Financial guidance on the money

Teaching young people to be smart with their cash pays big dividends, writes Kristie Kellahan.

Personal finance management is one of life’s responsibilities that simply cannot be avoided, says Joe Alvaro, from Marist College North Shore. Alvaro, who teaches legal studies and commerce, is also a board member at Economics and Business Educators NSW.

“As educators, we have an important responsibility to teach young people about financial literacy, as the costs of financial illiteracy can be huge,” he says. “We can help students avoid poor financial decisions and the stress that these decisions can produce for many years.”

Alvaro says many young people come to high school lacking even basic financial knowledge. “They don’t know a lot about spending responsibly, that borrowing money means interest will build up or that credit cards do not equate to free money,” he says. “There are many dangers, including falling victim to abusive practices and scams.”

The commerce curriculum includes topics on personal finance, consumer choice, investing and e-commerce. The syllabus content is then related to the real world through classroom discussions on employment, banks, the supermarket and shopping. Students enjoy monitoring the Australian Competition and Consumer Commission’s SCAMwatch website to keep up to date with the latest scams. Alvaro also encourages students to speak with parents about what they are learning in class and to ask them about their financial experiences.

“Schools cannot achieve the goals of financial literacy alone and therefore all our year 9 commerce students experience the Commonwealth Bank’s StartSmart financial literacy program,” Alvaro says. “Bank staff come to the school and conduct workshops for the students that are interactive and practical.

“Engaging with the financial-services industry in this way adds great variety to our program. I find it very satisfying teaching financial literacy, especially when I see students discovering effective ways to use and manage money.”

“It’s rewarding to know I am contributing to the financial health and well-being of future generations and preventing unpleasant experiences like poor credit decisions and bankruptcies.”

Liz Criddle teaches business studies and commerce at Wenona School. She says financial-literacy education is more important than ever as it responds to the world economic climate and the stresses created by the global financial crisis.

“For me, teaching at a girls’ school, the challenges and rewards of teaching financial literacy are related to the importance of educating young women in lifelong literacy and financial security as, statistically, women still fall behind when it comes to having control of their finances,” she says.

Criddle, who describes herself as “a passionate believer” in lifelong learning, is working part-time on her PhD. She says: “My PhD is about curriculum change and its impact on schools and on the profession so it applies well to the current climate of national curriculum challenges and change. I’m looking forward to the excitement of submitting my PhD within the next year.”

Criddle was recently awarded the Premier’s First State Super Financial Literacy Scholarship. She is planning a study tour to examine global approaches to the teaching of critical financial literacy.

“I plan to attend conferences organised by the Directorate for Financial and Enterprise Affairs at the Organisation for Economic Co-operation and Development and consult with colleagues around the world,” she says. “This study tour will enable the integration of cutting-edge and contemporary global theory on critical financial literacy into the NSW school curriculum.

“I am involved in the teaching profession as a director of my professional association and as a co-ordinator of a national curriculum conference, so I will not only bring my learning from the study tour to the college, I will be able to disseminate to a wider audience.”

Criddle says a global perspective of financial literacy is important in this day and age.

“Taking it from the micro-level, where it’s a personal finance view, to more of a global view, is especially relevant as the OECD has announced that a financial literacy component will be included in the 2012 Program for International Student Assessment.”