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# Why is financial literacy important?

HOW TO EASILY LINK IT INTO YOUR LESSONS

# Welcome

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Sources used include but are not limited to: ASIC MoneySmart, Tax, Super & You – ATO, Financial Advice Association Australia (FAAA), HILDA survey, Global Money Week.

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# Agenda

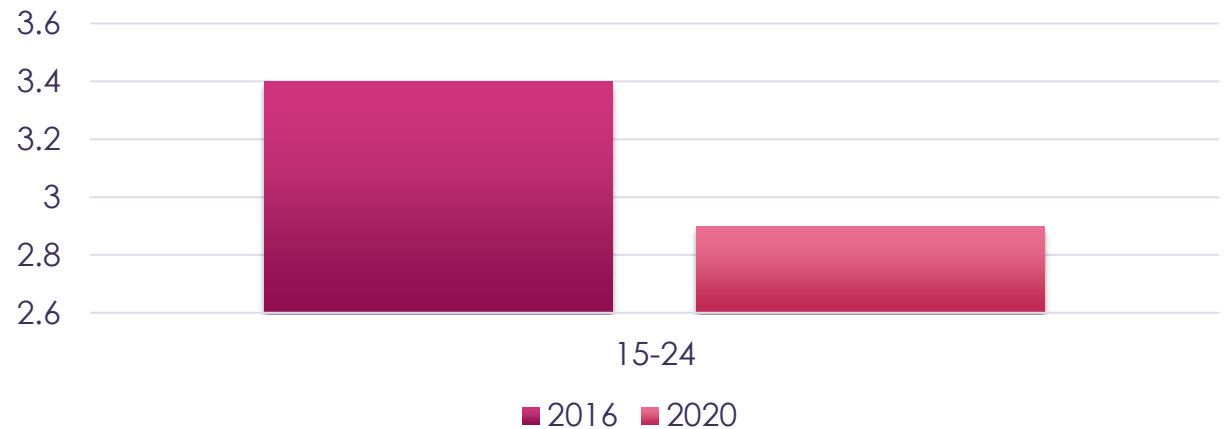
- ▶ Financial literacy – the what & the why?
- ▶ Lesson-ready examples from ASIC MoneySmart
- ▶ How can we support you? Get involved in Global Money Week®
  - ▶ FAAA 1h workshop for high school students (Year 9-10)
- ▶ Q&A
- ▶ How to get involved & useful resources



# Financial literacy – The what & the why

- ▶ The OECD defines **financial literacy** as a “combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve financial wellbeing”
- ▶ HILDA survey: **Declines in financial literacy** were largest amongst young Australians.
- ▶ Yet, **increase in the range and complexity** of financial decisions that young people are required to make, including decisions about investing in education, saving, credit cards etc.

Mean score on financial literacy test  
(2022 findings)



Source: HILDA surveys: Select findings from waves 1 to 20

# Financial literacy resources to support curriculum delivery



Australian Government  
Australian Taxation Office

TAX, SUPER + YOU

# Example area – Compound interest



45 mins.



Upper Secondary

## Understanding compound interest

In this lesson students learn how compound interest works and why saving now can help you later.

- ▶ **English** AC9E9LY02
- ▶ **Mathematics** AC9M9N01 AC9M9M04 AC9M10A04
- ▶ **HASS** AC9HE8K05 AC9HE9K01 AC9HE10K03

## Lesson plans

**Lower Primary:** [Understanding Australian Coins](#) - Students learn about Australian coins, their features, and their value.

**Middle Primary:** [Let's party!](#) - Students learn about needs and wants, while budgeting for a birthday party.

**Upper Primary:** [Buy me!](#) - Students learn how advertising can influence consumers.

**Upper Primary:** [Owning a pet](#) - Students learn about pet ownership in Australia and the cost of buying and keeping a pet.

**Secondary:** [Moving out of home](#) - This lesson explores costs and responsibilities associated with moving out of home and setting up living arrangements.

**Upper Secondary:** [Understanding compound interest](#) - Students learn how compound interest works and why saving now can help you later.

**Upper Secondary:** [Different ways to pay](#) - Students learn about the pros and cons of various payment options, what happens to their money, different consumer products and where to go for more information.

**Upper Secondary:** [The cost of cars](#) - Students learn about car ownership in Australia and the real cost of buying and running a car.

**Senior Secondary:** [How to spot a scam](#) - Students learn how scams work and how to avoid them.

**Senior Secondary:** [Investing](#) - This lesson explores what investing is, different types of investments and their risks, how to invest safely and where to begin.

Other great lesson plans  
available to use through  
the [MoneySmart for  
Teachers](#)  
website



# Example area – Tax types

## Tax types

Math Year 9 AC v9.0 02 h 00 mins



Introduction Curriculum Links Resources needed Suggested activity sequence

Start learning Add to favourites Assign to class

### Introduction

This set of resources provides opportunities for students to learn about some of the main types of taxes that the Australian Government levies. They also calculate the average rate of tax to determine whether different taxes are progressive, proportional or regressive and display their findings graphically.

[Links to the Australian Curriculum](#)



Australian Government  
Australian Taxation Office

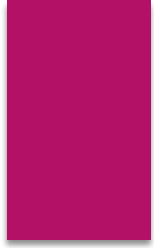
TAX, SUPER + YOU

18.03-24.03



## How can we support you?

- ▶ Get involved in Global Money Week (GMW®)
- ▶ **Complimentary one-hour financial literacy workshop to Year 9 & Year 10 students.**
- ▶ **What is GMW:** Annual global awareness-raising campaign on the importance of ensuring that young people are financially aware, and are gradually acquiring the knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well-being and resilience.



## 1h complimentary financial literacy workshop for Y9 & Y10 students

Starting your first job, reading payslips and tax brackets

Budgeting and Wants vs Needs

Credit cards and Buy Now, Pay Later schemes

Superannuation and the importance of preparing for retirement

18.03-24.03

**GLOBAL  
MONEY  
WEEK**<sup>®</sup>

## Why does it matter?

- ▶ “Empowering children and youth to not only learn to manage their money wisely, but save for their futures and earn for themselves and their families”

**#Learn.Save.Earn.**

# Thank you!

## Q & A

### Useful resources:

- [ASIC MoneySmart for Teachers](#)
- [Tax, Super & You – ATO](#)
- [Global Money Week](#)

Financial literacy feedback and  
workshop interest survey



**Would like to know more or  
get involved?**

# Appendix – HILDA financial literacy survey questions 1

## Survey participants are asked these five questions:

1. Suppose you put \$100 into a no-fee savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. *How much would be in the account at the end of the first year, once the interest payment is made?*
2. Imagine now that the interest rate on your savings account was 1% per year and inflation was 2% per year. *After one year, would you be able to buy more than today, exactly the same as today, or less than today with the money in this account?*

Answers: 1. \$102 2. Less

# Appendix – HILDA financial literacy survey questions 2

## Survey participants are asked these five questions:

3. Do you think that the following statement is true or false? *'Buying shares in a single company usually provides a safer return than buying shares in a number of different companies'*.
4. Again, please tell me whether you think the following statement is true or false: *'An investment with a high return is likely to be high risk'*.
5. Suppose that by the year 2024 your income has doubled, but the prices of all of the things you buy have also doubled. In 2024, will you be able to buy more than today, exactly the same as today, or less than today with your income?

Answers: 3. False 4. True 5. Exactly the same