



**TE ARA
AHUNGA ORA**
Retirement Commission

Te Kāwanatanga o Aotearoa
New Zealand Government

Briefing for the incoming Minister of Education

December 2023

The case for a coordinated approach to ensure
equitable access to financial education in schools



Introduction

Tuia ki te ara ahunga ora

Kia whai hua, kia ora!

Weaving pathways to shape our wellbeing

So that we may all flourish and prosper

This is a briefing from Te Ara Ahunga Ora Retirement Commission, the Crown entity responsible for leading the Sorted in Schools financial education programme. The briefing provides an overview of the key financial education activity taking place in schools around New Zealand, through private and public sector organisations, and the way it is being taught. It provides some recommendations on how the sector would like to work with the Government to better incorporate financial education in schools.

The Retirement Commissioner, Jane Wrightson, convened an informal group of other providers working in schools' financial education comprised of Banqer, Life Education Trust, Young Enterprise Trust, Westpac, ASB, and Kiwibank to help gather this information. There are others who can be included if and when providing financial education in schools becomes an active government decision. The Retirement Commissioner has also had a helpful preliminary discussion with officials from the Ministry of Education.

There is a very special opportunity to develop a coordinated solutions-based approach to teaching financial education in schools involving the Ministry of Education (Curriculum), Te Ara Ahunga Ora (coordination) and several private providers (delivery).



Summary of recommendations

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- Make teaching financial education compulsory in schools, starting at primary and go right through secondary.

 - If that is too difficult, lead a National Strategy for Financial Education to align sector strategy and outputs.

 - Ensure clear guidance around how financial education can be taught in schools. Changing practice requires ongoing guidance, resources and tools for teachers.

 - Build teacher capability through effective professional development programmes.

 - Use the skills of the Retirement Commission and its links with the private sector to help deliver the programmes within an agreed framework.

 - Establish a working group of financial education providers (for example, those referenced in this report) to support the Ministry of Education to fully integrate financial education into the curriculum and improve provider understanding of Ministry requirements.

 - Work collectively on an agreed core competencies framework on financial education using New Zealand and global insights.

 - Contribute teacher materials and resources to the Ministry of Education's Tāhūrangi online hub.
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Overview

Financial education is a critical life skill that enables individuals to manage their finances effectively, helping them to achieve their goals and setting them up well for the future.

Unfortunately, New Zealanders have frustratingly low levels of understanding when it comes to money. As a result, many are missing out on being able to grow their money and haven't built the resilience they need to protect it when the unexpected happens or in periods of economic uncertainty like what we are seeing today with the cost of living challenges.

This is where teaching financial education in schools can really shift the dial for the prosperity of the country. Teaching children to build positive habits and relationships with money when they are young can lead them to make much better adult decisions as the stakes get higher. The younger people learn about money, the better equipped they will be to ensure a more positive financial future and able to weather financial headwinds better.

While financial literacy is not yet a compulsory part of the New Zealand Curriculum there are several organisations and well-established programmes that are already teaching primary school through to secondary school-aged children about money. There are others in the financial services industry across New Zealand who would offer expertise to help teachers if there was a clear framework.

There are a good range of existing tools and resources available, including lesson plans and training for teachers, many of which are aligned to the curriculum. Sorted in Schools also offers learning and assessment resources for Achievement Standards and Unit Standards.

However, what has been lacking is a clear mandate to teach financial education in schools in what is already a busy curriculum, and generally haphazard approach when it is used. This has made it challenging to have maximum impact in schools and the uptake varies from school to school and region to region. No organisation has a clear picture of total activity.



Why is financial education so important?

Supporting financial education is a critical long-term investment in human capital. Equitable access to financial education will lead to great outcomes for New Zealand as a whole. If we can equip young people with the knowledge, skills, and confidence to take charge of their economic lives then they will build a more secure future for themselves and their families.

According to the OECD PISA financial literacy assessment:

“Financial literacy is knowledge and understanding of financial concepts and risks, as well as the skills and attitudes to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial wellbeing of individuals and society, and to enable participation in economic life.”

Those who are financially literate are more likely to cope with financial shocks, plan for retirement, more likely to save, and less likely to be constrained by debt.

Leading international economist Annamaria Lusardi and her colleagues have reviewed more than 1000 published studies on the topic. They have found strong evidence that financial education improves both financial knowledge and behaviours, especially when it comes to budgeting savings and credit.

She also states the important role national strategies globally are playing in lifting financial wellbeing and helping policymakers worldwide. The Retirement Commission is responsible for leading New Zealand’s National Strategy for Financial Capability¹ and coordinating the public and private sector to work collectively on initiatives to help people better understand money.

With New Zealand’s low financial literacy levels, we cannot rely on parents alone to teach children about money. It’s critical that all young people can access financial education and the most equitable solution is that this happens at school.



1 National-Strategy-2021-booklet.pdf (retirement.govt.nz)

Existing ecosystem

Currently, each financial education programme uses different ways to measure engagement and reach, making it challenging to come up with a number for just how many children are being taught – and who are missing out.

For example, Te Ara Ahunga Ora Retirement Commission's *Te whai hua, kia ora – Sorted in Schools* is used by teachers in 73% of secondary schools and kura it is in, with 93% agreeing they value Sorted in Schools as a financial capability programme. However, it is not known how many students are being reached. Young Enterprise Trust says it covers 85% of secondary schools and Banqer reports having had more than 300,000 primary and secondary school children use their programme in the past seven years.

However, often, this may just equate to one or two teachers in a school using the various programmes, or a visit from an external provider only teaching one classroom or year group.

This current approach means there are almost certainly large numbers of children not learning the basics around money. See [Appendix 1](#) for a snapshot of current providers.



Current challenges and opportunities

The largest challenge facing teaching financial education in schools is that it is not compulsory. This has resulted in ongoing issues integrating it into an already busy curriculum.

There is also no agreed core competencies framework for financial education. There is a real opportunity for the government to work with the sector to develop this.

And there is sometimes an issue with teacher confidence.

The OECD¹ has recommended that teaching financial education starts as early as possible, and including financial education as part of the school curriculum is a fair and efficient policy tool. The OECD states there should be a learning framework which sets out goals, learning outcomes, content, pedagogical approaches, resources, and evaluation plans. The content should cover knowledge, skills, attitudes, and values. It can be, but need not be, taught as a 'stand-alone' subject: integration into other subjects like mathematics, economics, social science as it is currently being taught now in New Zealand is also effective.

Currently there is no clear guidance around how financial literacy can be taught in schools and there is an opportunity to introduce standardised assessments and reporting. While existing providers evaluate their programmes there is no agreed measure to assess that what is being taught is truly making an impact to young people's lives long term.

Another barrier relates to teachers not feeling confident in their own financial literacy skills to teach it in the classroom. For those organisations where the financial education programme relies on teachers teaching it, professional development is offered. Programmes such as Te whai hua – kia ora, Sorted in Schools and Young Enterprise offer professional development for teachers to help lift their personal financial literacy levels leaving them with the skills and knowledge to then teach children about it. This is offered throughout the country but constrained by current staffing resources of the programme and would benefit from being scaled up to reach more teachers².

There is an opportunity to include core financial literacy skills as part of teacher training that has been signalled to support the 'teaching the basics brilliantly' policy.

Private sector involvement in financial education in schools is predominantly coming from banks. This can take the form of sponsorship, such as Kiwibank's support for Banqer, through to in-classroom delivery by either paid facilitators in the case of ASB's Get Wise, or through employee volunteers to support Westpac's Money Makes Sense. The key challenges expressed by these groups relate to limitations around funding to pay for facilitators. Delivery is often tied to the areas where the banks have branches.

1 FinEdSchool_web.pdf (oecd.org)

2 For example, Sorted in Schools has just one staff member looking after 500 schools and one looking after 50 kura.



Conclusion

We want you to know that there is a willing and able group of experienced public and private sector providers which have a strong desire to work collectively with the Government on an approach to teaching financial education in schools.

We acknowledge there are other educational priorities that have been identified, but we want to ensure you understand the current financial education landscape and the significant opportunities for a coordinated approach led by you.

We look forward to the opportunity to work with you and the Ministry to support the Government's aspirations of setting every child in New Zealand up for success: the role of financial education is a key plank to achieving this and it is an area where private and public sector partnerships can be relatively easily leveraged.

We are very happy to meet at your convenience.



Jane Wrightson

Mana Ahungarua / Retirement Commissioner



Appendix 1: Current Financial Education Providers

Programme	Description	Model	Primary School	Secondary School	Achievement standards/unit standards	Cost
<p>Te whai hua - kia ora, Sorted in Schools</p> <p>Equipping young New Zealanders for their financial futures Sorted in Schools</p> <p>Run by Te Ara Ahunga Ora Retirement Commission.</p>	<p>Government funded, available in English Medium and Māori Medium Education. Has 350+ learning and assessment resources and learning plans available, covering topics like KiwiSaver, insurance, retirement planning, investing, setting money goals, understanding debt, savings, and budgeting</p>	<p>Taught by teachers. Professional development training offered to teachers on financial capability by Sorted in Schools team.</p>	N/A	<p>Years 9-13</p> <p>Being used by teachers in 73% of secondary schools and kura</p>	Yes	Free
<p>Banqer</p> <p>Banqer Financial education made easy for schools</p> <p>Supported by Kiwibank as a champion partner.</p>	<p>An online platform that allows students to explore financial concepts through real-life situations in a simulative environment.</p> <p>Launched seven years ago, 300,000+ students have used</p>	<p>Online. Guided by teachers.</p>	Year 3 – 8	Year 9 -13	No, but aligned to the Curriculum.	<p>Free for primary</p> <p>Varies, in high schools – some partner subsidies available</p>
<p>SMART\$</p> <p>Life Education Trust</p> <p>LifeEducationTrust</p>	<p>A theatre-in-education interactive performance designed to provoke thinking and conversation around every day financial decisions and opportunities impacting young people</p> <p>SMART\$ Online can be used with students before or after the theatre-in-education performance</p>	<p>Theatre programme without teacher involvement.</p> <p>Teachers lead SMART\$ Online.</p> <p>Contains four modules covering essential financial literacy topics.</p>	N/A	Year 9 - 11	No – but identifies how it aligns to the Curriculum	Free
<p>Young Enterprise Trust</p> <p>Not funded for financial education. Subsidised with funding from other sources.</p>	<p>A wide range of competitions and challenges</p> <p>Traditional resources, downloadable and used in classroom</p>	<p>Taught in classroom by teachers with support from YET teacher mentors. Cover 85% of secondary schools.</p>	N/A	Year 5 - 13	Unit standards	



<p>Money Makes Cents programme</p> <p>Managing Your Money Workshops - Life & Money Westpac NZ</p> <p>Funded by Westpac</p>	<p>Workshops designed for people who are managing their money for the first time and are looking to start off with getting the basics right. Encourages knowledge sharing and have interactive activities and case studies. 33,000+ participants have gone through the wider 'Managing your Money' programme over the last three years</p>	<p>Westpac employees volunteer to go to schools to deliver the programme in their local area. Local branches connect with their communities to roll out the programme nationwide. Can be delivered face to face or virtually.</p>	<p>N/A</p>	<p>Ages 17-25 (interest from younger people growing)</p> <p>Programme can be crafted to suit most ages.</p>	<p>No</p>	<p>Free</p>
<p>Getwise & What's Next</p> <p>GetWise - Creating Cash- Clever Kiwis</p> <p>Funded by ASB Bank</p>	<p>ASB GetWise was launched in 2010 and has run more than 1.2 million sessions. Multiple modules, has digital platform modules and teacher resources.</p> <p>In 2023, piloted full Te Reo version of Getwise into kura kaupapa schools.</p> <p>ASB staff also deliver 'What's Next' to help yr 12 & 13 students with financial understanding in preparation for leaving school</p>	<p>Bring paid facilitators into the classroom to teach modules.</p> <p>Includes a digital platform and teacher resources.</p> <p>ASB staff teach What's Next programme</p>	<p>Getwise Yr 5-8</p>	<p>What's Next Yr 12 & 13</p>	<p>No</p>	<p>Free</p>
<p>Other financial education offerings in NZ we are aware of</p>						
<p>Bamzonia sponsored by BNZ</p>	<p>Games and lessons for students</p>	<p>Interactive lessons, teacher led. Games, quizzes</p>	<p>N/A</p>	<p>Years 5 - 13</p>	<p>No - but aligned to the NZ curriculum.</p>	<p>Paid (free trial available)</p>
<p>Money Time Sponsored by Milford and Forsyth Barr</p>	<p>App based learning</p>	<p>Web-based, self-taught financial literacy programme</p>	<p>N/A</p>	<p>Years 7 -8</p>	<p>No</p>	<p>Free - thanks to sponsors</p>
<p>KidsCoin</p>	<p>Kids login and complete lessons and tests in a range of school subjects</p>	<p>Interactive software platform. Workshops also available designed for adults and children to learn about money and technology together.</p>	<p>Yes.</p>	<p>Yes</p>	<p>No - but says it aligns to the Curriculum</p>	<p>Free for first 12 months</p>

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