



# SHARPENING FINANCIAL EDUCATION

How the right partnerships can hone the skills  
of tomorrow's entrepreneurs and employees



# >> FOREWORD



*Wim Mijs*

*CEO, European Banking Federation*

*This report is another reminder that we in Europe face a brutal need to improve financial education. Looking ahead, the challenge becomes even more daunting. Digital trends make the concept of money increasingly virtual, much less tangible, especially for young people. Spending money becomes even more complex, although there are some examples where digital tools help illustrate the consequences of certain choices, and make managing money less difficult.*

*Financial choices that our younger generations need to make are far more challenging than those faced by past generations. What's more, they will live longer, making it even harder for pension systems to deliver on their ambitions. For a sound financial future, financial planning is required at a much earlier stage in their lives. Financial literacy really is an essential life skill for the 21st century, crucial to living and thriving in the modern economy. Financial education can help boost this literacy. In the end it is the same as with driving lessons: if you do not do it properly then accidents will happen.*



European Entrepreneurship  
Education NETWORK

The European Entrepreneurship Education NETWORK (EE-HUB) is a focal point for entrepreneurship education in Europe bringing together organisations and individuals from both the public and private sectors with strong records of accomplishment in entrepreneurship education at regional, national and European level. The EE-HUB is designed as the space where these stakeholders can work collectively to increase levels of entrepreneurial activities in schools across Europe.

An ad hoc working group on financial education was created within the EE-HUB to support and provide inputs to the research. The working group included representatives of the following organisations:

- European Banking Federation
- JA Europe
- JA Poland
- JA Romania
- JA Spain
- Organisation for Economic Co-operation and Development
- Vienna University of Economics and Business
- Visa Europe
- Visa Turkey
- Young Enterprise UK

<http://www.ee-hub.eu>

# SHARPENING FINANCIAL EDUCATION

... to support employment and entrepreneurial success.

The aim of this research was to identify the financial skills and competences that the business and finance community perceives as essential in the 21<sup>st</sup> century, whether young people choose to start their own business or be employed. Young people are vulnerable in this age of virtual money and financial complexity. Clarity on the right mix of skills, how they are taught and who is involved is important to improve programmes at school, strengthen partnerships and help young people make better and more informed decisions.

## The research

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### A pan-European survey

**WHAT** financial skills does any business or organisation need young people to be equipped with?

**WHO** should be involved in delivering financial education to young people?

**HOW** should financial education be delivered to young people?

### 5 national case studies

**POLAND:** Non-stop curricula from primary to upper secondary

**ROMANIA:** Large scale blended learning initiative

**SPAIN:** Partnership with the banking association

**TURKEY:** Peer-to-peer education model

**UK:** Interaction between financial and entrepreneurship education

Visa has been creating and delivering financial education around the world for the past 20 years. Today, electronic payments are changing the way that we pay and are paid at an unprecedented speed. This pace of change makes it all the more vital that we equip young people with money management expertise. They need these skills for work and a life in a digital world. We have a responsibility to help. Others also recognise a similar responsibility. From policy-makers to parents we are all committed to equipping young people to thrive in the digital economy. We are proud to join together with JA Europe to support this important research.

*Nicolas Huss, CEO, Visa Europe*



JA Europe is Europe's largest provider of education programmes for entrepreneurship, work readiness and financial literacy. We aim to inspire and prepare young people to succeed in a global economy; financial skills are critical to anyone's livelihood and are equally important to the sustainability of any new business.

Through our network and the partnerships that we build between business and education, and through teacher training and support, we deliver programmes and activities from primary level to university.

*Caroline Jenner, CEO, JA Europe*





# TABLE OF CONTENTS

## 04 INTRODUCTION

## 05 KEY FINDINGS

## 07 THE SURVEY

- 07 What financial skills are needed in a business context?
- 12 Who should be involved in financial education?
- 18 How should financial education be delivered?

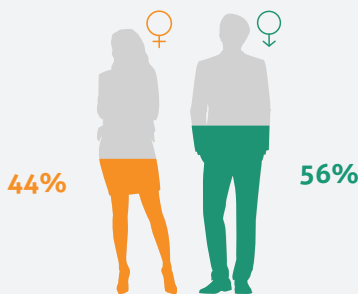
## 21 THE CASE STUDIES

- 21 Non-stop curricula from primary to upper secondary, Poland
- 22 Large scale blended learning initiative, Romania
- 23 Partnering with the banking association, Spain
- 24 Peer-to-peer learning module, Turkey
- 25 Interaction between financial and entrepreneurship education, United Kingdom

## SURVEY DEMOGRAPHICS



### GENDER



### BUSINESS



### ORGANISATION'S INVOLVEMENT IN FINANCIAL EDUCATION



# INTRODUCTION

## Changing economies and poor financial skills hinder young people

The fast pace of change in our economies and the constant threat of financial crisis has made it crucial to address our competence in monetary and financial questions. The technological innovations in financial products and services and increased individual responsibility have become one of the key challenges young generations face as it is difficult for them to understand the reality of money as cash disappears. Numerous studies (e.g. Atkinson & Messy, 2012; Lusardi & Mitchell, 2011; Lusardi & Mitchell, 2014) have shown that too many people have substantial gaps when it comes to understanding basic financial concepts. According to a recent survey, an average of only 52 % of the adults in Europe are financially literate (Standard & Poor's, 2015). The situation is even more alarming for younger generations. The PISA financial literacy assessment tool targeting 15-year-old students showed that **one in seven students is unable to make simple decisions about everyday spending, and only one in ten can solve complex financial tasks** (OECD, 2012).

Being in the focus of policy, education and research, the relevance of financial matters has given rise to increased national, international and supranational initiatives promoting financial literacy.

## The business view can complement the response

This research focuses on financial skills that young people need when starting their work lives. It considers the skills needs for businesses instead of focusing only on the consumer's perspective.

By offering the business perspective, this analysis aims to offer foundations for increased cooperation between all stakeholders involved in financial literacy: parents, teachers, young people, and businesses.

## Methodology

JA Europe commissioned the Vienna University of Economics and Business to carry out a survey targeting members of the business and finance community across Europe, primarily operating in management or upper management positions. The Vienna University of Economics and Business designed, scripted and implemented the online survey while the recruitment of the respondents was handled through the JA network as well as that of the European Banking Federation and Visa.

# KEY FINDINGS

## WHAT key financial skills are needed?



**94%** indicated young people are frequently missing financial skills needed when starting their working lives.

Future employees and entrepreneurs are perceived to need a different subset of financial skills.



**For employees:**

**31%** 'Analytics and mathematics'



**For entrepreneurs:**

**24%** 'Business administration and management'



**22%** 'Liquidity, money and transactions'



**19%** 'Funding and investment'

**59%** believe 'financial planning' and 'budgeting' are the most needed financial skills in the business context. There was consensus on this across all European regions, regardless of whether the context was employee or entrepreneur, and it was corroborated by being highly absent as well.

## HOW should financial education be delivered?



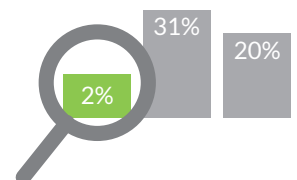
88% of respondents stated that **a combination of public and private initiatives** would be the best way to improve financial education.

### Employee volunteering

is one of the most common types of involvement from the private sector to support financial education. 63% of the respondents already involved in financial education are engaged in employee volunteering and consider it a win-win opportunity.

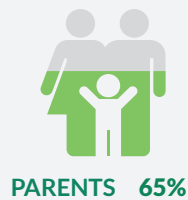
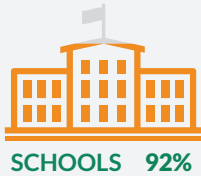


Only 2% of respondents referred to trust as the main challenge to get involved in financial education citing time constraints (31%) and the lack of interest/awareness/motivation from schools (20%) as far more problematic.





## WHO should be involved?

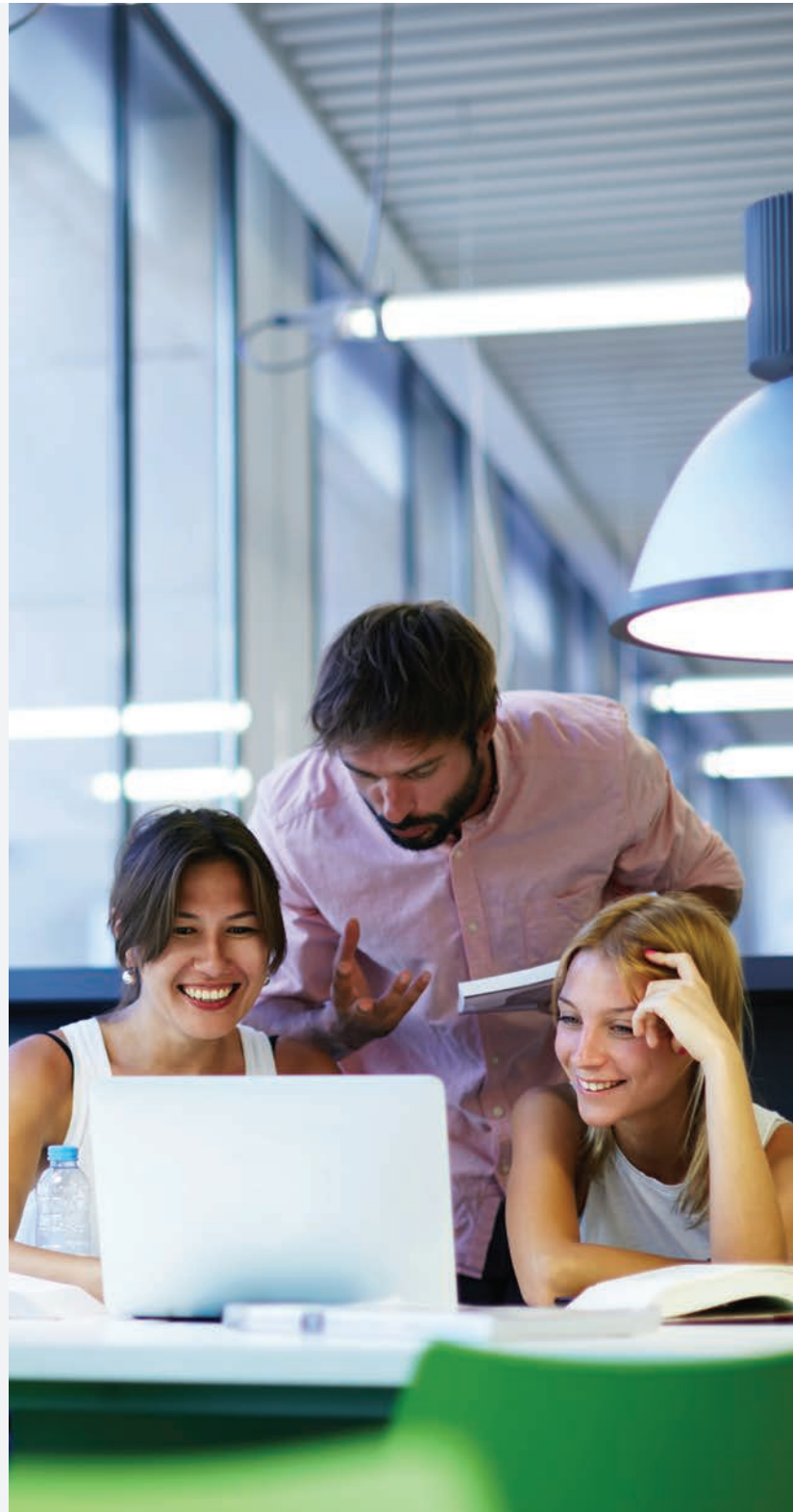


Respondents believe schools are currently not fulfilling their potential. **Only 19% stated that their country's educational system is contributing at least a fair amount** to equipping young people with the right financial skills.

**70% recognise their organisation's potential to contribute at least a fair amount**, particularly when it comes to preparing young people for entering the workforce as an employee



**NGOs are appreciated as partnership builders and collaborators.** 81% consider NGOs contribution in forging effective partnerships and providing volunteer opportunities are considered as extremely helpful.



# THE SURVEY

## 1 | What financial skills are needed in a business context?

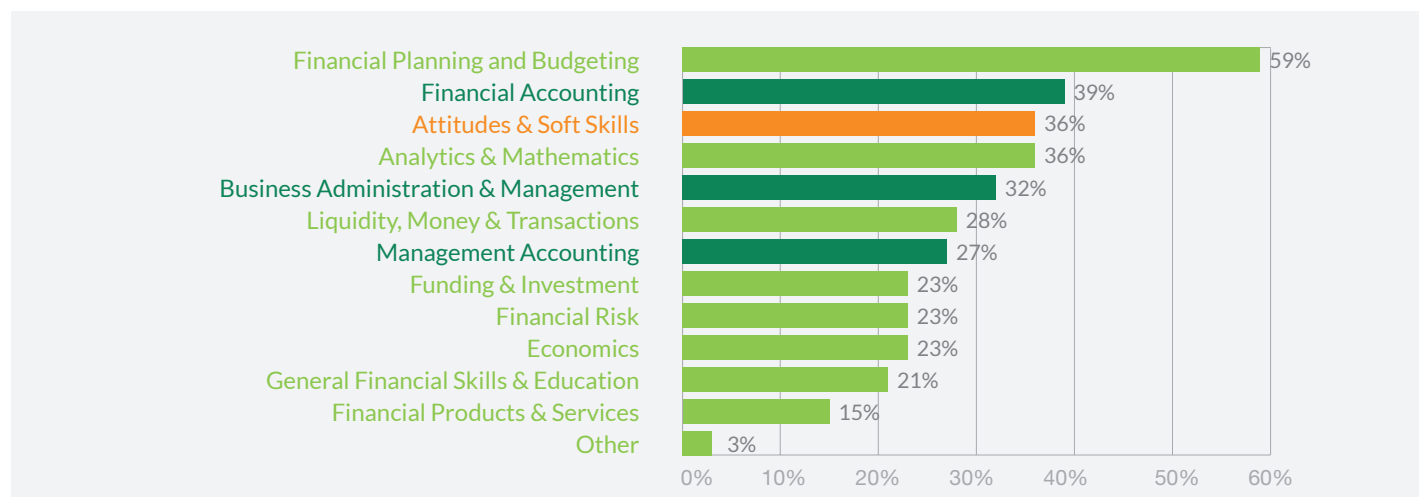
Each respondent was asked to list three specific financial skills that any business or organisation needs young people to be equipped with when beginning their working lives and depending on their career aspirations – once for becoming an employee and once for becoming an entrepreneur. A vast majority of the respondents answered by indicating key words or content areas within which young people should be skilled rather than naming specific financial skills. To analyse the responses, categories were derived by following the approach of inductive category development. The responses were worked through and preliminary categories were deduced step by step. Through loops, those categories were revised and reduced to the main content areas.

It is noteworthy that several content areas (highlighted light green in figure 1) have a close resemblance to those already included in existing personal financial management frameworks<sup>1</sup>. Others, such as 'financial accounting', 'business administration and management' as well as 'management accounting' (highlighted dark green) are usually not included in existing frameworks.

Therefore, it can be concluded that 'financial accounting', 'business administration and management' as well as 'management accounting' might be thought of as additional content areas that become relevant when shifting financial education to a business context.



Figure 1: Based on your professional experience, what specific financial skills does any business or organisation need young people to be equipped with when beginning their work lives as an employee/entrepreneur? (Aggregated view, coded from open responses and grouped into content areas)



<sup>1</sup> Core Competencies Framework on Financial Literacy for Youth (OECD/INFE, 2015); Financial Education Planning Framework (pfeg, 2007)



As the whole set of content areas identified combines classical elements of financial education with other elements that are more typical of economic and business education, **these results suggest that financial education targeting employees and entrepreneurs should be linked to or embedded into economic and business education.**

The aggregated view of responses grouped into the different content areas shows that skills related to 'financial planning and budgeting' were mentioned most frequently.

**59%** listed skills related to 'financial planning and budgeting' as priority, regardless of whether the context was employee or entrepreneur.

**39%** mentioned that 'financial accounting' is highly needed. Within this content area, a large proportion of the survey respondents stated the importance of being able to comprehend financial statements, specifically the balance sheet and the profit and loss statement as their main components. This result indicates that business stakeholders consider important that young people understand the financial figures of the organisation they are working for.

**36%** listed 'analytics and mathematics' among the top content areas. In this category, different components of analytical skills were addressed, such as basic and advanced calculations, estimations and quantitative analyses as well as financial mathematics, like interest calculations and compound interest.

**36%** expressed the need for young people to develop specific attitudes and soft skills (e.g. being accurate, ambitious, confident, critical, honest, motivated, realistic, or having communication skills etc). This suggests that many business stakeholders consider these skills as important as the financial ones on the job.

Despite smaller shifts in the ranking of some content areas, the responses show cross-Europe agreement on core skills. 'Financial planning and budgeting' for instance is listed first across all European regions.



Being the content areas most frequently addressed, 'financial planning and budgeting', 'financial accounting' as well as 'analytics and mathematics' can be interpreted as the content areas within which skills are needed the most.

## 1.1 | Perceived needs distinguished by career aspirations

**Figure 2:** Based on your professional experience, what specific financial skills does any business or organisation need young people to be equipped with when beginning their work lives as an employee/entrepreneur?

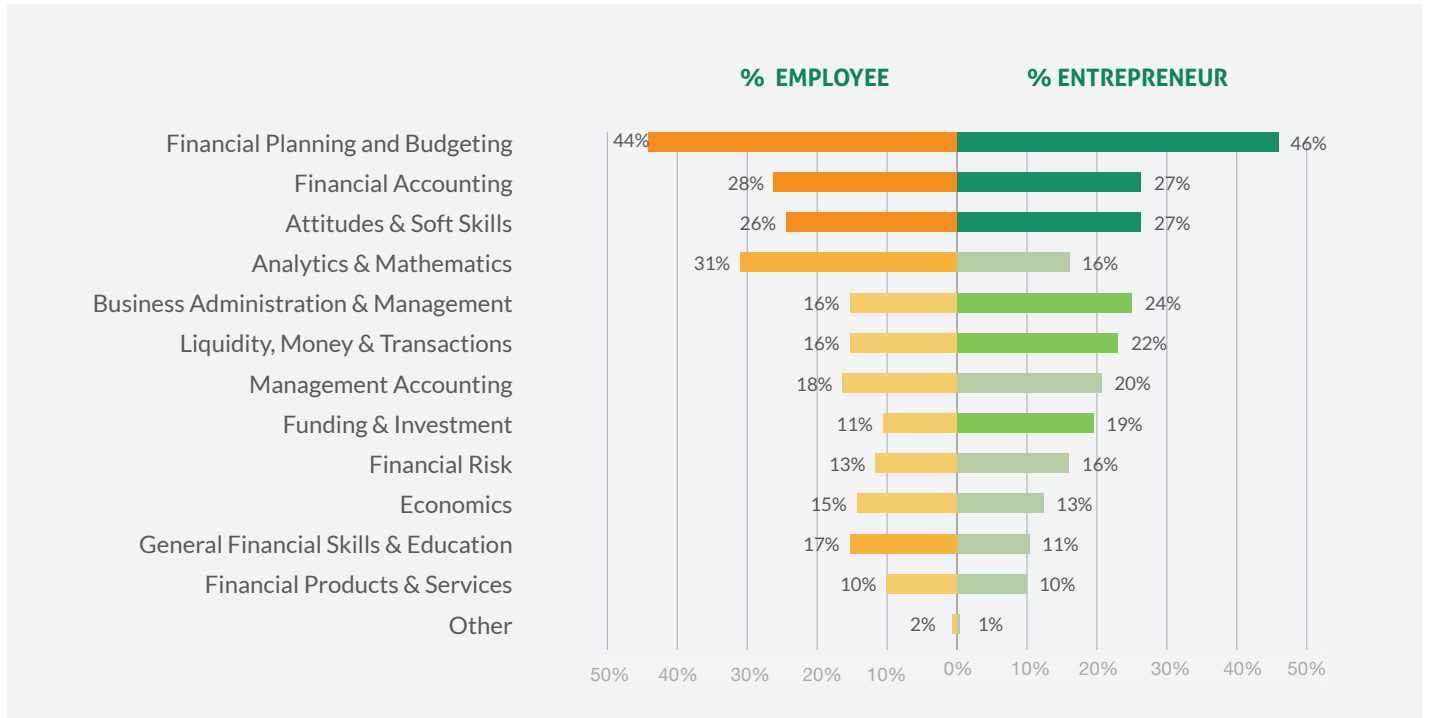


Figure 2 presents the skills identified by the survey respondents as needed according to different career paths (employee vs entrepreneur). The results show content areas of similar importance for both employees and entrepreneurs and highlight some relevant differences as well (figure 2).

On the one hand, ‘financial planning and budgeting’, ‘financial accounting’ as well as ‘attitudes and soft skills’ seem to be perceived of relative equal importance for both employees and entrepreneurs (less than 2 percentage points difference). This, combined with the fact that they are ranked among the top content areas within which skills are most needed, reinforces their relevance in a business context. Other skills areas are also perceived as having similar importance for both paths however, their overall relevance according to the frequency they were addressed is lower.

No matter what geographic or industry perspective considered, 'financial planning and budgeting', 'financial accounting' as well as 'attitudes and soft skills' were mentioned the most frequently. This fact may potentially position them as foundational skill areas every young person should be equipped with when starting their working lives.

On the other hand, figure 2 also highlights differences when comparing the two perspectives. Some categories show a gap larger than 5 percentage points, suggesting that there are content areas that might be of higher relevance when deciding on a specific career path.

'Analytics and mathematics' is, based on the frequency they were addressed by the respondents, perceived to be of more significance for employees.

31% of the respondents addressed 'analytics and mathematics' as a skill area needed in the employee's perspective compared to only 16% for entrepreneurs. This gap of 15 percentage points, the highest in the analysis, emphasises the specificity of this content area for employees.

Skills related to 'business administration and management', 'funding and investment' (both with gap of 8% percentage points), and 'liquidity, money, and transactions' (with a gap of 6 percentage points), seem to be of particular importance for entrepreneurs.



## 1.2 | Perceived skills needed

71% of the respondents think that either one or two of the three skills they identified as needed are also missing, and 23% even indicated that all of the three necessary skills are in fact absent.

As outlined in the previous sections, each respondent was asked to list three specific financial skills that any business or organisation needs young people to be equipped with when beginning their work lives, depending on their career aspirations. Based on these answers, each respondent expressed afterwards which of the skills previously identified as necessary are frequently missing.

Figure 3 shows the gap between these two different aspects: the skills perceived to be needed (in grey bars and equal to the graph presented in the previous section), and the proportion of skills identified as missing within each content area (coloured bars).

The analysis of the results reinforces the perception that young people are frequently not sufficiently equipped with the set of financial skills needed.

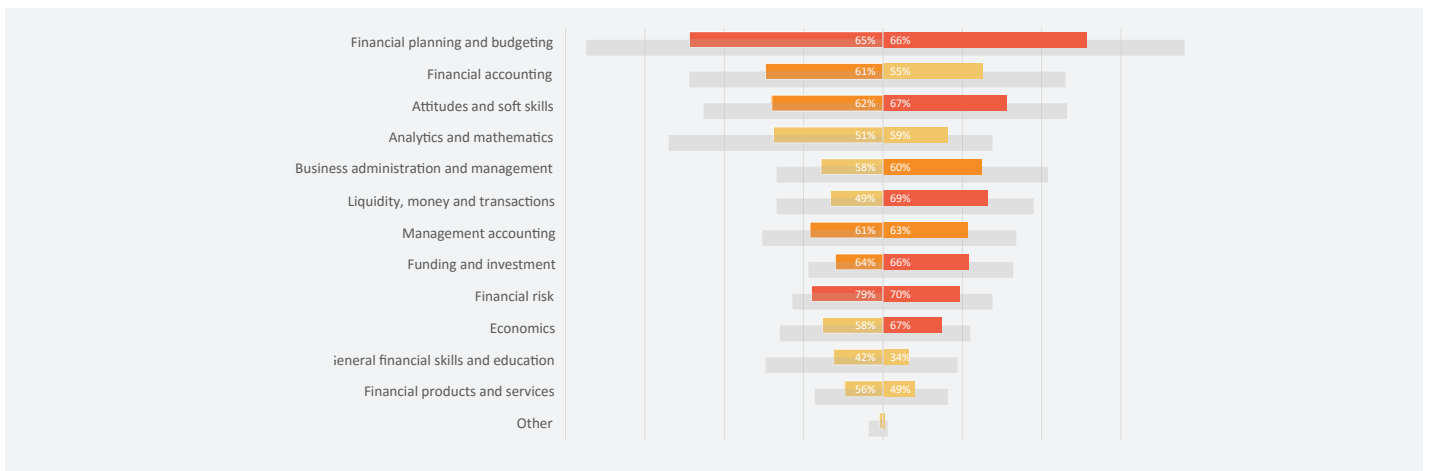
The perceived gap between what is needed and what young people are already equipped with practically stretches across all content areas and across both career aspirations.

However, slight variations can be noted. Some content areas that were previously not ranked among the most frequently needed exhibit in this analysis the highest proportion of skills perceived to be missing, especially 'financial risk' with 79% in the employee and 70% in the entrepreneur perspective.

Additionally, the financial skills previously identified of specific importance for entrepreneurs are missing more often than those needed for employees.

For the aim of improving financial literacy, work readiness and entrepreneurship, it seems to be plausible to **prioritize the intersection of skill areas perceived to be needed the most and perceived to be missing to the largest extent.** In section 1.2 it was derived that 'financial planning and budgeting', 'financial accounting' as well as 'attitudes and soft skills' might be positioned as foundational skill areas, as they were addressed the most frequently across both career aspirations. Taking into consideration the extent of missing skills within these categories highlights a perceived need for action. The skills within the content areas addressed the most frequently, were also selected as being missing more than 55% of the time.

Figure 3: Which of the skills you mentioned do you believe young people are frequently missing?



## 2 | Who should be involved in financial education?

Since a big proportion of the survey respondents thinks that young people are frequently not equipped with the necessary financial skills, this section aims to report on respondents' views on the roles different organisations should play when providing financial education to young people.

On an international level, the OECD and its International Network on Financial Education (INFE) have been taking the lead in raising awareness, stimulating the cooperation in the field, and identifying the potential roles and responsibilities of governments and other stakeholders involved in financial education. The European Commission has given an important impulse for the development of financial education in the European Union when it adopted the Communication on Financial Education<sup>2</sup> in 2007 and by establishing an expert group on financial education (EGFE), however, the support has been steadily losing focus in favour of consumer protection as a standalone solution.

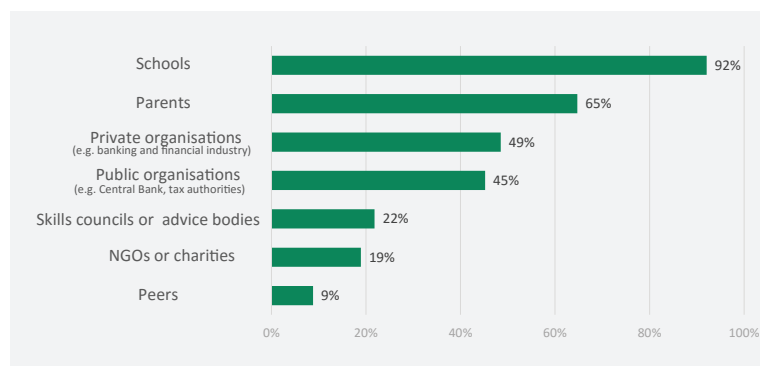
In this context, business stakeholders were asked to identify the organisations that should be involved in financial education at national level. Figure 4 presents the ranked responses.

**According to the respondents' views, schools (92%), parents (65%), private (49%) as well as public organisations (45%) were ranked as the top groups that should be involved.**

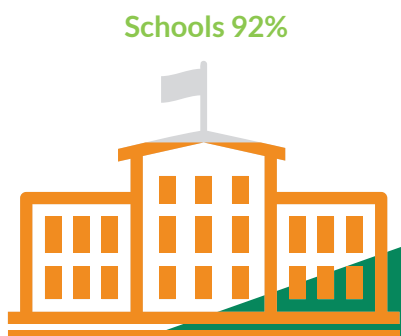
These results are independent of the respondents' profile. Nevertheless, slight differences between European regions could be noted.

When analysing the results on a regional level, the largest differences can be attributed to the views about the involvement of public organisation, parents and NGOs. The involvement of public organisations seems to be more desirable from the perspective of Eastern (57%) and Southern European respondents (51%). As for the contribution of parents, the results show the opposite, with Northern (77%) and Western (73%) European respondents preferring this option, compared to lower results in Eastern and Southern Europe. However, the most significant differences could be noted on the perceptions about NGOs involvement that is most desired in the Eastern European region (36% responses compared to 19% on average across regions).

**Figure 4:** In your opinion, which are the top three organisations / who are the individuals that should be involved in young people's financial education?



<sup>2</sup> Communication COM(2007)808





## 2.1 | Role of schools and parents

According to the respondents **there is a distinct need to involve schools and parents in young people's financial education.** 92% and 65% of the respondents expressed that respectively schools and parents should engage in young people's financial education, ranking them as the top two among other institutions and individuals.

This perception is aligned with previous work<sup>3</sup> showing the benefits of delivering financial education in schools. Schools are considered as being able to reach the widest national

audience and to best ensure the progression in the learning outcomes. Regarding the importance of parents, recent evidence suggests that they are the primary influence as financial capability develops, particularly with respect to developing attitudes and behaviours towards money<sup>4</sup>. The perceived importance of schools and parents is particularly high in Northern Europe where they were respectively selected by 99% and 77% of the respondents (compared to an average across the other regions of 91% and 63%).



**Even though schools are ranked the number one institution that should be involved in financial education, only an average of 49% of respondents state that their country's educational system is contributing to the development of such capability, and within those only 19% believe it is contributing at least a fair amount. 15% even think that it is not contributing at all.**

As shown in figure 6 this perception varies only marginally across Europe. With 27% of the respondents from Eastern Europe stating that their education system contributes at least a fair amount, their opinion is relatively positive compared to other regions. Only 22% in Northern, 19% in Western and 12% in Southern Europe came to the same conclusion. These results indicate that the respondents might think about schools as having a unique potential to address young peoples' needs, but they might also perceive challenges linked to delivering financial education through the education system.

In a relative comparison across different perspectives outlined in the survey, the educational system is recognised to best prepare young people for entering the workforce as an employee. **26% of respondents stated that the national education system is contributing at least a fair amount to equipping young people with the right financial skills for entering the workforce as an employee compared to 15% as an entrepreneur.**

<sup>3</sup> OECD/INFE, *Financial Education In Schools*, 2012

<sup>4</sup> National Assembly for Wales Commission, *Financial Education and Inclusion (Wales) Bill*, 2014

In your opinion, how much does your country's education system contribute to equipping young people with the right financial skills?

Figure 5: Aggregated view

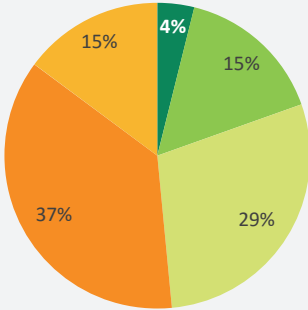


Figure 6: Differentiating by region

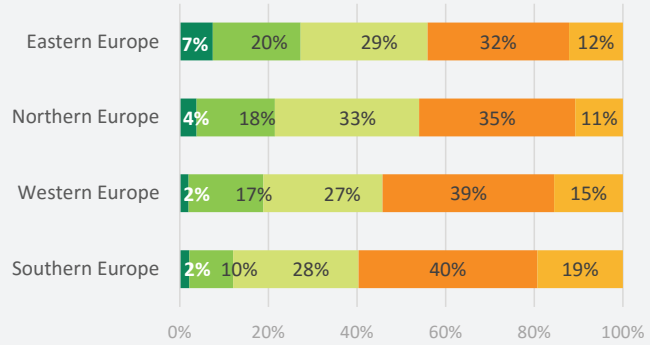
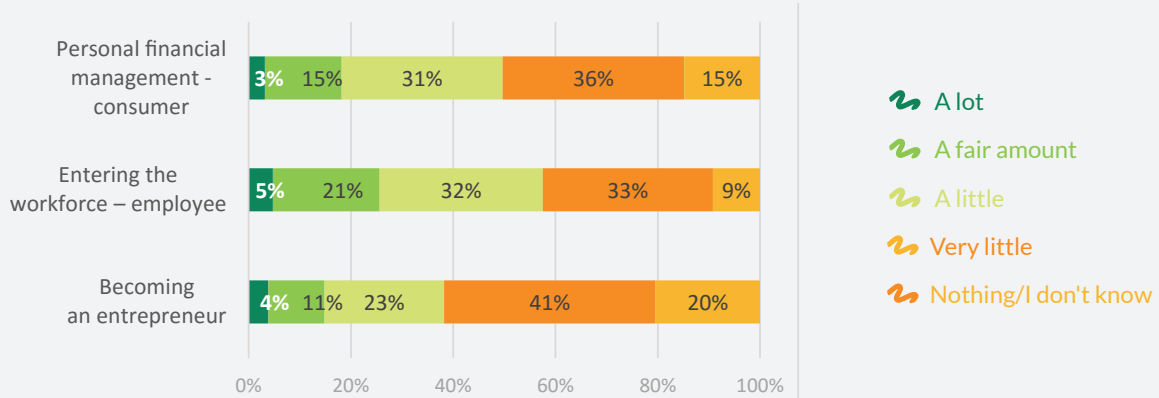


Figure 7: Differentiating between perspectives: consumer, employee, and entrepreneur





*“My company believes that financial education is a key component of a sustainable business. That is why we are involved in different ways in financial education (directly or indirectly) of young people providing basic financial skills. [...] The goal is to build a society informed and aware, able to use financial products and services in a sustainable manner.”*

(said a survey respondent when being asked about the main reason for his/her company to be involved in financial education initiatives.)

## 2.2 | Role of the private and public sectors

Public and private business organisations are both thought of as having the potential to contribute to financial education. Respectively, **49% and 45% of the respondents stated that private sector or public organisations should be involved in young people’s financial education.**

On an aggregated level (figure 8), 70% of the respondents think that their own organisation can contribute at least a fair amount to equipping young people with the right financial skills. Estimating their own organisation’s potential to contribute, the context as well as the organisation size and the industry seem to matter.

**European business stakeholders do not only believe that the private sector should be involved in financial education, but they also recognise their own organisation’s potential to contribute, particularly when it comes to preparing young people for entering the workforce as an employee.**

74% of people surveyed believe their organisation can contribute at least a fair amount compared to 67% on average for the other perspectives (figure 9).

In addition, there appears to be a connection between the size of the respondents’ organisation and their perception on potential to contribute to equipping young people with the right financial skills for becoming an employee. **Respondents from bigger organisations (more than 1000 employees) recognise a higher potential in their organisation to contribute (84%) as compared to organisations with fewer than 50 employees (64%)** (figure 10).

There are also differences between industries when it comes to how much stakeholders feel their companies can contribute to the financial education of consumers. The largest proportion can be found in the **financial industry where 81% said their organisation can contribute compared to 54% in other industries** (figure 11).

Moreover, the fact that their organisation is already involved in financial education activities correlates with a much more positive perception of their potential to contribute. 76% of respondents whose organisations are already involved in financial education believe their organisation can contribute above a fair amount, compared to only 55% if the organisation is not yet involved (figure 12).

How much can (could) your organisation contribute to equipping young people with the right financial skills?

Figure 8: Aggregated view

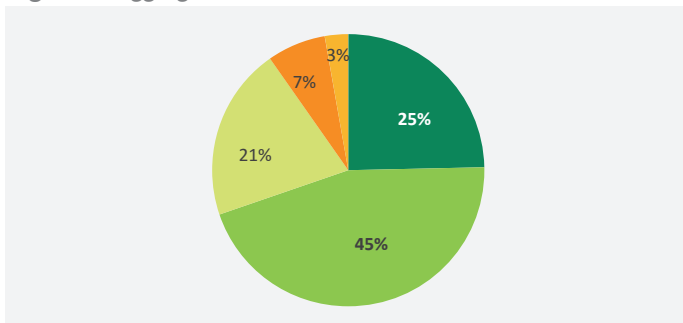


Figure 9: Differentiating between perspectives: consumer, employee, and entrepreneur

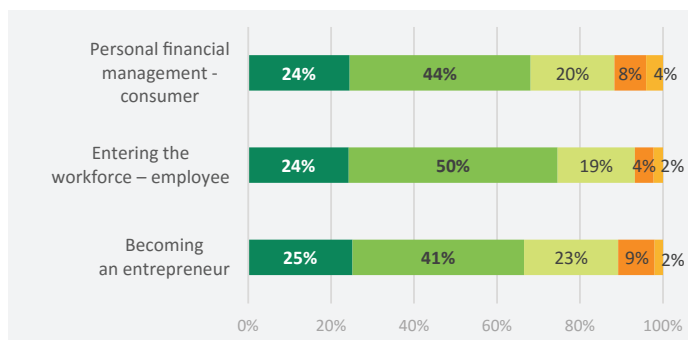


Figure 10: Differentiating between organisation size (Employee perspective)

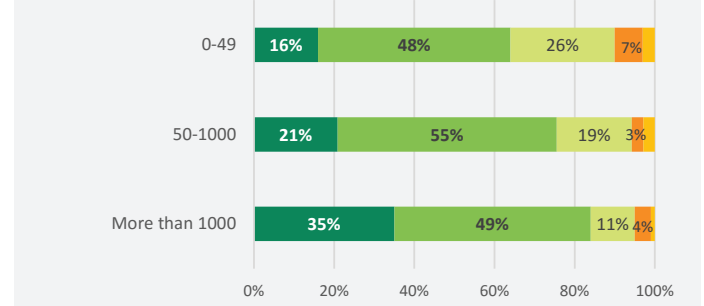


Figure 11: Differentiating between industries (Consumer perspective)

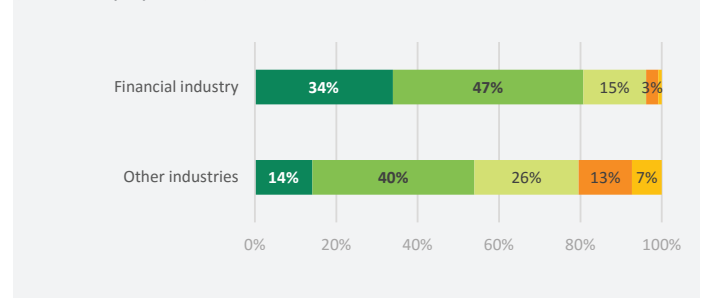
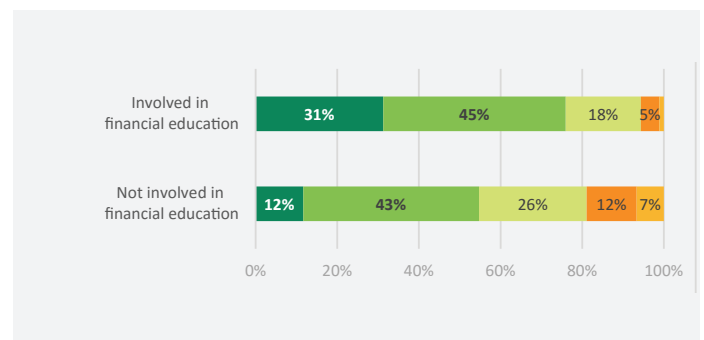


Figure 12: According to organisations' involvement in financial education



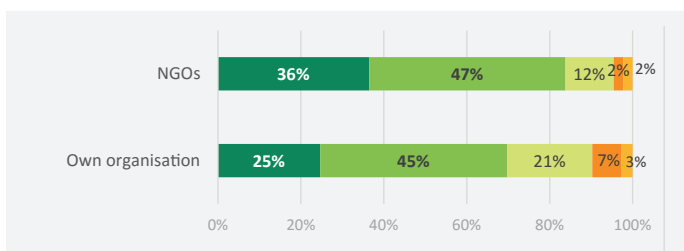
 A lot  A fair amount  A little  Very little  Nothing/I don't know

## 2.3 | Role of NGOs

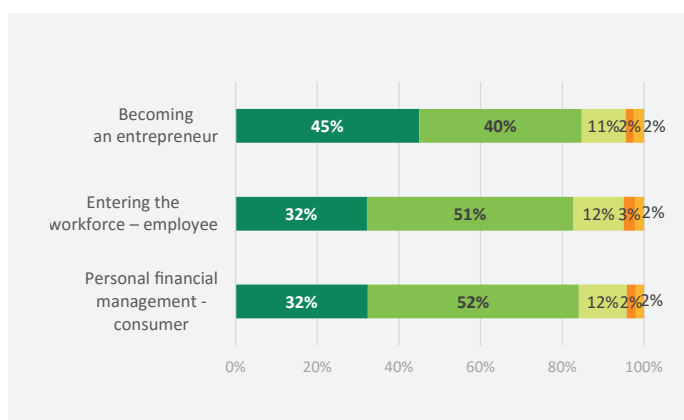
**81% of the respondents recognise NGO's contribution to forging effective partnerships.**

On average **83% of the survey respondents believe that NGOs can contribute at least a fair amount to equipping young people with the right financial skills.** When comparing to the potential of their own organisation, the respondents even believe that NGOs can contribute more (figure 14).

**Figure 13:** How much can (could) different organisations contribute to equipping young people with the right financial skills?



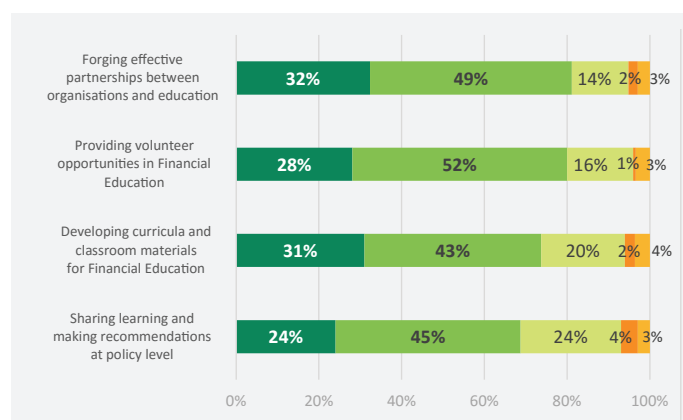
**Figure 14:** How much can (could) NGOs contribute to equipping young people with the right financial skills?



Additionally, while schools and businesses are perceived to primarily have potential to play an active role to equip young people with the financial skills needed for entering the workforce as an employee, **NGOs are perceived to be best positioned to provide the necessary financial skills for becoming an entrepreneur.** 45% of respondents estimated that NGOs have a lot of potential to prepare young people to become an entrepreneur compared to 32% in the consumer and employee perspective (figure 14).

Figure 15 shows the respondents' perception on the most helpful contributions of NGOs in financial education. According to the results, business stakeholders mostly appreciate the supporting role they play acting as a facilitator (81%). This is followed by the contribution in providing employee's volunteering opportunities (80% rated from very to extremely helpful). The perception of NGOs' potential in such role is particularly mentioned by respondents which organisations are already involved in financial education.

**Figure 15:** How helpful do you consider the contributions of NGOs are for organisations engaging with schools?



👉 A lot  
 👉 A fair amount  
 👉 A little  
 👉 Very little  
 👉 Nothing/I don't know



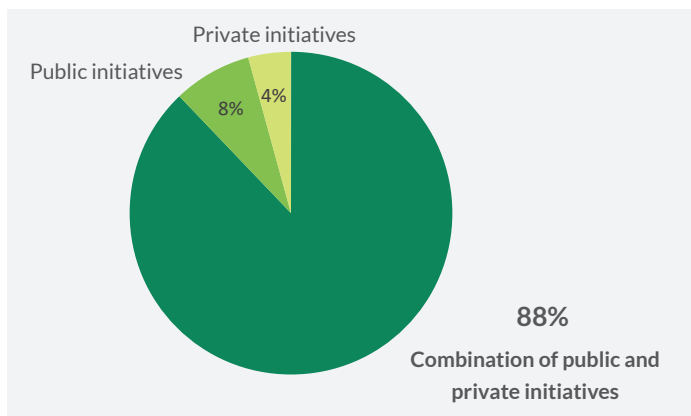


### 3 | How should financial education be delivered?

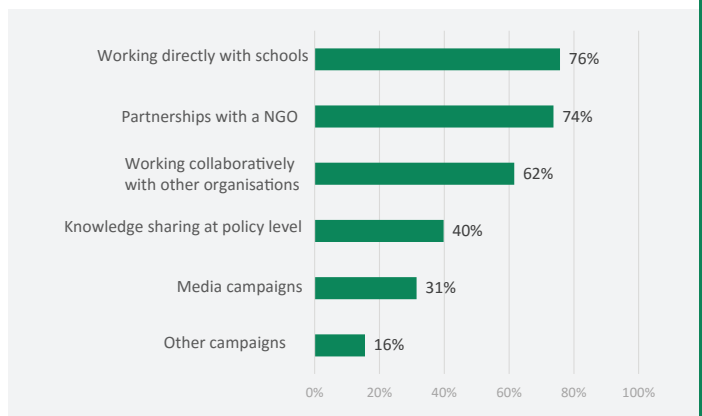
A clear majority of 88% of respondents stated that a combination of public and private initiatives, such as school-business partnerships, would be the best way to improve financial education.

Additionally, when being asked about specific ways organisations can best contribute to financial education, working directly with schools (76%), and engaging through partnerships with a NGO (74%) were ranked first and second. Moreover, working collaboratively or in partnerships with other private organisations was ranked third (62%). These results demonstrate not only the respondents' perception on the need to work collaboratively to improve financial education outcomes, but also their willingness to work with different organisations.

**Figure 16:** What is the best approach to drive an improvement of financial education?



**Figure 17:** What are the top 3 ways for organisations to contribute to financial education?



### 3.1 | The value of employee volunteering

What difference can (or could) it make for young people/ teachers/schools when employee volunteers from your organisation get involved in financial education?

*“Volunteers are motivated by passion to transmit knowledge and, given their job, they are experts in their field. So you have a combination of both passion and knowledge that is not easy to find.”*

*“I feel this is vital to provide the knowledge from a business perspective and an environment that deals with this every day. It teaches young people and schools about what it is like and the challenges that we all face in relation to financial aspects. This could make the difference: learning from the real world rather than a book.”*

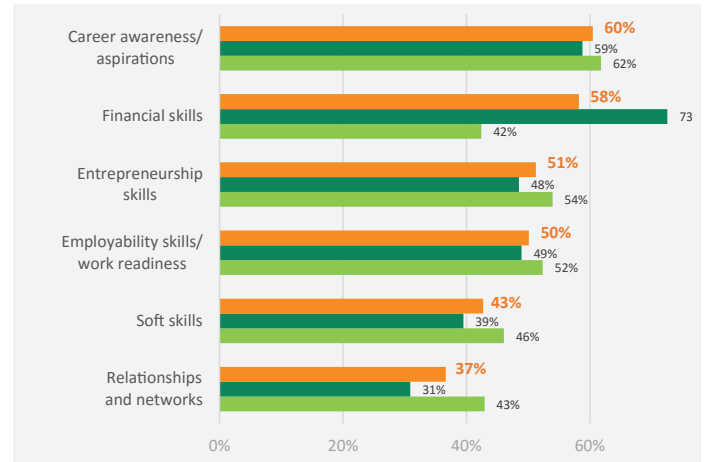
*“Student-business interaction makes the difference. Students meet real business people to get inspired and see the true colours of business life.”*

*“Employee volunteering adds value, increases knowledge and creates some kind of “togetherness” in society - people feel they are not alone in their financial situations or considerations, they learn to pose questions and think critically, so they make better decisions.”*

*“Employee volunteering makes a bridge between school (academic approach) and the business environment.”*

*“We can help teachers who may feel they don't have sufficient knowledge to teach children about financial matters and tax. We can help the young people by relaying our personal experiences and also by giving them expert information.”*

**Figure 18:** What are the top 3 areas in which employee volunteering can (or could) assist young people’s development the most? (Aggregated vs. financial and other industries)



🔄 Aggregated    🔄 Financial industry    🔄 Other industries

**Figure 19:** To what extent do you believe your organisation’s employee volunteering in financial education can (or could) add additional value to the following:



🔄 Very great extend    🔄 Great extend    🔄 Some extend  
 🔄 Small extend    🔄 No extend / Don't know



In your opinion, what challenges do organisations and employee volunteers face, that might discourage them from engaging with schools to improve financial education<sup>5</sup>?

### 31% time constraints / workload, e.g.:

"As financial education is not mandatory in schools, and the curriculum is already overloaded, there is no certainty that schools will make the time for finance sessions."

"Employee volunteers have their own work agenda and therefore may not find backing for their commitment. Time is also an essence and the fact that the work volunteered for is not recognised may be a discouragement."

### 20% lack of interest / awareness / motivation, e.g.:

"There is a lack of habit and interest among the parents and institutions in developing financial knowledge and skills."

"The challenge to get the interest of the young people on such matters."

### 17% environmental constraints, e.g.:

"A new culture has not been not cultivated yet [...] where business organisations work hand in hand with schools."

"Not all companies support their employees in volunteering activities - there is no positive climate for volunteering."

### 13% organising constraints / bureaucracy, e.g.:

"I believe the basic challenge is to find the right contact, especially in complex ministry structures. And even if you have a general permission, some schools may be resistant to help/facilitate."

### 8% financial constraints, e.g.:

"Cost to freeing up employees to complete volunteering hours."

### 5% lack of materials / programmes / curricula, e.g.:

"Lack of suitable educational programmes and materials."

"The lack of an integrated curriculum."

### 4% confidence / experience / knowledge, e.g.:

"Some challenges may include that employee volunteers lack the confidence or efficient training to help them engage with schools."

### 2% trust, e.g.:

"Sometimes financial institutions are not welcome in school or education system, as they are private agents, and they are sometimes perceived as biased as they sell those products."

<sup>5</sup> 10% of the respondents addressed other constraints and 14% stated that they either do not know or that they are not aware if any challenges.

Business stakeholders believe that their organisations can be involved not only through funding and through leadership, but they also by actively involve their human resources. Out of the 61% of the respondents' organisations that are already involved in financial education, 63% are engaged in employee volunteering, making it the most common type of involvement within the sample.

Even if teachers play an unquestionably important role in delivering financial education in schools, respondents think that business volunteers make a difference by bringing in expertise and personal experience.

Figure 18 shows the areas where employee volunteering is perceived to assist young people the most. On an aggregate level, 'career awareness/aspirations', mentioned by 60% of the respondents is the most common. This was followed by the development of financial skills (58%) and entrepreneurship skills (51%). A deeper analysis differentiating between the industries reveals that **73% of the respondents working in the financial industry think that employee volunteering can do the most in the development of financial skills.**

When it comes to volunteering for financial education, employees' ability to add value is evaluated quite positively. People surveyed understand that employee volunteering is a win-win situation. **58% of the respondent stated that employee volunteering can benefit both, young people and the organisation' employees** (figure 19).

Business stakeholders also identified challenges when willing to engage in financial education activities in schools. The nature of the challenges varies greatly: time constraints and lack of culture working together were the most mentioned while the lack of trust is only mentioned by 2% of the respondents.

# THE CASE STUDIES

## 1 | Non-stop curricula from primary to upper secondary

Poland



*"At JA Poland we are convinced that financial education should be introduced as early as possible and continued on all levels of education. Only then we can expect the development of most wanted attitudes in children concerning both saving and rational spending of money. In order to achieve this the classes need to be attractive and children should be thought according to a learning-by-doing method."*

Zbigniew Modrzewski, CEO, JA Poland

JA Poland (Fundacja Młodzieżowej Przedsiębiorczości) has in place a large scale financial education effort that offers programmes at primary ("Safe Trips. From a Penny to a Pound"), lower secondary ("Everyday Economics") and upper secondary level ("My Finance"). This approach ensures the progression of the learning outcomes throughout the student's education pathway and fosters a higher and steadier long-term impact. This effort involves working with schools and teachers to start with the delivery of basic and foundational concepts applied in a broad context at primary level and progress by adding 'building blocks' that reinforce previous learning and add more specific financial knowledge at each educational stage. By working in collaboration with public and private organisations, these programmes reach more than 250,000 students and 4,700 teachers every year.

An important part of JA Poland's work in recent years has been the focus on primary school, as it is understood as a key moment to influence attitudes and behaviours. Both the **cross-curricular nature of teaching** at this stage and **close cooperation with parents** actively contribute to an effective delivery of financial education.

Teachers can freely introduce concepts transversally across all subjects in a comprehensive way. Concepts such as 'savings' are placed in the mind of the children in a different way as they learn the importance of savings applied to different contexts and not only to money (e.g. saving water, electricity, etc). Additionally, teachers work closely with the parents to ensure that the lessons learned in the classroom are reinforced at home. Through homework activities (e.g. "talk to me about" stickers) parents are invited to discuss with their children the topics introduced in the classroom, increasing the dialogue about money but also strengthening the intergenerational relationships.

*"JA Poland is a very strong organisation and there are a lot of experts working together to develop the programmes. We also appreciate the network of schools they work with. There is a really good relationship that allowed us to run the programme for 11 years now."*

Norbert Konarzewski, Programme Development Director,  
Kronenberg Foundation



## 2 | Large scale blended learning initiative

### Romania

MoneyIQ & MoneyOnline are two large scale financial education programmes implemented through a partnership between Visa (and its client banks in Romania) and JA Romania, as well as backed up by the Ministry of Education. In 5 years of implementation, the programmes have reached over 800,000 beneficiaries (age 16-18 and +18) both offline and online using e-learning modules.

Through a blended learning approach, which combines face-to-face training sessions and two main e-learning platforms, students learn about personal finance (MoneyIQ) and e-commerce (MoneyOnline). The programmes leverage the power of digital tools in order to enhance traditional teaching methods and to complement the face-to-face interactions, thus helping teachers and business volunteers to better deliver high-quality financial education.

*"It is very important for young people to understand the fundamental concepts of financial services and to learn how to find information. This programme serves as an introduction to the world of financial services. That is primarily our objective. You cannot do everything that needs to be done in one course but at least we give them the fishing rod and then they can do the fishing on their own"*

*Catalin Cretu, Romania Country Manager, Visa Europe*



*"Financial education in Romania is more than a curriculum addition or a pile of eLearning or extracurricular trainings. It has to be a real movement with all stakeholders involved (providers of financial services, schools, teachers, parents, youth and adults from urban and rural areas, public policy makers) if we want the majority of the population to be aware of what money, budget, and financial services are. We need financial inclusion especially in small towns and rural areas and more exposure of young generations to real financial case studies, practices, lectures, and media articles. What we did in Romania with young people for now, is just the beginning of such movement."*

*Stefania Popp, CEO, JA Romania*

The complementary use of digital tools is a key success factor of this initiative. The training preserves a close interaction between students, teachers, and volunteers, which is particularly important to influence students' financial behaviours and, at the same time the digital dimension opens opportunities to overcome some specific obstacles in financial education. Additionally, it brings financial education closer to teachers from various fields of study, increasing the possibility of applying financial education in an interdisciplinary way. On the other hand, blended learning gives students control over time, pace and place and it helps better meet the different learning needs according to the financial challenges they face at the moment.



### 3 | Partnering with the banking association Spain

*“Personal finances are part of our daily routine and economic decision-making occurs more often at earlier ages. Through the development of these abilities, students enhance their skills for life, becoming responsible and critical citizens, thus contributing to improve their quality of life and to a better functioning of the society.”*

Blanca Narváez, CEO, JA Spain

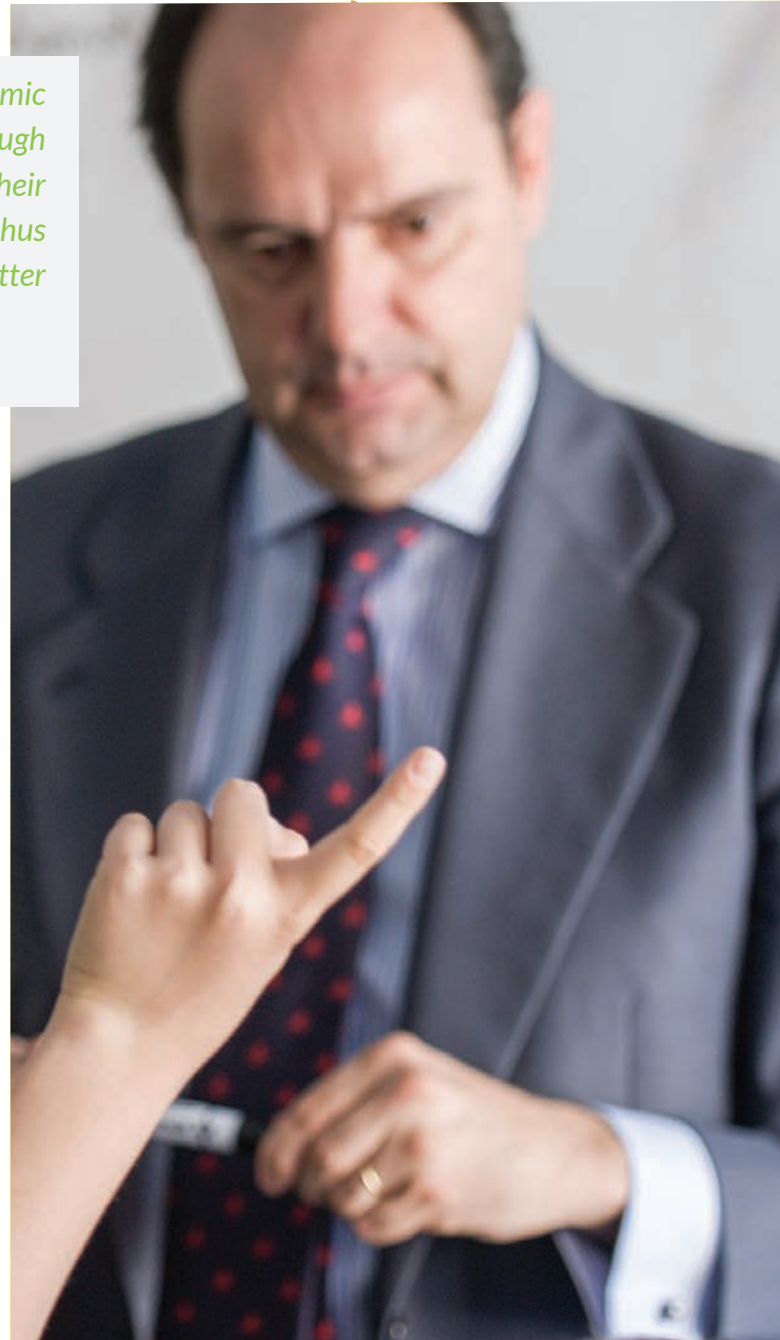
*Your Finances, Your Future* is a financial education initiative delivered by JA Spain through a partnership with the Spanish Banking Association (Asociación Española de Banca) and its member banks. It is a 3 sessions classroom programme (1 hour each) delivered in schools by volunteers from the banking community. In two years of implementation, the programme involved 1,043 volunteers from 24 banks and reached 14,211 students, from 172 schools in 37 cities.

Being a sector initiative, the Spanish Banking Association is acting as a facilitator, coordinating the activities on behalf of the associated banks. JA Spain developed the content and is responsible for the implementation in schools, therefore ensuring **quality, neutrality, and transparency** of the programme.

The **cooperation between the educational and the banking sector (business)** is one of the most interesting points of this initiative, bringing multiple benefits for all involved. Having volunteers in the classroom reduces the gap between school and the world of work, ensuring that the curriculum is relevant, but also provides students with different role models and mentorship. From the teachers' perspective, they recognise the impact volunteers have on students and they also understand the advantages for themselves as educators. Volunteers feel personally motivated to get involved in this initiative as they feel they are contributing in a positive way to the education of the next generation.

*“Junior Achievement shared our passion to boost financial literacy and financial education for young people. The purpose of the project was not only bringing a 3 hours financial course for kids but raise awareness among the students that managing your own financials is one of the key set of skills that will allow them to make better decisions and ultimately, be happier citizens.”*

Beatriz Morilla, Head of CSR, Spanish Banking Association



## 4 | Peer-to-peer learning module

### Turkey

In Turkey, Visa joined forces with its member client banks in 2009 to support a financial education programme for young people *I Can Manage My Money*. The project runs in partnership with UNDP, Habitat Association and the Turkish Ministry of Development.

Through peer-to-peer education, **young people from a similar age group, background, culture and/or social status teach their peers on how to budget and make wise choices regarding their finances.** One of the main advantages of this model relies on the strong connections built between trainer and trainees.

Learning from someone who has the same level of income, speaks the same language, and potentially faces or will face in the near future similar financial problems makes the learning process more real to the trainees allowing a higher achievement in terms of enhanced learning outcomes.

Since its launch, 2.24 million people benefited from the programme which is active in 81 cities (the whole country). In addition, a further 242,000 people are actively engaging with the programme via Facebook and Twitter, creating around a 1.5 million reach and engagement on a monthly basis via both media.

*“Most people that attend the training don’t have any dreams. I don’t think I’ve affected them all but I believe I triggered the change in most of them. I inspired them to be more careful about their expenses, to think about their future and to save for the future.”*

Kunter Gulec, trainer of I Can Manage My Money

*“We are very happy with this partnership. From the beginning we are a group that thinks alike. Everyone knows what their role is and we all work towards the same objective.”*

Hansin Dogan, Programme Manager, UNDP

*“It has been a very successful partnership. Visa contributes with the financial resources, thought leadership and the management discipline needed to take the project forward’. UNDP brings the governance transparency and the worldwide dimension. Habitat is the field force that has been able to spread the volunteer network across the country facilitating the link with local organisations.”*

Merve Tezel, General Manager, Visa Turkey



## 5. The interaction between financial and entrepreneurship education

### United Kingdom

In 2014, Young Enterprise UK merged with pfe (personal finance education group), a leading charity on financial education and research. Together they became the specialist 'one stop shop' for teachers and students, empowering young people to develop the knowledge and skills and they need to meet their aspirations for work and for life. Both organisations share the same commitment to helping young people making the transition to employment as easy as possible. The merger between Young Enterprise UK and pfe (personal finance education group) enabled the organisation to maximise the resources and results achieved, being able to provide more useful and powerful experiences for young people.

*"It's a blended model now. Young people are receiving the input from volunteers but also teachers are being trained to deliver. So they can almost lead-in to the experience with YE-UK programmes and then lead-out of the experience. It's a really nice bookend experience for young people."*

Sharon Davies, Chief Operating Officer, Young Enterprise UK

*"Young people don't understand managing their finances as separate from other life decisions they have to make, so tying it with employability and enterprise is the right thing to do. It's all about giving them the tools that helps them meeting their future aspirations"*

Steve Stillwell, Head of Education, Young Enterprise-UK

Financial education has always been an important component of Young Enterprise UK's programmes; however, by **coupling both expertises** YE-UK now offers a wider and improved range of programmes and services (training, support, advice, and accredited materials) that allow schools and teachers to be better prepared to equip young people with the skills, knowledge, and attitudes they need to manage money for work and for life. **Entrepreneurship education is a highly effective way to teach financial education** as it provides the context and the possibility for the students to apply their knowledge in a concrete case of interest to them. The fact that financial education is already delivered inside the curriculum in the UK means that a blended approach is also more operationally efficient in terms of demand on teachers' time.





## Content areas (description)

## Exemplary answers from the respondents

**Financial planning & budgeting:** responses relating to understanding, creating and monitoring financial plans and financial goals.

- planning and budgeting
- budget management
- financial planning and projection

- prudent planning and forecasting
- budget versus actuals

**Financial accounting:** responses relating to external accounting (based on accounting principles) Answers stating accounting only were included in this area.

- financial statements
- balance sheet
- income statement

- accounting standards / principles / concepts
- bookkeeping

**Management accounting:** responses relating to internal accounting information that helps managers to make decisions in managing the business.

- management accounting / cost accounting / financial controlling
- price calculations / pricing / costing

- profit margins / profitability
- opportunity cost
- key performance indicators

**Business administration & management:** responses relating to the bigger picture in a business context including areas other than financial management.

- business management
- business plan(ing)
- business context / big picture

- entrepreneurship
- marketing / sales / human resources

**Analytics and mathematics:** responses relating to the analysis of quantitative data as well as to calculations including financial mathematics.

- analytical skills
- financial analysis / data analysis
- calculations / estimations

- numeracy
- interest, compound interest

**Liquidity, money & transactions:** responses relating to managing cash flows, liquidity and payments.

- money management
- liquidity management
- free cash flow

- cash flow management / cash flow analysis
- payment rules / standards

**Economics:** responses relating to the overall economy, segments of the economy, particular markets and public policies.

- economic context / economic concepts
- basic micro / macroeconomics

- impact of inflation
- financial economics
- supply & demand / price dynamics

**Funding and investment:** responses relating to raising financial resources as well as to the use of financial resources.

- financing / funding options
- access to capital
- cost of capital

- difference between debt & equity
- investment principles

**Financial risk:** responses that relate to the uncertainty of potential financial gains and losses as well as to addressing this uncertainty.

- financial risk management
- risk analysis
- risk assessment

- risk control
- prepare for risk

**Financial products and services:** responses relating to products and services provided by the financial industry.

- basic financial product knowledge
- product options

- basic financial services
- financial instruments
- financial intermediation

**General financial skills and education:** responses that referred to very broad, general and sometimes basic abilities or content.

- literacy
- digital literacy (e.g. excel)

- basic financial literacy
- general financial concepts

**Attitudes & soft skills:** responses that describe the personality of an individual as well as answers that relate to people and social skills.

- accurate, ambitious, confident, critical, honest, motivated, realistic, etc

- Communication skills
- Social skills



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