would seem to allow greater flexibility to use appropriate expertise as and when it is required than a proposition that these tasks be undertaken “in house”. The establishment of the body will need to be supported by a clear statement of what members will get for their “membership”.

Q7.6 Do you have any suggestions or comments on any of the proposed roles for FLI?

The FLI would certainly seem to have a clear role as a champion of the financial literacy cause (section 7.9), as a source of information about available resources and projects (7.10), as a provider of education programs for groups in the community with low levels of financial literacy (7.16) and as a facilitator and coordinator of partnerships and projects undertaken by member organizations.

With respect to the quality mark (7.11), we wonder whether the issues here may be complex and the benefits insufficient to justify the costs involved.

As discussed already in response to Q6.2, Q6.3 and Q7.4, professional development for teachers (7.12) must encompass far more than the provision of courses. It would be appropriate for the FLI to have a role supporting research and development of appropriate approaches and materials in this area.

Evaluation issues (7.13 and 7.14) will be non-trivial given jurisdictional differences and sensitivities. The comparative evaluation of financial literacy levels over time will also be a challenge, given the necessarily dynamic nature of the area (with ongoing introduction of new products and services etc). It is important that the “agreed standards or starting points” are focussed on principles which will continue to

be relevant over time, rather than on specific areas of knowledge which may become redundant or inadequate.

As indicated in our response to Q4.4, it seems appropriate for the proposed FLI to develop a suitable set of guidelines as to what constitutes financial literacy. However, the use of the term “benchmarks” here (7.15) is different from the language used in Section 4 of the discussion paper and is perhaps better avoided, given the potential for differing interpretations of the term by various stakeholders.

Q7.7 Do you have any other comments to make on the proposal for a cross-sectoral partnership such as FLI?

It is important that representation from the “community sector” includes social and service institutions.

We note that building partnerships such as these is necessarily a time-consuming process, and therefore that timelines will need to be sufficient to achieve a balance between the urgency of the task and the need to ensure quality outcomes through inclusive processes.