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## **NEW NATIONAL TEACHING RESOURCE LAUNCHED TO HELP IMPROVE FINANCIAL LITERACY AMONG YOUNG AUSTRALIANS**

The Federal Minister for Education, Science and Training, the Hon Dr Brendan Nelson, today launched a national financial literacy curriculum resource for secondary schools. The free online resource has been developed by the Commonwealth Bank Foundation working with professional educators, to help improve financial literacy among young Australians.

The need for the curriculum resource was reinforced by the findings of national research\*, which showed that young people aged 16 to 20 represented the highest proportion of the least financially literate by age in the country. As a result of poor money management skills, the research revealed that young people may suffer from a greater rate of unemployment, a lower income and are more likely to struggle with paying bills.

A major finding of the research was that good financial literacy has the capacity to transform people's lives with greater economic security. A national curriculum resource devoted to financial literacy is an invaluable tool for educators to teach young people how to understand and manage money.

The CEO of the Commonwealth Bank and Chairman of the Commonwealth Bank Foundation, David Murray, said the resource is designed to support and assist teachers across a range of subject areas to improve the knowledge, skills and understanding of their students in Years 7 to 10 in the area of financial literacy.

"Knowing how to manage money is an important life skill, yet many young people learn through trial and error. This resource is intended to provide teachers with a tool that helps to educate young people about financial literacy in a practical way. We seek to equip young Australians with the knowledge and skills to handle their money with confidence," said David Murray.

The Hon Dr Brendan Nelson said, "By helping young Australians understand money management, they develop the skills to make effective decisions towards achieving financial security.

"I congratulate the Commonwealth Bank Foundation on its commitment to increase the standard of financial literacy across the community, and particularly its work on this important resource".

This new resource has been developed in partnership with professional educators across the country to ensure the development of a valuable and relevant set of materials that meets prescribed key learning outcomes for each State and Territory's curriculum.

The Financial Literacy Curriculum Resource for secondary schools is a set of eight teaching frameworks (one for each State or Territory), divided into 12 modules of fundamental skills. The resource was developed by a national steering committee comprising representatives across a broad range of state and territory education departments and professional teachers' associations. It is designed to support current teaching activities and contains case studies, practical tasks and activity sheets.

The resource will be available free online and can be downloaded via the Commonwealth Bank Foundation's website [www.commbank.com.au/foundation](http://www.commbank.com.au/foundation)



## ENDS

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### Notes to Editors

#### Financial Literacy in Australia

How financially literate are you? See the attached backgrounder for examples from the modules.

#### Financial Literacy Curriculum Resource

The resource was developed for secondary schools by the Commonwealth Bank Foundation in partnership with a national steering committee of professional educators and project managed by the Department of Education and Training (NSW). Prior to the launch, the resources were trialled with secondary schools across Australia to ensure it complements teaching styles and is appropriate for each State and Territory's curriculum.

The Financial Literacy Curriculum Resource for secondary schools is a set of eight teaching frameworks (one for each State or Territory), divided into the following 12 modules of fundamental skills:

- Earning an income
- Consumer protection
- Managing finances
- Planning & running a business
- Spending and saving
- Buying a car
- Consumer awareness
- Impact of technology: ebusiness and online services
- Consumer decisions
- Financial services
- Personal investment
- Economics of everyday finance

#### \* About the Research

A national telephone survey was conducted with 5,000 Australians aged 16 - 65 years, between August 18 and September 9, 2004, using Computer Assisted Telephone Interviewing (CATI).

The research was commissioned by the Commonwealth Bank Foundation, and conducted by the Commonwealth Bank's Quantitative Research Division, in partnership with Eureka Strategic Research and the Centre of Policy Studies, Monash University. The findings were released in a report, *Improving financial literacy in Australia: benefits for the individual and the nation*, in February 2005. The report can be downloaded from the Foundation website: [www.commbank.com.au/foundation](http://www.commbank.com.au/foundation)

The research concluded that by increasing the financial literacy of the 10 percent of the population with the lowest scores over a ten-year period, Australia's economy would significantly benefit. Young people, aged 16 to 20 years, make up nearly 40 per cent of this group. 68 per cent of those surveyed said that schools are a significant source of financial literacy, yet at the time there was no nationally available teaching resource devoted to teaching financial literacy.

## The Commonwealth Bank's Involvement in Education

- The Commonwealth Bank introduced a student banking program in 1931 to teach the basic skills of money management and encourage savings.
- The Bank's 70-year history of supporting education in Australia has played an important role in helping millions of young Australians learn about the importance of money.
- The Commonwealth Bank Foundation was established in 2003 to develop education initiatives to enhance the financial literacy skills of young Australians.
- The Foundation aims to empower Australians to develop financial literacy skills to last a lifetime.
- In 2004, the Commonwealth Bank spent \$700,000 in grants to primary and secondary schools in Australia to promote financial literacy. Grants to this amount will also be awarded again in 2005.
- The Foundation has also funded the development and delivery of an annual Financial Literacy Assessment for secondary students in Years 9 and 10. More than 55,000 students have registered to date to participate in the national Assessment on 18 August 2005. This free assessment will provide teachers, parents and students with valuable insights into levels of financial literacy understanding, awareness and skill.
- For more information about the Commonwealth Bank Foundation, please visit [www.commbank.com.au/foundation](http://www.commbank.com.au/foundation)

## DO YOU KNOW YOUR DOLLARS FROM YOUR DEBT?

Paying bills, managing debt, buying a car – these daily tasks might sound easy, but for many Australians ordinary activities such as making payments on time and understanding superannuation can be difficult.

Launched today, the first ever National Financial Literacy Learning Resource for secondary schools aims to increase the financial literacy of young people in years 7-10. But if Australia's youth are soon to be financially savvy, how do the adults compare?

Complete our short test, taken from the new learning resources, to find out how financially literate you really are:

### Spending and Saving:

- How is a credit card similar to having a mobile phone bill?
- Explain the following terms:
  - Shares
  - Managed funds
  - Fixed interest investments

### Earning an Income:

- Where do different levels of government get their tax from?
- Outline five reasons why you need a tax file number
- Explain the tax-free threshold
- What is Australia's average tax rate?

### Managing Finances:

- Explain the following terms:
  - Guarantor
  - Credit rating
  - Rates of Interest
- What will happen to your credit rating if you don't make your loan payments on time?
- Where would you go to check out your credit rating?

### Buying a Car:

- What factors might affect the cost of your car insurance?
- What are the effects of accident statistics on car insurance premiums?
- What can you do to reduce the cost of car insurance?

If you struggled to answer the above, check out the resource materials available free online via the Commonwealth Bank Foundation's website [www.commbank.com.au/foundation](http://www.commbank.com.au/foundation)

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