

## **MEDIA RELEASE**

**9 March, 2009**

### **Australian Primary School students show it's not all doom and gloom- they understand how to save money**

Upper primary school students around Australia understand the importance of saving but struggle with simple maths such as calculating change from a purchase.

These were two of the key findings from a new online Financial Skills Assessment used to assess the financial literacy of 4,660 students from more than 100 schools nationwide.

The results of the assessment show that over 90% of upper primary school students understood the importance of saving and were able to identify; why people save, how to reduce spending to increase savings, and savings strategies.

Also, 88% of students understand the importance of security when it comes to pin numbers for ATMs and for internet banking.

On the downside, the Financial Skills Assessment showed 82% of students experienced difficulty converting simple maths calculations into concepts involving money. Examples include calculating change, calculating an account balance and calculating mobile phone charges.

The Financial Skills Assessment is a free online tool that measures the financial literacy of Australian children aged between 10 and 12 against levels of achievement that are consistent with Australia's national financial literacy framework. Developed in partnership with the NSW Department of Education and Training with input from State, Territory and cross-sector education representatives, it is an initiative of Finance First – a partnership of YWCA and Citi Australia. The Financial Skills Assessment has been designed as an extension to the teaching resources for primary schools under the MakingCents program.

The tool provides;

- Teachers and parents with important financial literacy data on individual students' strengths and areas for improvement.
- Data about how their students performed in relation to the national performance.
- A snapshot of national financial literacy in Australian primary schools.

Kate Frost, CEO, YWCA NSW, said, "The need for children to have a high level understanding of financial literacy is crucial in this economic climate. The development of the 'buy now and save later' culture of the past couple of generations has proved unsustainable and it's pleasing to see that students do understand the importance of saving. Children's attitude to debt and other financial matters is vitally important, and by educating children on basic money skills, we hope to break the chain of financial illiteracy that at times runs across generations".

Most significantly, the Financial Skills Assessment results show that students who have undertaken a financial literacy program at school consistently ranked higher than the national average.

Ron Bunker, Chair of the Finance First Advisory Board said: "We are absolutely delighted to see that students who have completed a financial education program like MakingCents have achieved positive results in this assessment. For example, almost 25% of students who have undertaken a financial education program reached the highest band compared to the national benchmark of 16%. Students in the highest band have already mastered skills like calculating the cost of using mobile phone messages over the term of an account, an awareness of different sources of income and that their own financial decisions can affect other people." "There is still work to be done but this Assessment demonstrates we are on the right track and education is the key to developing healthy money habits in young people."

An action learning project was conducted by the NSW Department of Education and Training, Equity Programs and Distance Education Directorate in collaboration with the Curriculum K-12 Directorate to investigate the impact in Priority Schools of the MakingCents program on student learning outcomes across the Key Learning Areas (KLAs).

One hundred per cent of teachers responded in the affirmative, to the research question-Do the MakingCents units improve students' knowledge and skills in financial literacy?

Further information on the Financial Skills Assessment, including teaching resources and teacher professional development are available at [www.makingcents.com.au](http://www.makingcents.com.au) The site also includes helpful hints for parents.