

OECD/INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR YOUTH



$$\begin{array}{r} -3 \quad 32a+3 \\ \hline 30 \quad 10 \end{array}$$
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$$6a = 9 + 15$$
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**OECD/INFE CORE
COMPETENCIES FRAMEWORK ON
FINANCIAL LITERACY FOR YOUTH**

Please cite this publication as:

OECD/INFE (2015), OECD/INFE Core competencies framework on financial literacy for youth

This document contains an outcome-based core competencies framework on financial literacy for youth. It is a policy tool, providing guidance on the typical outcomes of benefit to youth aged 15 to 18. It can be adapted to national circumstances and used in a flexible manner, taking into account differences in culture and context at the national or local level and across all sectors of the youth population. Some competencies may be more relevant than others depending on cultural settings.

The framework is not a curriculum and does not prescribe or recommend any particular approaches to financial education for youth.

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CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR YOUTH

This document discusses the objectives and key components of the Core Competencies Framework on Financial Literacy for Youth developed by the OECD International Network on Financial Education (OECD/INFE), and presents the flexible, outcome-based, core competencies framework itself. It describes the basic level of financial literacy that is likely to be needed by all young people between the ages of 15 and 18 to fully and safely participate in economic and financial life. It also describes the more advanced competencies that may be expected among a portion of this age-group, particularly in countries where they may be required to make decisions about more sophisticated financial products. Together these competencies are described as foundational outcomes ❶, ❷ and ❸.

The framework is designed to be applicable irrespective of the national education system or approach to skills development. It also recognises that the competencies described need to be combined with adequate financial consumer protection and financial inclusion in order to fully

THE PURPOSE

An international core competencies framework on financial literacy for youth provides a range of benefits to policy makers and other stakeholders. It is not, however, a curriculum. Its main purposes are to:

- Inform all stakeholders with an interest in financial education about the expected financial literacy outcomes for 15 to 18 year olds that are recognised as being internationally important.
- Help policy makers identify the competencies that young people typically need and consider all the ways in which these may be developed.
- Help to improve the clarity and visibility of financial literacy issues amongst the wider community.
- Provide a harmonised benchmark for countries at different levels of financial development, enabling them to set targets and identify appropriate ways of reaching them.
- Facilitate a mapping exercise to identify potential gaps in current financial education provision at the national and/or international level.
- Encourage discussion at both national and international levels of how best to deliver high quality financial education, information and guidance to achieve the described outcomes.
- Identify competencies that could be incorporated in an assessment framework and/or tool for measuring progress, providing information from which to draw conclusions about the effectiveness of different forms of education.

This framework will also serve as a foundation for the OECD/INFE competencies framework on financial literacy for adults and for future work on financial literacy competencies for micro, small and medium-sized enterprises (MSMEs).

THE PROCESS

This document has been developed through an iterative process by the OECD/INFE and its Expert Subgroup on Core Competencies as a response to the G20 leaders' call to the OECD/INFE in 2013 to develop core competencies frameworks on financial literacy for youth and adults. The work builds on previous OECD/INFE outputs:

- 📖 OECD (2014) Financial Education for Youth, The Role of Schools;
- 📖 OECD (2014) Students and Money: Financial Literacy Skills for the 21st Century; and
- 📖 OECD (2013) PISA 2012 Assessment and Analytical Framework.

It takes into account feedback received from participants at a dedicated workshop on core competencies held in Paris, France in 2014 and from the two OECD committees in charge of Financial Education, the Committee on Financial Markets (CMF) and the Insurance and Private Pensions Committee (IPPC). This final version has been approved by the OECD/INFE and OECD CMF and IPPC for transmission to GPFI and G20 leaders and wider dissemination.

It was transmitted to and welcomed by GPFI at their September 2015 meetings. It is now shared with G20 leaders at their 15 November Summit in Antalya, Turkey. It will then be made publically available for governments and other stakeholders.

THE STRUCTURE

SECTION 1 discusses the objectives and scope of the framework, the key challenges faced during its development and the solutions found. It then describes the key components of the framework.

SECTION 2 contains the OECD/INFE Core Competencies Framework on Financial Literacy for Youth.

ANNEX 1 provides an overview of national core competencies frameworks building on previous work developed by the OECD/INFE on financial education for youth and in schools and information provided by INFE members. It offers a useful illustration of the worldwide interest in the topic, and the similarities across frameworks. It also contains information about the frameworks and links to additional resources.

ANNEX 2 discusses how the lessons learned from developing the PISA assessment framework and analysing the subsequent data contributed to the development of this core competencies framework.

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1. OBJECTIVES, CHALLENGES AND KEY COMPONENTS

Financial literacy is widely recognised as a fundamental skill of relevance to young people. It is a complex construct, including knowledge and skills as well as a wide range of attitudes and behaviours that are clearly influenced by factors such as the socio-economic status, national context and access to a range of financial services. Recognising this complexity, several countries have developed frameworks to identify the components of financial literacy that are of relevance for youth. These national financial literacy frameworks are a valuable source of guidance to policy makers, teachers, other financial education providers and parents seeking to align learning goals with expected competencies and outcomes. They identify topics of relevance within the country context and some are specifically tailored to the current education system or national curriculum.

THE BENEFITS OF A HARMONISED INTERNATIONAL APPROACH

A harmonised, international core competencies framework provides an opportunity for all countries to benefit from a global approach to describing financial literacy. As recognised by the G20 in its call in 2013, the OECD/INFE Core Competencies Framework on Financial Literacy for Youth is an important addition to the global policy and practical tools already developed by the OECD/INFE. Such a tool is particularly important given the:

- universal significance of financial literacy as a core skill;



The OECD definition of financial literacy for youth, as used in PISA is: “Knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life.”

- widespread transfer of risk to individuals;
- easier access to financial services;
- international nature of the financial services industry;
- mobility of populations; and
- increasing expectations that financial services regulation and financial consumer protection frameworks will also be aligned internationally (or at least regionally).

An international framework also creates a powerful signal that financial literacy is recognised as an important subject for youth across the globe, and that outcomes matter. Such a message can help to keep up momentum when implementing change and encourage the development of high quality initiatives. It may also motivate young people to put the required effort into their own learning in order to achieve the described outcomes and be better prepared for financial decisions in adulthood.

ADDRESSING IMPORTANT CHALLENGES

There are several important challenges to address when creating an international core competencies framework for financial literacy. This framework addresses the challenges in a variety of ways, as discussed below.

Ensuring consistency

There is some variation in the terms and language used to describe potential financial literacy competencies or outcomes across national frameworks. Previous research and analysis, however, has shown that it is possible to make objective comparisons of described competencies by mapping the content of each framework onto pre-defined headings using internationally agreed terminology. It is then possible to identify content of international relevance and describe it in a consistent way (OECD, 2014a; OECD, 2014b). This framework therefore draws heavily on the content of national frameworks, mapping it to the content areas used in the PISA assessment framework.

Maintaining comparability

National frameworks designed for children and youth often relate directly to local or national school systems and discuss school years, grades or test-based age bands. It is not practical to discuss young people in 'Year 5' or 'compulsory schooling' in an international context or when discussing youth who are not in school, but it is still important to be able to identify the target audience that is being addressed. For this reason, the audience is described in terms of age (young people aged 15 to 18). The relatively narrow age band also coincides with certain life-stages in many countries including leaving school, being legally able to access a bank account or credit card, and being able to undertake formal, paid employment. The three columns in the core competencies framework are not intended to be mapped to particular age groups within this age-band.

Minimising complexity

Some national framework documents are very detailed. A comprehensive summary of all of these would result in a detailed and very complex document. Conversely, a brief summary could overlook important competencies. The international framework therefore seeks to synthesise more complex documents into high-level competencies that represent key outcomes, whilst detailed descriptions and examples are kept to a minimum. Links to national frameworks and other relevant documents are provided in Annex 1.

Accounting for different contexts

Young people apply their financial literacy within a specific context, and national frameworks typically reflect this; they may have a strong focus on priorities such as high youth unemployment or excessive demand for credit and often relate to the level of development of the financial system and products available. The international framework, in contrast, remains neutral, with the intention that particular aspects of it can be prioritised according to national policy goals.

Context could make a difference at the national level when using the framework to set realistic expectations of what a young person should know. Knowledge of payment accounts, credit, insurance and savings for example will depend on the level of financial development within a country. In countries where such products are not widely available, young

people should preferably still be aware of the basic concepts of making payments, borrowing, saving and insuring, but it may not be realistic to expect knowledge of the associated products. Similarly, youth should have the competencies to attempt to make judgements and decisions in areas of life that are unfamiliar to them, but in some countries they may not have had the opportunity to gain sufficient experience to come to a sensible conclusion. These variations are taken into account through the description of three levels of competencies within the framework, and should also be considered when applying the framework at the national level.

The cultural context will also be relevant when applying the competency framework. For example, some outcomes may not be relevant to youth in a culture or community that shares resources or wealth, and the achievement of individual financial well-being may not be a pressing or appropriate goal in such cultures or communities.

KEY COMPONENTS OF THE FRAMEWORK

The OECD/INFE Core Competencies Framework on Financial Literacy for Youth is a high-level framework that is forward looking and sufficiently flexible to take into account national specificities and emerging issues. The competencies described in this framework are applicable to young people aged 15 to 18 and take into account their widening horizons and skills requirements as they transition to the job market or further/higher education and become increasingly autonomous. The framework is aimed at all stakeholders with an interest in ensuring that young people have the financial literacy competencies needed in early adulthood, including financial regulators, financial education leaders, education authorities, youth workers, teachers and parents. It describes the intended outcomes of financial education provided by such stakeholders and is not intended to be, or to replace curricula.

Addressing the needs of young people

By focusing specifically on youth the framework acknowledges that this group has particular requirements that are different from those of adults (and those of younger children). In particular they are relatively inexperienced in using financial products and may only recently have started handling financial transactions. They are also very likely to

face important financial decisions in the near future that are different from those faced by older adults, such as deciding how to fund additional education or identifying work opportunities.

Relevant across different learning environments

This outcome-based framework is designed to be applicable across different learning environments, as it is widely recognised that young people learn financial skills through a variety of channels. Some receive financial education in school, and some may increase their financial literacy through activities such as volunteering, paid work, participating in clubs or societies or joining community groups. They may also learn from their parents or other family members, or they may primarily learn from their peers, from growing general awareness and from practical experience of the financial landscape around them.

Building on basic foundation skills

As the core competencies framework starts at age 15, there is an implicit assumption that young people of this age already have foundation skills and knowledge in place.¹ In particular, the core competencies framework assumes that young people have had the opportunity to develop a basic ability to read and write in a national language, and to learn basic numeracy and analytical skills.² Verbal communication and reasoning skills, as well as an understanding of commonly held cultural values, ethics or citizenship are also likely to prove important, as is digital literacy.

Supporting employment

Financial literacy is seen as an important skill to help young people make the most of employment opportunities and their incomes. The framework therefore specifically recognises the importance of being able to identify sources of income as well as the attitudes, skills, knowledge and behaviour to manage current income and make financial plans.

Policy makers are also looking carefully at the potential role of entrepreneurial education in trying to increase levels of entrepreneurship among young

people. Recognising the relevance of a broader range of financial competencies for would-be entrepreneurs, several countries include entrepreneurial skills within their national financial literacy framework. Some of these have widespread applicability, and have therefore been included in this international framework. Those that address the more specific financial education needs of entrepreneurs and business owners will be incorporated in future OECD work on core competencies for micro, small and medium sized enterprises.

Identifying different levels of competency

As the financial literacy framework is designed to cover young people aged 15 to 18 around the world, it covers a range of competencies, some of which will be more directly relevant in early adulthood than during teenage years, and some which may only become relevant in some countries as financial systems develop and financial inclusion increases. This reflects the increasing possibilities and responsibilities that youth will face as they get older as well as the fast-changing financial landscape that they find themselves in.

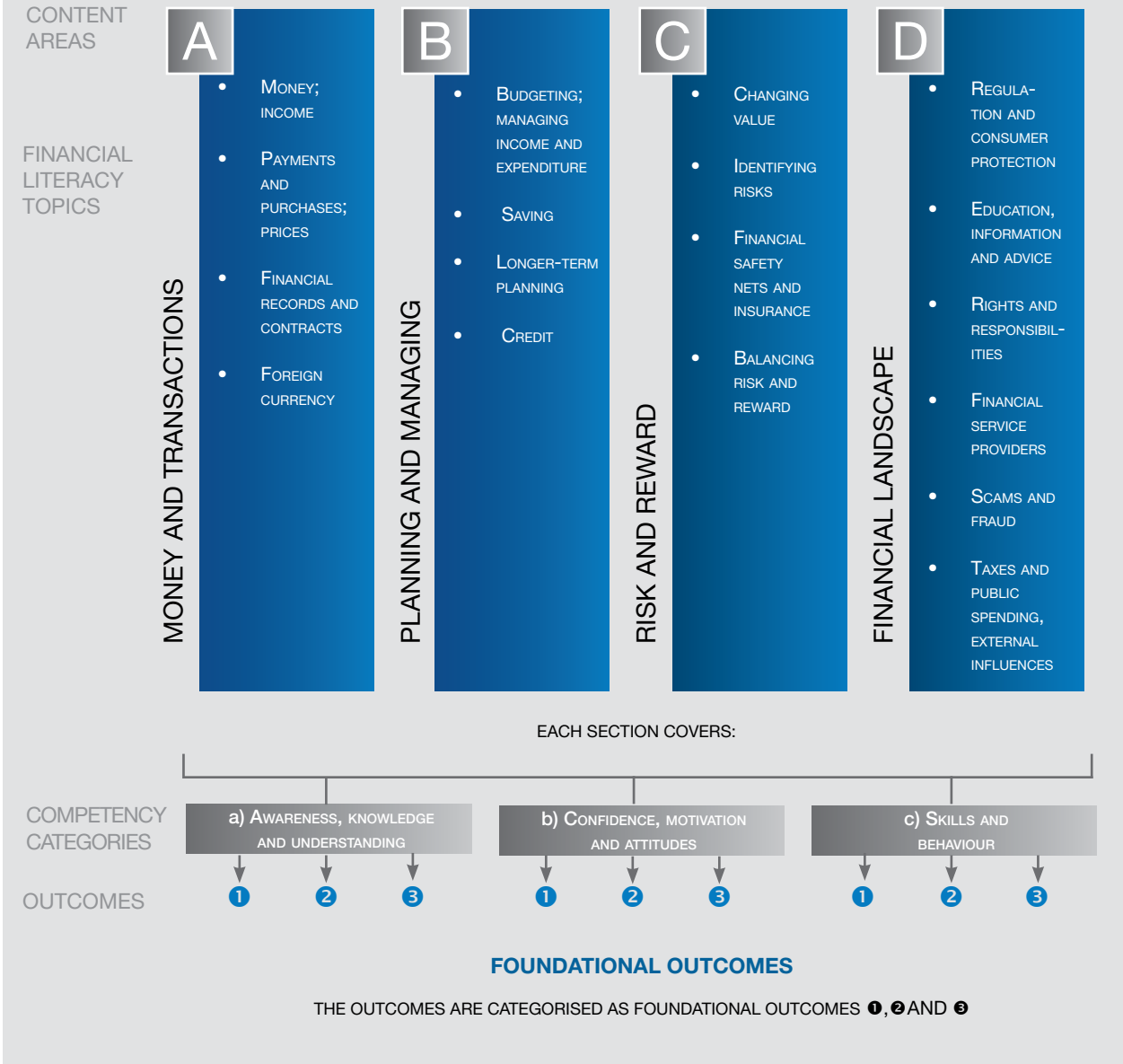
The framework indicates three categories of competency. These categories are described as foundational outcomes ①, ② and ③, reflecting the fact that youth are creating a foundation for their future learning, attitudes and behaviour. The foundational outcomes are designed to take into account country specificities and circumstances, the different levels of financial and economic development and varying degrees of expected financial sophistication of young consumers. Competencies found within foundational outcome ① may be expected of almost all young people whilst foundational outcomes ② and ③ represent more advanced capabilities and competencies that may be expected of some young people between the ages of 15 and 18.

¹ Where there is concern that youth do not have basic foundation skills, stakeholders may prefer to treat some of the described financial literacy outcomes as longer-term aspirations, perhaps focusing on basic skills development and following a life-stage approach to deliver financial literacy as needs develop.

² The analysis of the 2012 PISA financial literacy data indicates that numeracy and reading are correlated with financial literacy, showing that higher levels of financial literacy are more likely as young people develop their numeracy and reading skills.



FIGURE 1. OVERALL ARCHITECTURE OF THE CORE COMPETENCIES FRAMEWORK



2. THE OECD/INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR YOUTH

CHARACTERISTICS OF THE FRAMEWORK

This framework provides policy guidance and tools that can be applied taking into account country specificities and adapted as necessary to different audiences and cultures.

The framework is:

- Applicable to young people aged 15 to 18 years in countries at different stages of development.
- High-level and outcome based (it is not a curriculum and does not describe programme content).
- Forward looking, taking into account the needs of young people now and in the near future.

The framework contains four sections, focusing on

- A** Money and transactions;
- B** Planning and managing finances;
- C** Risk and reward; and
- D** Financial landscape.

Each section covers

- a)** awareness, knowledge and understanding;
- b)** confidence, motivation and attitudes; and
- c)** skills and behaviour.

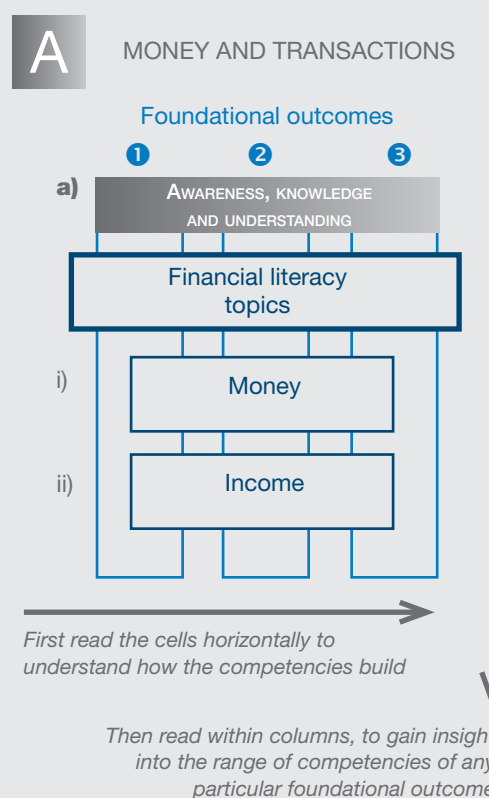
As youth are typically only just beginning to be autonomous as they approach adult life, content is described in terms of creating a foundation for the future. The outcomes are therefore categorised as foundational outcomes ①, ② and ③ – which are designed to show how competencies may develop, rather than to map to specific age groups. It should be noted that young people’s competencies may not develop uniformly across the foundational outcomes; this will depend on a range of factors including national circumstances and personal characteristics.

The framework is arranged across several financial literacy content areas (identified in sub-headers, and listed in Figure 1). In some cases, there is no specific content that fits within a sub category – in such cases the content heading is not displayed. Similarly, sometimes there is no specific content in one or more of the foundational outcomes, as indicated by an empty cell in the table.

HOW TO READ THE FRAMEWORK

It is recommended that the cells within the framework are first read horizontally, in order to understand how the competencies build from left to right. However, it will also be beneficial to read the content within columns, in order to gain a full insight into the range of competencies of any particular foundational outcome point.

FIGURE 2. EXAMPLE



A Money and transactions

This content area incorporates the different forms and purposes of money, ways of paying and receiving money, income, national and foreign currency, and making and monitoring transactions. It recognises that financial transactions may incur a cost and that some options, such as borrowing money, may not be universally available. It also covers practices such as taking care of cash and other valuables, calculating value for money, and filing documents and receipts.

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
A.a	A.a.i Money		
AWARENESS, KNOWLEDGE AND UNDERSTANDING	<p>Aware of the common forms of money.</p> <p>Understands that cash and coins have a financial value.</p> <p>Aware that people do not have unlimited amounts of money.</p> <p>Aware that people can store their cash in various ways, including in a bank.</p> <p>Aware that people who keep their cash in a bank can withdraw it over the counter or at a cashpoint.</p> <p>Aware that people with a bank account may be charged a fee to access their own money in certain places.</p> <p>Aware that money is an asset.</p> <p>Understands that being lent money is different from being given money.</p>	<p>Understands the role(s) that money plays within their culture.</p> <p>Understands that money held as cash loses value in real terms if there is inflation.</p>	<p>Understands that money held in the bank may also lose value in real terms if inflation outstrips interest payments.</p>
	A.a.ii Income		
	<p>Aware of typical income sources. Aware of different potential career paths, including entrepreneurship.</p> <p>Understands how certain factors such as education level are likely to affect wage levels.</p> <p>Aware that take home pay is often less than the full amount earned due to deductions.</p> <p>Understands that income may not be the same every month.</p> <p>Understands that income can contribute to well-being for themselves, their family and community.</p>	<p>Aware of potential income sources that may be relevant to them now or in the near future.</p>	<p>Identifies business opportunities and considers their viability, taking into account alternative options.</p>

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
A.a	A.a.iii Payments and purchases		
AWARENESS, KNOWLEDGE AND UNDERSTANDING	<p>Aware of different forms of payment methods.</p> <p>Understands that money can be exchanged for goods or services.</p> <p>Aware that once they spend their money, it is no longer available to them to spend on something else.</p> <p>Knows that money has to be added to a prepaid card before it can be used.</p> <p>Knows that a debit card is linked directly to a bank account.</p> <p>Knows that a credit card provides a loan to the person using it.</p>	<p>Aware of new payment technologies, products or methods available locally.</p> <p>Knows when it may be appropriate to use a credit card.</p> <p>Knows that some debit cards may also provide a loan to an individual if the account has an overdraft facility [depending on country context].</p>	<p>Aware that some companies charge the buyer a fee when purchases are made by credit card.</p>
	A.a.iv Prices		
	<p>Has a realistic knowledge of the cost of basic items including food.</p> <p>Knows that the same goods or services may be priced differently by different vendors.</p>	<p>Has a realistic idea of the price of high cost items that are frequently wanted or needed among their peer group and how this compares to their current income.</p> <p>Knows that other external factors such as certain taxes or exchange rates may change the final price of a good.</p>	<p>Understands how inflation and other macro-economic changes can impact on the cost of things.</p> <p>Understands that prices reflect a range of factors, including competition from different providers and the availability of alternative products.</p>
	A.a.v Financial records and contracts		
	<p>Understands that documents provided by financial services, as well as bills and certain receipts and guarantees may be important, and should be kept safely. Understands that certain documents have legal implications and should be read.</p> <p>Understands that signing a contract may make them legally obliged to pay for something or repay something and that they could face consequences if they fail to do so.</p>		
	A.a.vi Foreign currency		
	<p>Aware that other countries may use a different currency from their own.</p>	<p>Knows where to go to exchange currency.</p> <p>Knows that some exchange rates can fluctuate.</p>	<p>Understands that a cost is often incurred when exchanging currencies, and that this can vary by provider.</p> <p>Understands that variations in exchange rates are caused by economic factors.</p> <p>Understands that variations in exchange rates can have an impact on the costs of goods bought at home.</p>

		FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
A.b CONFIDENCE, MOTIVATION AND ATTITUDES	A.b.i Money			
	Confident to receive money in cash and other forms.			Interested to know more about the benefits and risks of new forms of money such as virtual currency.
	Confident to talk about money matters with family and other trusted adults.			
	A.b.ii Income			
	Confident to seek ways to create an income.	Confident to discuss pay when applying for a job.		
	A.b.iii Payments and purchases			
	Conscious of their own spending habits and use of money.	Confident to make their own spending decisions even if their peers make different choices.		Confident to negotiate a fair price when making a purchase where necessary.
	Motivated to shop around for a good deal when buying every-day goods.	Understands that spending choices can have an ethical component, and that their choices can impact on others.		
	Respects that different people may have different preferences in relation to spending - as well as to saving or donating money.			
	Confident to speak up if they receive the wrong change or are charged the wrong amount.			
Confident to handle simple transactions within an enterprise such as a shop or market stall.				
A.b.iv Financial records and contracts				
Recognises that it is worth taking the time to read and understand a contract before signing it.			Confident to read financial documents and seek to query and rectify any errors.	
A.c SKILLS AND BEHAVIOUR	A.c.i Money			
	Can recognise and count money in own currency.			Able to compare and contrast different ways of transferring money between people and organisations.
	Takes care of cash and valuable items in their possession.			
				Considers the advantages and disadvantages of various types of transaction from their own perspective and from the perspective of others.
A.c.ii Income				
Identifies potential sources of income.	Can identify ways to raise money through enterprising activities.		Can develop a simple business plan.	
Makes plans to ensure that they have an income when relevant.				

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
A.c	A.c.iii Payments and purchases		
SKILLS AND BEHAVIOUR	<p>Can make simple choices across similar products based on price and quantity.</p> <p>Can use mental arithmetic to calculate the final price of a small selection of items, or a single item taking into account discount or tax, if relevant, before paying.</p> <p>Offers correct money when buying something in cash, or offers a larger amount and checks change.</p> <p>Checks receipts after making purchases.</p> <p>Saves relevant receipts in case of future need.</p> <p>Conducts sales and purchases in an honest and open manner.</p>	<p>Makes considered spending decisions – including when shopping for larger items.</p> <p>Can compare and contrast different ways of paying and receiving payment of goods and services.</p>	
	A.c.iv Financial records and contracts		
	<p>Reads, checks, and takes care of financial documents.</p> <p>Can identify some irregularities on a bank statement or similar financial document.</p> <p>Completes financial forms carefully and accurately.</p> <p>Competent in making the calculations necessary to check receipts and monitor spending, using appropriate tools where necessary.</p>	<p>Reads the terms and conditions of financial products and services before deciding whether to sign a contract.</p>	<p>Reads financial contracts and checks the meaning of unclear words or terms before deciding whether to sign a contract.</p>
	A.c.v Foreign currency		
	<p>Can make cash payments in a foreign currency [where necessary].</p>	<p>Can apply exchange rates to convert amounts in different currencies to their own currency.</p>	<p>Able to make considered decisions about purchases in foreign currencies.</p>

B Planning and managing finances

This content area reflects the importance of planning and managing income and wealth over the short and long term. For youth, it particularly reflects the process of managing, planning and monitoring income and expenses and understanding ways of enhancing wealth and financial well-being. It includes competencies related to credit use as well as savings and wealth creation.

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
B.a	B.a.i Budgeting		
AWARENESS, KNOWLEDGE AND UNDERSTANDING	<p>Understands the benefits of planning finances and drawing up a budget based on those plans.</p> <p>Understands that they must keep track of all expenses, however incurred, in order to know whether they are staying within budget.</p>	<p>Understands the relevance of monitoring cash-flow across different time scales.</p>	
	B.a.ii Managing income and expenditure		
	<p>Knows the difference between needs and wants.</p> <p>Understands the need to prioritise certain expenses when income is limited.</p>	<p>Understands that some expenses may be infrequent or irregular, and recognises the importance of planning for these.</p> <p>Understands that income and expenditure need to be actively managed.</p> <p>Knows that there are different ways in which expenditure can be smoothed over time through saving or borrowing.</p>	<p>Can give a balanced argument for using credit in some situations rather than waiting and saving up and vice versa.</p> <p>Understands the importance of managing personal or household money and that of a business separately.</p>
	B.a.iii Saving		
	<p>Aware of the benefits of saving. Understands that it may be necessary to save up to buy high cost items.</p>	<p>Knows how interest rate changes may impact saving.</p> <p>Understands the impact of compound interest on savings.</p>	<p>Knows approximately the typical interest paid on savings products most commonly used among their peer group.</p> <p>Knows how inflation impacts on different types of saving. Understands why it is relevant to know the level of inflation as well as interest rates when choosing a savings product.</p>
	B.a.iv Longer-term planning		
	<p>Understands the benefit of a financial plan for life events that are likely to occur in the future.</p> <p>Aware of the need to save early for retirement.</p>	<p>Knows how to plan a simple investment portfolio.</p>	<p>Has a good understanding of the importance of planning ahead for longer-term needs such as education or independent living.</p> <p>Knows how age, income and circumstance may affect a range of financial decisions.</p> <p>Understands the role of pension provision or products in planning for retirement.</p>

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
			<p>Knows some of the ways in which wealth can be built for individual, families and communities and recognises the benefits of doing so.</p> <p>Understands why many people hold a mixture of savings and credit products.</p>
	B.a.v Credit		
	<p>Understands that if they borrow money they have a responsibility to repay it.</p> <p>Understands why people often need to pay interest on money they borrow or expect to receive interest on savings; or understands shariah compliant products designed to avoid the payment of interest where relevant.</p> <p>Aware of the difficulties faced by people with high levels of debt. Knows that goods bought on credit may be repossessed if the repayments are not made.</p>	<p>Knows how interest rate changes may impact certain forms of credit.</p> <p>Knows that schemes like 'hire purchase', or 'buy now pay later' are forms of credit [where available].</p>	<p>Understands how various factors impact on the cost and availability of credit.</p> <p>Understands the principle of credit worthiness and [where relevant] the potential benefit of having a good credit score.</p> <p>Knows approximately the typical interest and fees charged on the credit products most commonly used among their peer group.</p> <p>Able to give some reasons why borrowing money for productive purposes, such as starting a business can make more sense than borrowing to pay for consumer goods.</p>
B.b	B.b.i Managing income and expenditure		
CONFIDENCE, MOTIVATION AND ATTITUDES	<p>Motivated to develop effective money management as a tool for achieving financial well-being.</p> <p>Confident to manage personal spending and saving.</p>		<p>Remains confident and motivated when faced with financial setbacks or unfavourable outcomes.</p>
	B.b.ii Saving		
	<p>Motivated to save-up for a particular item.</p>	<p>Confident to make a decision about which savings product(s) to use.</p>	<p>Optimistic about the possibility of saving for the longer-term.</p>
	B.b.iii Longer-term planning		
	<p>Is prepared to delay gratification in order to gain more in the future.</p>	<p>Confident to plan ahead over several months to achieve financial goals.</p>	<p>Interested but cautious when hearing about new financial products, services and financial providers that may help them achieve their financial goals.</p>
	B.b.iv Credit		
		<p>Motivated to ask for advice before making decisions to use credit.</p>	<p>Confident in their own ability to make informed decisions about access to, and use of, some common forms of credit.</p>

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
B.c	B.c.i Budgeting		
SKILLS AND BEHAVIOUR	<p>Lives within their means [taking into account external financial support and circumstances where relevant].</p> <p>Able to select and use simple budgeting tools.</p>	<p>Differentiates between regular and irregular income and expenses and based on this creates a budget.</p> <p>Keeps a close watch on their expenditure and income and makes adjustments when necessary.</p>	<p>Identifies ways in which their plans for the following 1-2 years may impact on them financially, and considers ways to manage these.</p>
	B.c.ii Managing income and expenditure		
	<p>Thinks about the different options for spending or saving the money that they receive and their implications.</p> <p>Can successfully avoid over-spending in everyday situations.</p> <p>Plans ahead for expenses expected to occur in the near future.</p>	<p>Makes financial decisions in a timely manner.</p> <p>Critically assesses the effectiveness of their previous financial decisions and considers whether to repeat this behaviour in future.</p>	<p>Can compare across multiple factors in a range of common financial products to choose those that will help them reach their short-term financial goals.</p>
	B.c.iii Saving		
	<p>Can explain the benefits of having savings.</p> <p>Can calculate how long it will take to save a certain amount of money given current income and expenditure.</p>	<p>Can make an informed decision about saving whilst having debt to repay.</p>	<p>Can develop a savings plan that will help them to reach a high value savings goal.</p> <p>Takes into account the fact that the price of an item they are saving for may change over time.</p>
	B.c.iv Longer-term planning		
	<p>Makes an informed decision (possibly with parents) about whether to invest in additional study or move into work once compulsory schooling has ended.</p>	<p>Identifies milestones or future life stages that may require financial preparations from a young age.</p>	<p>Can assess the pros and cons of some products aimed at longer-term goals.</p>
	B.c.v Credit		
	<p>Pays anything they owe on time.</p> <p>Speaks to a lender early in case of difficulty repaying.</p> <p>Takes time to understand the overall cost implications of borrowing money.</p>	<p>Can apply their knowledge and understanding to describe the implications of defaulting on a specific credit obligation.</p>	<p>Can calculate the financial benefit of repaying credit early.</p>

C Risk and reward

Youth need to understand ways of protecting themselves from the risk of losing essential income or property as well as the risk inherent in certain financial products such as credit agreements with variable interest rates, or investment products. This content area therefore includes knowledge of the types of products that may help people to protect themselves from the consequences of negative outcomes such as insurance and savings, and assessing the level of risk and reward related to different products, purchases, behaviours or external factors.

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
C.a	C.a.i Changing value		
AWARENESS, KNOWLEDGE AND UNDERSTANDING	Understands that some purchases may lose value over time, whilst others may gain value.	Aware that investment products have different levels of risk of losing the money invested.	
	Understands that investments can lose value or gain value.		
	C.a.ii Identifying risks		
	Aware of some of the risks that people face that may have financial consequences, such as flood or ill-health.	Understands that it is important to take into account different features of a financial product in order to assess its risk [In developed financial markets].	Aware that people need to take calculated risks when making a number of investment decisions, including buying assets, funding education or choosing a pension fund.
	Knows that late payment or non-payment of bills or credit repayment can have negative financial consequences.	Is aware that information provided by some firms or informal providers may only highlight the benefits or rewards of a particular product without providing a full indication of the risks.	Understands why longevity may pose a risk to people planning their own retirement.
		Identifies common price tricks and false advertising.	Understands the role and risk taken by a guarantor and the responsibility it brings when credit repayments are not made.
	C.a.iii Financial safety nets and insurance		
	Aware that some people save a portion of their money to increase their sense of financial security.	Aware of the possibility and limitation of government financial safety nets.	Knows whether they have a legal obligation to protect themselves against the financial implications of specific adverse events.
	Has a basic awareness of how saving products and insurance could help them when thinking about ways of managing risk.		
	Has a general understanding of the reasons that people buy insurance products.		
	Knows some common features of certain types of insurance such as travel insurance or car insurance [depending on national specificities].		
	Understands the purpose of disclosing relevant information when applying for insurance.		
	C.a.iv Balancing risk and reward		
	Knows that financial products can come with both risks and rewards.	Knows that some products can potentially provide higher rewards because the bearer takes some risk.	Understands the basic idea of reducing investment risk through diversification.

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
		<p>Has a basic understanding of the relative risk of saving in a bank vs investment in the stock-market.</p> <p>Aware that entrepreneurs may face difficulties finding investors or lenders and can explain these difficulties in terms of risk and reward.</p> <p>Understands the risks and potential rewards of being self-employed rather than working as an employee.</p>	<p>Has some understanding of why the past performance of investments or firms does not guarantee future performance and why short-term price fluctuations may not be representative of longer-term trends.</p>
C.b	C.b.i Identifying risks		
CONFIDENCE, MOTIVATION AND ATTITUDES	<p>Is cautious about making financial decisions hastily, or without having access to good quality information or advice about the risk and rewards.</p>	<p>Confidently applies useful rules of thumb when considering investment opportunities, such as 'if it looks too good to be true, it probably is'.</p>	<p>Has the confidence to take some calculated financial risks.</p>
	C.b.ii Balancing risk and reward		
			<p>Willing to take responsibility for negative and positive outcomes of their own financial decisions.</p>
C.c	C.c.i Identifying risks		
SKILLS AND BEHAVIOUR	<p>Takes care of money and valuable items to avoid losses.</p>	<p>Can make simple (non-scientific) assessments of the likelihood of events occurring that could have a financial consequence.</p>	<p>Can describe the difference between a genuine investment product and a fraudulent offer such as a pyramid scheme.</p>
	C.c.ii Financial safety nets and insurance		
	<p>Able to describe the purpose of some financial products such as insurance policies designed to protect people from the negative consequences of certain events.</p> <p>Can decide whether simple insurance products are relevant to them in their current circumstances.</p> <p>Checks whether their household already has protection for a particular adverse event before deciding whether to put a financial safety net in place.</p>	<p>Makes an informed decision about the need for insurance when buying products or services or planning to travel.</p>	<p>Considers carefully whether insurance represents good value for money.</p>
	C.c.iii Balancing risk and reward		
	<p>Seeks advice on risk and rewards from reliable, informed sources before making financial decisions.</p>	<p>Draws on own or others previous experiences when considering risks and rewards.</p> <p>Can assess the relative risks and rewards of simple business ventures or opportunities.</p>	<p>Can analyse various financial product choices or investment opportunities and interpret information about the performance of investments to weight up their potential risks and rewards.</p> <p>Can analyse the risks and rewards of holding various non-financial assets such as gold or property.</p>

D Financial landscape

Financial landscape relates to the characteristics and features of the financial world. It covers knowing the rights and responsibilities of consumers in the financial marketplace, taking into account financial regulation and financial consumer protection. It also focuses on typical features of the general financial environment, such as recognising the implications of financial contracts, and understanding changes in certain external factors such as interest rates, inflation, taxation or welfare benefits can impact individuals, households and society.

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
D.a	D.a.i Regulation and consumer protection		
AWARENESS, KNOWLEDGE AND UNDERSTANDING	Aware of the relevant financial regulators in their country.	Has some knowledge of the roles of the relevant financial regulators in their country.	Aware that guarantee schemes (may) guarantee certain financial deposits held by financial service providers.
	Aware of other financial authorities in their country.	Has some knowledge of the role of other financial authorities in their country.	
	D.a.ii Education, information and advice		
	Aware of the importance of developing their own financial literacy in order to make better informed decisions and increase their financial well-being.	Knows that some public and private sector organisations provide readymade calculators and online tools to compare financial products and understands the importance of checking whether these are impartial.	
	Knows how to find a trustworthy source of simple financial advice.		
	Aware of government bodies that provide trustworthy and impartial financial information, guidance, services or advice [where these exist].		
	Knows the difference between impartial financial information or advice and marketing, product promotion or advertising in a financial context.		
	D.a.iii Rights and responsibilities		
	Understands that providers and consumers have rights and responsibilities.	Understands that there can be negative consequences for individuals and service providers who do not meet their responsibilities.	
	Understands that financial service providers have a duty to treat them fairly.		
	Knows that they may have the right to complain about certain financial services and products that they are dissatisfied with.		

FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
D.a.iv Financial service providers		
<p>Aware that there may be several financial service/product providers offering similar products.</p> <p>Knows the benefit of shopping around for a financial product.</p> <p>Aware that formal financial service providers are regulated.</p>	<p>Understands that a financial service provider is still making money when a financial product or service is described as free, or offered without regular charges.</p> <p>Understands how to shop around for financial products, including the use of comparison tools, where available.</p>	<p>[In some countries or regions] Knows that some financial service providers have an obligation to provide certain types of services, such as basic bank accounts.</p> <p>Aware that some private sector or not-for-profit companies (such as telecom companies or microfinance institutions) that provide financial services are not regulated in the same way as other financial services providers.</p> <p>Knows that some people or organisations offering savings and credit may not be regulated, and may be operating informally or illegally.</p>
D.a.v Scams and fraud		
<p>Aware of the reason for simple security features on financial products such as PIN numbers [where these are used].</p> <p>Realises that it is important to take care of personal data, including when shopping online.</p> <p>Understands why it is important to be careful who they talk to about their financial situation.</p>	<p>Aware of common financial scams and frauds and the approaches that can be used to safeguard against these.</p>	
D.1.vi Taxes and public spending		
<p>Understands that the government collects taxes to spend on public services.</p>	<p>Has a general idea about the national/regional tax system.</p> <p>Aware that government decisions such as changing the level of tax and benefits can impact on the spending and saving decisions of individuals and households.</p>	<p>Can identify how certain government policies are designed to encourage start-up companies or support entrepreneurs.</p>
D.a.vii External influences		
	<p>Aware that external factors (including marketing) can have an influence on their own financial decisions and those of others around them.</p> <p>Has some understanding of how the financial landscape might impact on decisions to set up a new business.</p>	<p>Understands how a person's financial decisions can have consequences that affect their own life and that of their family, and can also impact on their community and beyond.</p>

	FOUNDATIONAL OUTCOME 1	FOUNDATIONAL OUTCOME 2	FOUNDATIONAL OUTCOME 3
D.b	D.b.i Regulation and consumer protection		
CONFIDENCE, MOTIVATION AND ATTITUDES	Confident and motivated to apply their rights and responsibilities as a consumer.	Has the confidence to make a complaint to the appropriate body when dissatisfied with a financial product or service.	Takes responsibility for decisions that they have control over.
D.c	D.c.i Regulation and consumer protection		
SKILLS AND BEHAVIOUR	Looks for information on whether consumers have complained about products that they are interested in taking out.	Makes a complaint about unsatisfactory products or services when necessary.	Makes an effort to find out about new financial services or products being offered or discussed locally.
	D.c.ii Financial service providers		
	Identifies potential formal financial service providers when deciding to take out a financial product or service.	Takes time to research widely used financial products and services before buying. Can tell the difference between information from their financial provider and general promotional material sent from the same provider [where relevant].	Makes an effort to find out about new financial services or products being offered or discussed locally.
D.c.iii Scams and fraud			
	Takes care to keep personal data, passwords and money safe.	Can assess requests that appear to come from financial companies, to decide whether they are genuine or potentially fraudulent.	Acts to resolve issues and impacts if become a victim of data and financial fraud.



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-  **OECD (2014a)**, Financial Education for Youth. The Role of Schools. OECD Publishing, Paris www.oecd-ilibrary.org/finance-and-investment/financial-education-in-schools_9789264174825-en
-  **OECD (2014b)**, PISA 2012, Volume VI Students and Money: Financial Literacy Skills for the 21st Century, OECD Publishing, Paris. www.oecd.org/pisa/keyfindings/pisa-2012-results-volume-vi.htm

ANNEX 1: NATIONAL FINANCIAL LITERACY FRAMEWORKS AND RELATED DOCUMENTS

MAPPING NATIONAL FRAMEWORKS ON FINANCIAL LITERACY

Examples from around the world

A wide range of stakeholders have developed learning, assessment or outcome frameworks for financial literacy. These include public authorities (e.g. ministries of education, ministries of finance, financial service regulators, central banks, academic institutions, etc.), not-for-profit organisations and international organisations (see Tables A1.1 and A1.2 below). They are available in Asia, Australasia, Europe, Latin America and North America, although primarily among more economically developed countries.

Some economies, such as Australia, Japan, New Zealand, Sweden, Wales and the US have refined and amended their original financial literacy frameworks whilst others, such as England and the Netherlands have more than one framework serving complementary purposes.

Not yet widespread

Whilst examples can be drawn from around the globe, not every country that is active in financial education has a national-level competencies framework on financial literacy for youth. For example, the Indian national strategy explicitly states that a set of core competencies are an important starting point for financial education and gives guidance as to what they might be, but does not prescribe these at a national level. In Sweden and Spain, there is no financial literacy competencies framework (for youth or adults). However, in Sweden personal finance is an explicit core content of the social science curriculum for secondary school children, whilst in Spain, personal finance is included in the secondary school curriculum as part of an optional subject.

Developed within a broader policy effort

The mapping indicates that competencies frameworks for youth are typically developed as part of a broader policy effort to introduce financial education into the school curriculum and/or develop financial education resources for schools. In most cases these frameworks are devoted to students in primary and/or secondary school, and specify which learning outcomes students should achieve at different levels/stages in the national education system, or at given ages.

DESCRIPTIONS OF COMPETENCIES IN NATIONAL FRAMEWORKS

Common themes

As illustrated in the Financial Education for Youth: The Role of Schools (OECD, 2014a), financial literacy frameworks typically cover knowledge and understanding, skills and competencies as well as attitudes. Some also include the actions and behaviours that will be improved as a result of developing appropriate skills, such as making a personal financial plan or assessing the risk and yields of financial products.

Most frameworks cover content that can be categorised as ‘money and transactions’, ‘planning and managing finances’, ‘risk and reward’ or ‘the financial landscape’ (the descriptions used in PISA and in this document). Some also incorporate topics that more typically reflect the content of economics or business curricula. Entrepreneurship is also included as a framework area or content category in countries such as Australia, Japan (through career education), Scotland (UK), and South Africa (OECD, 2014a).

Links to other learning domains

Interestingly, the Australian framework also discusses the links between financial literacy and seven other capabilities, including literacy, numeracy, ICT competence, and critical and creative thinking. The Dutch framework developed by Nibud also explicitly identifies overlaps with other goals across the education system including in arithmetic, economics and ‘people and society’. The New Zealand framework includes information about achievement objectives and national qualifications related assessment standards in social studies and mathematics and statistics that may be adapted or utilised to develop financial literacy. Five key competencies are implicit to New Zealand’s framework: thinking, using language, symbols and text, managing self, relating to others, and participating and contributing.

Consistency with PISA

The description and content of the competencies described at the national level are largely consistent with the design of the OECD PISA financial literacy assessment.⁴ In some cases, such as with the NIBUD

⁴See Annex 2 for more detailed discussion of the PISA assessment framework and its application to the development of this core competencies framework.

framework in the Netherlands this is because of an explicit aim to be aligned with the PISA assessment framework.

Furthermore, just as national frameworks cover knowledge, skills, attitudes, the PISA assessment tests knowledge and skills directly, whilst certain attitudes are captured through a non-cognitive survey. Behaviour is not directly assessed through PISA, but the questions are specifically designed to test application of skills and knowledge in realistic scenarios.

In keeping with the PISA definition of financial literacy which includes the phrase ‘participation in economic life’, the PISA framework incorporates elements of financial literacy relevant to entrepreneurship and economics in various ways, including through the societal context and the content covering the financial landscape.

PRESENTATION STYLE

Multi-dimensional descriptions

Some national youth frameworks use a one or two dimensional conceptualisation to describe the core competencies, with competencies either listed or cross-tabulated. Others represent the competencies in a more complex way: for example some countries, including Australia and South Africa, separate the competencies according to whether or not they reflect knowledge or something else, such as a behaviour or attitude. The Czech framework specifies content and outcomes separately, clearly stating the intended results of the education at both primary and secondary school.

As the majority of the documents analysed are learning frameworks rather than being outcome-based, they sometimes include additional information about the topics and content that would contribute to a certain learning goal, as is the case with the Portuguese framework. This detailed information is particularly valuable for teachers and resource developers.

Progressions

Frameworks typically discuss the accumulation of competencies over time, mapping age groups or

school years to increasingly sophisticated concepts or outcomes. In Australia, for example, progression is described in 2 year age bands whilst in the Netherlands 3 or 4 year age bands are used. The Netherlands’ National Institute for Budget Advice (Nibud) framework indicates that this reflects both growing competencies and changing interests. Japan describes general goals before showing how they develop through primary, secondary and high school. The Jump\$tart framework highlights additional expectations across core topic areas as the child moves through grades and the New Zealand framework for children focuses on developing competencies across levels of schooling, from level 1 to 8. Some frameworks indicate incremental increases in knowledge of a particular topic through time, whilst others focus on different topics that may be introduced as children get older and improve their proficiency. Both approaches recognise that some basic information may be required as a foundation for more complex notions.

The PISA financial literacy assessment framework works across three dimensions, and each assessment question addresses a particular combination of processes, content and contexts. The described proficiency scale then provides further information about how financial literacy learning may progress and which aspects are more difficult for young people to master.

The tables below list core competencies frameworks, curricula and related documents identified through desk research or submitted by OECD/INFE members.⁵ Additional information about national level initiatives aimed at young people in a wide range of countries can also be found on the OECD International Gateway for Financial Education (www.financial-education.org).

- **TABLE A1.1** relates to national core competencies frameworks for youth.
- **TABLE A1.2** provides links to additional, relevant resources.

⁵It is important to note that whilst the competencies covered in these documents are largely relevant in an international context, some of the content is specific to national circumstances.

TABLE A1.1 CORE COMPETENCIES FRAMEWORKS AND CURRICULA ON FINANCIAL LITERACY FOR YOUTH

Country	Institution	Title	Target	Year
Australia	Australian Government/ Australian Securities and Investments Commission www.curriculum.edu.au	National Consumer and Fi- nancial Literacy Framework	School students from foundation to year 10	2005, revised 2009 and 2011
Brazil	Department of Education + other public authorities		Primary and second- ary school	2009
Canada	Financial Consumer Agency of Canada www.mfcr.cz	The City: Assessment Rubric	15-18	
Czech Republic	Working Group on Financial Education (led by MoF)	Financial Literacy Standards	Primary and second- ary school	2007
Ireland	Office of the Financial Regula- tor www.financialeducation.ie	Personal Finance Education. A curriculum mapping	Post-primary stu- dents	2008
Japan	Central Council for Financial Services Information www.shiruporuto.jp	Financial Education Pro- gram in Schools, Contents of Financial Education by Age Groups	Students from prima- ry to high school	2007
Malaysia	Bank Negara Malaysia, in collaboration with Ministry of Education	Financial Literacy Standards	Primary (7 to 12 years old) and secondary (13 to 17 years old) school students	2006
Netherlands	Wijzer in geldzaken/CentiQ ^a www.wijzeringeldzaken.nl	Basic Vision on financial education: curriculum framework for development and implementation	1-18	2009
Netherlands	Nibud www.nibud.nl	Learning to Manage Money - Nibud learning goals and competences for children and young people	6-23	2009
Netherlands	Nibud www.nibud.nl	Nibud learning goals and competences for children and adolescents; 2nd re- vised edition.	6-17	2013
New Zealand	Ministry of Education http://nzcurriculum.tki.org.nz	The New Zealand Curric- ulum	All English-medi- um state schools (including integrated schools) and to all students in those schools	2009/2013
Peru	Ministry of Education	National Curriculum	12-17	2009
Peru	Ministry of Education	National Curriculum	3-17	2015
Portugal	Ministry of Education and Science and National Council of Financial Supervisors www.todoscontam.pt	Core competencies for Financial Education	Kindergarten, basic education and sec- ondary education	2013
Slovak Republic	Working Group on Financial Education www.minedu.sk	National Standard of Finan- cial Literacy	Primary and Second- ary school	2008
South Africa	Financial Services Board	Financial Competency Framework	All ages (including adults)	2013/ Updat- ed 2014
Sweden	Swedish National Agency for Education (Skolverket)	Curriculum	Primary and second- ary school students	Updated as of 2011-12
UK	Money Advice Service www.fincap.org.uk	Financial Capability Out- come Frameworks	Adults and youth	2014
UK - England	Ofsted www.bcs.org	Developing financially capa- ble young people	16	2008

Country	Institution	Title	Target	Year
UK - England	All-Party Parliamentary Group on Financial Education for Young People www.pfeg.org	Financial Education and the Curriculum	11-16	2011
UK - England	Department for children school and families www.education.gov.uk	Guidance on financial capability in the secondary curriculum: key stage 3 and 4	11-16	2008
UK - Northern Ireland	Department of Education, Council for the Curriculum, Examinations and Assessment www.nicurriculum.org.uk	Northern Ireland Curriculum (and Financial Capability microsite)	4-16	2007
UK - Scotland	Scottish Consultative Council on the Curriculum www.educationscotland.gov.uk	Financial Education in Scottish Schools - A Statement of Position work	5-18	1999
UK - Scotland	Scotland's Colleges http://scotlandscolleges.ac.uk	A proposed enterprise education framework for Scotland	College students	2011
UK - Wales	Welsh Assembly Government http://wales.gov.uk	Financial education for 7 to 19-year-olds in Wales Guidance for schools and colleges	7-19	2010/revised 2011
UK - Wales	Welsh Assembly Government http://wales.gov.uk	Financial literacy in the PSE Framework; Raising the level of literacy and numeracy in Wales through the context of financial literacy	14-16	2009
UK	Personal finance education group (pfeg) www.pfeg.org	Learning About Money Primary Planning Framework	3-11	2007
US ^b	Jump\$tart www.jumpstart.org	National Standards in K-12 Personal Finance Education	K-12 (primary and secondary education to the 12th grade)	2007
US ^b	Council for Economic Education www.councilforeconed.org	Voluntary National Content Standards in Economics	K-12 (primary and secondary education to the 12th grade) (with benchmarks for grades 4, 8, and 12)	2010 (2nd ed)
US ^b	Financial Educators Council www.financialeducatorsCouncil.org	National Financial Literacy Standards	Not specified (organisation serves various targets, both students and adults)	
US ^b	Financial Educators Council www.financialeducatorsCouncil.org	High, School, College and Adult Financial Literacy Framework Standards	14+	

^a *Wijzer in geldzaken/CentiQ* is a partnership between the Ministry of Finance and the financial sector, government, public information and consumer organisations, and academic institutions.

^b The frameworks/standards cited for the US have been created by non-governmental organisations and not ones issued by or endorsed by the US Government.

TABLE A1.2. RELATED RESOURCES ON FINANCIAL LITERACY FOR YOUTH

Country	Institution	Title	Target	Year
Albania	Bank of Albania www.bankofalbania.org	Personal finance in your hands!	High school students	2011
Armenia	Central Bank of Armenia www.abcfinance.am/am-pupil	“Finances for all”	High school students/ Teachers	2010
Argentina	Central Bank of Argentina www.bancocentraleduca.bcra.gov.ar	Programa de Alfabetizacion Economica y Financiera (PAEF)	Youth, teachers and disseminators	
Australia	ASIC www.moneysmart.gov.au	ASIC’s Be MoneySmart	Vocational students, apprentices etc	2015
Austria	Central Bank of Austria www.oenb.at/finanzwissen	Initiative Finanzwissen / new branding: Eurologisch	Starting at age 6	Developed 2007, revised 2011, new branding and contents 2015
Canada - Ontario	Ministry of Education Ontario www.edu.gov.on.ca	A sound investment. Financial literacy education in Ontario schools	Students	2010
Denmark	Danish Money and Pension Panel www.raadtilpenge.dk	Funny Money	13-15	2013
Denmark	The Danish Bankers Association www.pengeuge.dk	Money Week materials	13-15	2013 and 2014
Estonia	Estonian Financial Supervision Authority, in co-operation with Nasdaq OMX Tallinn Investor Education programme itunes.apple.com/gb/app/finantsaabits	Money Matters Handbook for Teachers		2011
Fiji	Pacific Financial Inclusion Project (PFIP) www.financial-education.org	Financial Education Curriculum Development Project	Primary and secondary students (from Class 1 to 6)	2011
Germany	Federal Ministry for Family, Seniors, Women and Youth www.unterrichtshilfe-finanzkompetenz.de	Unterrichtshilfe Finanzkompetenz		
India	National Institute of Securities Markets http://nism.ac.in	Pocket Money Programme	School children (Class 7 and 9)	2014
India	Securities and Exchange Board of India http://investor.sebi.gov.in	Financial Education through Resource Persons	Young Investors – Students in colleges	2010
Ireland	Office of the Financial Regulator http://financialeducation.ie	Financial Competency Framework: Improving Financial Capability – a multi-stakeholder approach	Post-primary education students	2009
Latvia	Financial and Capital Market Commission (FCMC) www.klientuskola.lv	Educational Website “The Client School”	School children, students	Developed 2011, revised 2015 (The Client ABC and tests added)

Country	Institution	Title	Target	Year
Latvia	FCCM www.fctk.lv	Videopresentation “What does FCCM do?”	School children	2013
Latvia	The Bank of Latvia www.naudasskola.lv	The Website “Money School”– films, games and interactive tools	School children and teachers of economics and social science	2013
Latvia	National Coordinator: FCCM http://www.fctk.lv	Financial Education Weeks	School children, teachers, all society	2013, 2014, 2015
Lithuania	Economic Education Development Centre www.essc.lt		Starting at Grade 1	
Malaysia	Securities Commission Malaysia www.investsmartsc.my	InvestSmart: Fun Corner (savings-themed online games)	School children	Developed 2008 / Revised 2014
Malaysia	Securities Commission Malaysia www.investsmartsc.my	InvestSmart: Jot It Down (simple online journal / calculator to encourage savings)	School children	2008 / 2014
Malaysia	Securities Commission Malaysia www.investsmartsc.my	InvestSmart seminar programmes: Kids & Cash, Teens & Cash, Cash@ Campus	Children aged 10-12, teenagers; university students.	2008 / 2014
New Zealand	Ministry of Education www.nzcurriculum.tki.org.nz	Financial Capability in the New Zealand Curriculum	School leaders and teachers of students at all levels of the curriculum.	Revised 2014
Norway	The Norwegian State Housing Bank, The Norwegian Labour Welfare Service (NAV) and JAYE www.udir.no	Run Your Own Life	Two curricula Age 9 and Age 15	
Serbia	National Bank of Serbia www.nbs.rs		Primary school, secondary school and university	
Singapore	Ministry of Education www.moe.gov.sg	Food and Consumer Education	Secondary school students	
Singapore	MoneySENSE www.moe.gov.sg	Various MoneySENSE initiatives	Primary, secondary, tertiary students	
Ukraine	USAID www.finrep.kiev.ua	Financial Literacy in Schools		2012

REGIONAL AND INTERNATIONAL RESOURCES

Europe	European Money Week www.europeanmoneyweek.eu			
International	International Gateway for Financial Education www.financial-education.org			
International	Child and Youth Finance International www.childfinanceinternational.org			
International	Junior Achievement https://www.jaworldwide.org			

ANNEX 2: FROM AN OECD-PISA ASSESSMENT FRAMEWORK TO AN INTERNATIONAL CORE COMPETENCIES FRAMEWORK

As the first international measure of financial literacy among youth (aged 15 years), PISA financial literacy provided the ideal foundation for the development of this harmonised international core competencies framework based on a commonly agreed definition.

OECD-PISA defines financial literacy as:



“ Knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life. ” (OECD, 2013).

The PISA financial literacy definition was formulated to develop a financial literacy assessment framework, which describes the content, contexts and processes that are relevant when assessing the financial literacy of 15 year-olds at an international level. The process involved experts drawn from finance, education, research and statistics. It was built on existing practices in other PISA domains and good practice in financial literacy at a national level.

The assessment framework was used to inform the content of a one hour financial literacy assessment, designed to be internationally relevant, and to differentiate between young people with different levels of ability.

Describing proficiency

In total, 29,000 students participated in the PISA financial literacy assessment, providing a unique database of financial literacy across 18 diverse countries and economies (Australia, Belgium (Flemish Community), Shanghai-China, Colombia, Croatia, Czech Republic, Estonia, France, Israel, Italy, Latvia, New Zealand, Poland, Russia, Slovak Republic, Slovenia, Spain and United States).

The results of the assessment were analysed to rank students on a scale from low to high achievers and identify which aspects of financial literacy are easier for 15-year-olds to grasp than others. These two pieces of information (student score and question difficulty) were subsequently used to develop a ‘described proficiency scale’ (Table 4). This describes the characteristics of the hardest questions answered by the majority of students at each level of financial literacy, and assumes competency on aspects of financial literacy already described in the previous levels. In this proficiency scale, level 2 is considered to be the baseline level, or minimum level necessary for 15-year-old students to participate effectively and productively in society. Students who fail to reach this level will struggle to perform basic financial tasks in real life.

TABLE 4 indicates that 15-year-olds at level 1 are only just beginning to develop any kind of financial literacy and are only aware of very common financial products. At this level the focus is primarily on topics such as needs and wants and shopping/spending for everyday items.

Whilst being more financially literate than students at level 1, 15-year-olds at level 2 still only exhibit basic skills and knowledge. Within the PISA assessment, level 2 is considered to be the baseline level of financial literacy expected of a 15-year-old.

15-year-olds at Level 3 are more sophisticated than those in level 2 in their understanding of concepts and terms and their use of mathematics to address financial problems.

At Level 4 young people are relatively well prepared for many of the financial decisions that they are likely to make in the short term and are aware of some of the consequences of decisions they make. They will be acting on their own initiative to undertake simple financial tasks such as checking bank statements and may begin to identify ways of improving existing services and products or developing new businesses without prompting from others.

The key difference between level 5 and the previous level is the quality or breadth of understanding which is expected to go well beyond immediate relevance or visibility and beyond the individual or family context. For example, 15-year-olds at level 5 in developed countries may feel comfortable discussing the likely pitfalls of an interest-only mortgage or the possible advantages and disadvantages of starting to pay into a pension fund as soon as they start work.

Young people at Level 5 include those that can handle the most complex contexts and processes in terms of the content described below and those that may have already started to plan a business or make highly plausible suggestions for future enterprises. As level 5 has no upper bound, it will overlap considerably with the competencies expected of adults.

TABLE A2.1 OECD-PISA FINANCIAL LITERACY PROFICIENCY LEVELS

Level	Characteristics of tasks
1	Students can identify common financial products and terms and interpret information relating to basic financial concepts. They can recognise the difference between needs and wants and can make simple decisions on everyday spending. They can recognise the purpose of everyday financial documents such as an invoice and apply single and basic numerical operations (addition, subtraction or multiplication) in financial contexts that they are likely to have experienced personally.
2 Baseline	Students begin to apply their knowledge of common financial products and commonly used financial terms and concepts. They can use given information to make financial decisions in contexts that are immediately relevant to them. They can recognise the value of a simple budget and can interpret prominent features of everyday financial documents. They can apply single basic numerical operations, including division, to answer financial questions. They show an understanding of the relationships between different financial elements, such as the amount of use and the costs incurred.
3	Students can apply their understanding of commonly used financial concepts, terms and products to situations that are relevant to them. They begin to consider the consequences of financial decisions and they can make simple financial plans in familiar contexts. They can make straightforward interpretations of a range of financial documents and can apply a range of basic numerical operations, including calculating percentages. They can choose the numerical operations needed to solve routine problems in relatively common financial literacy contexts, such as budget calculations.
4	Students can apply their understanding of less common financial concepts and terms to contexts that will be relevant to them as they move towards adulthood, such as bank account management and compound interest in saving products. They can interpret and evaluate a range of detailed financial documents, such as bank statements, and explain the functions of less commonly used financial products. They can make financial decisions taking into account longer-term consequences, such as the impact of loan repayment on cost, and they can solve routine problems in less common financial contexts.
5	Students can apply their understanding of a wide range of financial terms and concepts to contexts that may only become relevant to their lives in the long term. They can analyse complex financial products and can take into account features of financial documents that are significant but unstated or not immediately evident, such as transaction costs. They can work with a high level of accuracy and solve non-routine financial problems, and they can describe the potential outcomes of financial decisions, showing an understanding of the wider financial landscape, such as income tax.

Source: OECD, 2014b. Note that PISA is an assessment of students in schools, hence the use of the term 'students' rather than young people or youth. The core competencies framework being discussed in this document has a broader focus on young people aged 15-18.

ABOUT THE OECD AND ITS INTERNATIONAL NETWORK ON FINANCIAL EDUCATION

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world.

OECD governments officially recognised the importance of financial literacy in 2002 with the launch of a unique and comprehensive project. In 2008 the project was further enhanced through the creation of an International Network on Financial Education (INFE). The OECD/INFE has high-level membership from over 240 public institutions - including central banks, financial regulators and supervisors, ministries of finance and ministries of education - in over 110 countries. Members meet twice a year to share country and member experiences, discuss strategic priorities and develop policy responses.

The OECD/INFE develops methodologies, collects cross-comparable evidence, and undertakes policy analysis and research to create globally recognised policy instruments. It is currently focusing on the creation and implementation of national strategies, and on role of financial education for financial inclusion, micro, small and medium-sized enterprises (MSMEs) and long-term savings and investments (including retirement aspects), as well as undertaking work on core competencies, measurement and evaluation.

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OECD/INFE CORE COMPETENCIES FRAMEWORK ON FINANCIAL LITERACY FOR YOUTH

This document outlines the objectives and key components of the OECD/INFE Core Competencies Framework on Financial Literacy for Youth, and presents the flexible, outcome-based, core competencies framework itself. The framework is designed to be applicable to youth aged 15 to 18, taking into account outcomes that will be relevant to them now and in the near future. It describes the basic level of financial literacy that is likely to be needed by all young people between the ages of 15 and 18 to fully and safely participate in economic and financial life.

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