

BUILDING YOUNG AUSTRALIANS' FINANCIAL LITERACY SKILLS

By continuing to boost the financial literacy of young Australians, we are helping to build stronger communities now and a stronger economy in the future.

AT A GLANCE

We believe that the low level of financial literacy is a pressing issue, especially for young Australians who are dealing with more sophisticated financial concepts, and many more choices, than previous generations.

Good money management skills must be taught, learned and practised throughout life. It's a challenge to make educational programs about money management relevant and inspiring for young people but that's the challenge that the [Commonwealth Bank Foundation](#) has embraced.

We have found that by partnering with educators and running engaging workshops in schools and colleges we can reach students in a way that complements the curriculum and supports teachers.

Our award-winning [StartSmart program](#) is the largest face-to-face financial literacy program of its kind in the world, reaching more than 280,000 students this year from primary school to vocational (eg. TAFE) students.

We will continue to play our role of leader in financial literacy education and develop programs that make a lasting and profound change to the lives of young Australians. We believe that our investment in financial literacy programs will in turn contribute to developing a more successful and sustainable economy, and a more resilient society, in the long term.

A MAJOR ISSUE FOR AUSTRALIANS

The Commonwealth Bank Foundation partnered with Eureka Strategic Research (now the Ipsos-Eureka Research Institute) and Monash University to undertake ground breaking research to measure Australians' financial literacy. We wanted to know the socio-economic impact of low financial literacy, evaluate Australians' ability to make informed and responsible financial decisions and understand how we can make the biggest impact. Our two major research studies (2004 and 2010) confirmed the scope and seriousness of the issue of low financial literacy in the community. Some of the key findings included:

- ◆ Australians with the lowest financial literacy skills were also those worst affected by the global financial crisis, with many losing their jobs or working fewer hours. Because of their lower

financial literacy levels, they were also the most vulnerable to financial stress, since they lacked savings to fall back on in emergencies.

- ◆ Poor financial literacy is often linked to problems in paying regular, basic bills, such as phone or power bills. Those who have lower financial literacy skills are more likely to become unemployed, earn a lower income or experience bankruptcy.
- ◆ Less than one in four respondents in the bottom quartile for financial literacy said they would be able to raise 10 per cent of their annual household income within a week when faced with an emergency. This compares to 52 per cent of other respondents. 70 per cent of the top quartile were confident they could find that amount or more in seven days.

DID YOU KNOW



42 per cent of the lowest quartile for financial literacy are 16 to 25 years old.



248,834

STUDENTS REACHED THROUGH STARTSMART IN 2013

- ◆ The research also showed that 16-25 year olds comprised 42 per cent of the bottom quartile. While this helped confirm our focus on educating young Australians in financial literacy, it also suggested that our student banking programs could usefully be extended with programs designed for vocational students who would need to make important financial decisions as they became productive members of the workforce.

Our response

This research has helped us in our role as a significant supporter of financial literacy education for young Australians. But having insights into the issue of low financial literacy is insufficient. Our challenge is to engage and motivate students with ideas and perspectives that they can connect to their own lives.

To meet this challenge, we work with educators, instructional designers, psychologists, financial literacy experts and Change Labs, an international behaviour-change organisation. This has allowed us to develop a suite of fit-for-purpose financial literacy workshops known as StartSmart.

StartSmart is a fresh and lively approach to financial education that aims to provide students with practical strategies for money management, and encourage them to use these strategies in their day-to-day lives.



The Commonwealth Bank has been acknowledged with a Canstar Cannex Best Value Australia Youth Banking and Education Award three years in a row. The Commonwealth Bank Foundation also received an Outstanding Achievement in the Schools category of the MoneySmart Week Awards in 2012.

INVESTING IN FINANCIAL LITERACY

A society can only build a successful and sustainable economy if its people are financially literate. This means that as well as having access to information and educational resources on money management, people need to be able to use what they learn to make sound financial decisions.

As a leading financial institution, it makes sense for us to contribute to raising the financial literacy of our community. By leveraging our scale, expertise, skills and assets we are making a difference to the level of financial literacy of young Australians.

We have a proud history of educating Australian youth in financial matters. We've been delivering our [School Banking Program](#) to educate primary school children about saving, free of charge, for more than 80 years now.

We have also developed online tools such as [Coinland](#), designed to teach young children about the value of earning, saving and investing money through practical, interactive scenarios.

We are on track to meet a commitment to improve the financial literacy of one million kids by 2015 (which we announced in late 2009). And we have expanded the financial literacy work of the Commonwealth Bank Foundation with the help of additional funding as part of the Commonwealth Bank Group's centenary commitment to invest a further \$100 million over 10 years towards supporting the communities where we live and work.

EDUCATING YOUNG PEOPLE ACROSS AUSTRALIA

The Commonwealth Bank Foundation has a number of far-reaching financial literacy programs in place that:

- ◆ Are informative, entertaining and educational.
- ◆ Deliver content to which students can easily relate.
- ◆ Are free for all students.
- ◆ Strictly avoid promoting Commonwealth Bank products.

StartSmart

StartSmart is the largest face-to-face financial literacy program of its kind in the world. In 2013 alone, 284,834 students booked to attend one of the StartSmart sessions. Created with the help of education experts, StartSmart offers students a guided approach to learning about money in the classroom. The program is closely aligned to the school curriculum by state and territory along with the new national curriculum. Our national team of professional facilitators lead high energy, enjoyable, interactive and age-appropriate workshops.

StartSmart has long-running secondary and primary school programs. Our secondary school workshops focus on four areas of learning: SmartEarning, SmartSaving, SmartSpending and SmartInvesting.

Our three primary workshops cover topics that help students to distinguish between needs and wants, and understand budgeting and saving.

In 2012, following widespread consultation, we identified the need for tailored money management education for vocational students. So we used our knowledge and experience to further leverage the programs we had created for primary and secondary school children. We created StartSmart Pathways, a program with four new workshops aimed specifically at the learning needs of students on vocational pathways (students enrolled in TAFE and other vocational education institutions):

- ◆ SmartTransitions: Looking at issues affecting vocational students.
- ◆ SmartPlanning: Budgeting to manage finances effectively.
- ◆ SmartBorrowing: Borrowing money wisely, and managing debt.
- ◆ SmartWorking: Developing skills to enhance employability.

Our StartSmart Pathways program is in line with TAFE competencies by state and territory. TAFE educators and other leading experts were involved in the research process as we designed the course, and we piloted the modules with TAFE students.

Since launching in February 2012, more than 3,819 StartSmart Pathways sessions have been delivered across Australia.

Through testimonials and quarterly reviews of the feedback we are getting from participants and teachers, we know that vocational students are finding the StartSmart Pathways workshops engaging, and are taking the skills they have learned in the classroom into real life. Students are using the course to learn how to apply both broad and specific skills in financial literacy.

We also recognise the essential role that teachers play in transforming students' lives. The Commonwealth Bank Foundation Teaching Awards recognise and support inspirational teachers from across Australia who are making an outstanding contribution to developing financial literacy and helping their students learn the vital life skills of money management in an innovative way. Find out about some of the inspirational teachers we have supported.

INCREASING OUR REACH

We believe that financial literacy and money management are life skills that should be taught well and made available to as many students as possible. That's why all the Commonwealth Bank Foundation's StartSmart programs are provided free of charge to schools, TAFEs and other vocational education institutions around the country. This is a large part of our program's value proposition: to provide young people access to practical lessons in essential money management without any cost to them, their families or their education institution. The reach of the program is wide – more than 284,834 students booked to attend our primary, secondary and vocational StartSmart programs in 2013 alone.

