



Synthesis Report

Financial Education
Levering the Implementation Efficiency in Schools

Project N°: 527060-LLP-2012-AT-COMENIUS-CMP
Agreement N°: 2012-3815/001-001

Contains general information about Financial Education in the partner countries: **AUSTRIA, BELGIUM, GERMANY AND LATVIA**

Graz, March 2013



Lifelong
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With the support of the Lifelong Learning Programme of the European Union.

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1 Introduction

This synthesis report consists of all national reports about the results of work package 3 “Needs and Gap Analysis”. It was the task of all academic project partners to analyse the situation of financial education in their countries. Furthermore, an extract of the results of a gap analysis concerning financial education within the existing curricula of general secondary schools are presented in this report. Another part of work package 3 was to implement a second curricula analysis in order to gain information about subjects that could be used for instructing financial education, such as mathematics, languages or history. The results of this needs analysis are going to be discussed in the second partner meeting in Zweibrücken, which is going to take place in May 2013. This is the reason, why the overall results of this analysis are not published within this document.

This report is designed very easily for the reader. Every country is presented in particular, whereas the contents – the subsections – are the very same for all national sections. Therefore, the results are comparable among the partner countries. The focus within this report lies on the current situation of financial education in each country. National institutions like governmental organisations or schools are analysed concerning their contribution to financial education issues. Moreover, general information about financial literacy of the country’s population is given. By the end, the partner schools of this project are introduced as well as the results of the gap analysis are presented.

2 National Results: FE in Austria

Financial education is an ongoing issue within Austria's educational discussions since many years – not only as a result of the global financial crisis but in the aftermath, it became obvious that many people operating in financial markets didn't understand the functioning and therefore the risks of financial products, which they were dealing with in the past. It is for this reason that financial education is by now gaining more and more attraction in the public dialogue.

Public and private institutions focus on this relevant educational topic in order to support the financial capability of Austria's population. This chapter provides information about the status quo of financial education in Austria; current financial education initiatives for secondary school pupils as well as facts and figures about Austria's school system are presented. By the end of this chapter, Austria's partner school BG/BRG Kirchengasse is presented; so are the results of the implemented gap analysis concerning financial education contents in the general curriculum of secondary schools in Austria.

2.1 STATUS QUO

When speaking and writing about financial education, one has to define this term in advance. Unfortunately, there is no consistent definition given and therefore, financial education is often differently defined, depending on who is using this term. Separate from a consistent definition, the following terms are often used by meaning nearly the same – not only in Austria:

- Financial awareness (Mason & Wilson, 2000)
- Financial education (G8, 2006)
- Financial capability (OECD, 2005)
- Financial citizenship (Citizenship Foundation, 2002)

Although these institutions focus on different objectives, the main topic is always the same: Strengthen the population's financial competences. The Austrian National Bank (OeNB) for example has used four basic approaches towards enhancing financial capability that base on the U.K.'s Financial Service Authority. They include the following topics:

- Managing money
- Planning ahead
- Making choices/Choosing products

- Getting helped/Staying informed

Referring to the model by Friebel and Kaminski that is used within this project, these points are nearly the same as is described in the model. There are some more terms in the financial education discussion, specifically in Austria, which all deal with the same topics, but are differently described, like consumer education. Initiatives that were launched under consumer protection cover the same topics as are defined under financial education, which are:

- Money
- Insurance
- Debts
- Asset Management

Generally speaking, the variety of definitions and terms is not a problem, as every launched initiative positively affects Austria's population. Nevertheless, one has to be aware that there is a difference between financial education and e.g. consumer education concerning the topics covered.

In Austria, the Ministry for Education, Arts and Culture is responsible for all educational topics; so is the Ministry for Work, Social Issues and Consumer Protection concerning financial education. Furthermore, many institutions enhance financial education for pupils in different ways, such as the Austrian National Bank, the Chamber for Working Issues, the Chamber for Economy Issues, Debt Advisory Services, banks and insurance companies and associations as well as private educational companies like finanzportal.at, which provide the official Euro Finance Driving Licence. The main target group of all these efforts are pupils of all age groups, starting at elementary schools by implementing easy workshops and games. Some initiatives also provide teaching materials for teachers, which can be used within the classroom. Unfortunately, there are no initiatives that directly support teachers within the teaching of financial education, e.g. by offering teacher supporting workshops within teacher's advanced trainings, which is this project's main aim.

Corresponding surveys obviously show that Austria's population – pupils as well as grown-ups – are not sufficiently educated in the field of financial services and what is related to this topic. Results published by the Austrian Insurance Agency (VVO) in 2012 show that financial education is an issue that is demanded from Austria's population, as it is not part of the general education of pupils in secondary schools. This survey shows that only 4 % of 200 pupils between 14 and 21 years of age and 17 % of 301 grown-ups (older than 20) interviewed are

aware of the financial product's risks. This illiteracy occurs because of an increasing product diversity on the financial market as well as less education in general schools. Specifically regarding the topic "insurance" within financial education, the survey's results were worrying – the gap between demand and supply concerning financial education is big, as the graph shows:

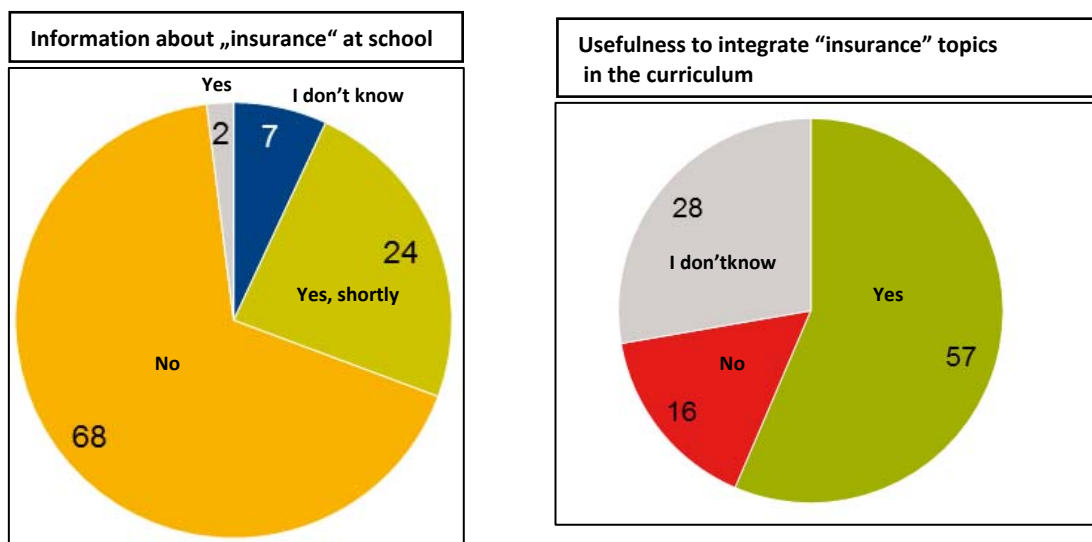


Fig. 1: Source: VVO, Versicherungswissen bei Jugendlichen und Erwachsenen, 2012

Moreover, calculation skills of pupils were checked, using the following question:

"If you assess 100 EUR at 4 %, how much money do you have after one year?" → Only 6 % of the pupils asked gave the correct answer, which is furthermore a grave problem within the education system to focus on. Because of the lack of financial education within Austria's secondary schools, the corresponding ministries are working on different initiatives as well as support initiatives, launched by other organisations, to enhance financial education and improve financial literacy of Austria's pupils.

One initiative that is supported by the Ministry of Education, Art and Culture is the Euro Finance Driving Licence (€FDL), which was implemented by the organisation finanzportal.at. The target groups of this initiative are pupils as well as grown-ups, but also teachers may take an advantage of the contents that can be found on the website, which focus on the four main points of financial education: Use of money, handling risks of life, asset and retirement arrangements, use of loans.

On the other hand, the Ministry for Work, Social Issues and Consumer Protection has launched an initiative to enhance consumer education. On their website finanzbildung.bm-

ask.gv.at, financial services are explained for a broad readership, not only focusing on pupils. The prepared and published topics are assessment of money, finance and insurance. The contents are divided into basic and in-depth knowledge parts. Furthermore, the Ministry has launched a portal for teachers of elementary schools as well as secondary schools (grades 8, 9, 10 and 12), where teaching materials to the below listed topics are provided:

- Consumption
- Mobility
- New Technologies
- Cash management
- Daily costs and life plan
- Debts/Credit

As there are much more initiatives launched in Austria – not only by governmental organisations, some of them are presented and shortly explained in the next section. Most of the initiatives focus on pupils in order to prepare the young generation best for future challenges they have to deal with at the financial market.

2.2 INSTITUTIONS AND SCHOOLS

Besides the relevant ministries, there are a lot of other organisations, often private with support of public institutions, focusing on providing financial education for pupils. Published websites that provide information materials about specific topics, which can be used by teachers when preparing their courses, are very common. Some of them do also provide fully prepared teaching materials, including information sheets, tests and video clips. Furthermore, workshops are provided for school classes to attend so pupils get informed about ongoing financial topics within their age range. But of course, there are also schools that provide financial education to pupils. Specific higher commercial schools – secondary grade II – train financial competences with their pupils very well. Unfortunately, financial competences are exclusively integrated in the curriculum of this school type but are not part of the curriculum of general schools. This is the reason, why this project's consortium aims to enhance teachers of secondary schools to use the given contents within the curriculum to provide financial competences, too.

2.2.1 School System in general

Austria's school system is versatile. Pupils have a lot of possibilities to choose when determining their school career. Nevertheless what they choose, the compulsory school attendance in Austria is 9 years. The following illustration shows the system:

MIN AGE					GRADE
	University		University of Applied Sciences	Academy	
14-19					9-13
14-18	Secondary School II (= General School)	Vocational Education Schools (commercial, technical, arts) with general qualification for university entrance	Vocational Education Schools (commercial, technical, arts) without general qualification for university entrance	Professional School (traineeship) Polytechnic School	9-12
10-14	Secondary School I (= General School)		Secondary Modern School & Comprehensive School (new)		5-8
6-10	Elementary School				1-4
3-5	Nursery School				

Tab. 1: Own Source, 2013

This illustration shows the structure of Austria's school system. It is obvious that pupils have different possibilities in how to create their school career. Mainly concerning secondary grade II; this relates to an age range between 14 and 19 years. Within this project, the focus is on general secondary schools of grades I and II, which means 10 to 18 years. General secondary schools do not explicitly provide financial education in their compulsory curriculum. Those schools, which do provide financial education, are vocational schools, which are in Austria also called (higher) commercial colleges. These schools provide professional education for pupils to be able to enter the labour market after graduation. Pupils there can graduate with or without general qualification for university entrance. Vocational schools without general qualification for university entrance last 3 years and those with, 5 years. Financial contents in these schools cover the following subjects:

- Business Mathematics
- Business Studies

- Accounting/Controlling
- Economics
- Practice Firm
- Business Informatics

Vocational schools that emphasis other topics, e.g. in the artist or technical field, also provide financial education – but of course less than commercial colleges.

The focus on financial education is a characteristic of vocational schools in Austria. Therefore, teachers of the above mentioned subjects have a completely different educational background than teachers of general secondary schools. Those teachers do not obtain a teaching degree for secondary schools and also do not have to make a probationary year after they have graduated from university. Teachers of commercial subjects at commercial schools have to have a master degree in Business Education and Development, where they also have to emphasis on at least one complete module in one special field of business administration (5 courses + 1 oral examination). In Austria, the educational background of both, students of business administration and business education and development, is very similar, besides the didactical courses. The school practice has to be passed within the last year. Compared to general secondary school teachers, commercial school teachers have to work at least two years in a company before being able to work as a “full” teacher.

This explanation above shows that there are many differences between general secondary school and commercial school teachers concerning their educational and practical background. This difference is also relevant for secondary school teachers, who often worry about teaching financial contents, as they do not have the specific background. This is the reason, why teachers have to be fostered. It is not enough only providing teaching materials and methods, but also preparing teachers and keeping them up-to-date to financial related contents, so they are strengthened and self-confident in the classroom.

The following section presents some national institutions that provide financial education in secondary schools.

2.2.2 National Institutions

Lots of national institutions provide support concerning financial literacy in Austria. In this section, some institutions are presented and their launched initiatives are introduced. The described initiatives are continuously providing financial education to pupils in Austria.

NAME OF INITIATIVE	PROVIDER	METHOD/CONTENTS	TARGET GROUP
e-Learning Financial Competence	Debt Provider Upper Austria	<i>E-Learning Courses</i> - Daily Costs - First Flat - Bank Account - ATM Card - Payment - Debts - Internet - Purchase of a car	Unspecified
Use of Own Money	Debt Provider Upper Austria	<i>Workshops</i>	Pupils Grown-ups
Konsumentenfragen.at	Debt Provider Upper Austria	<i>Teaching Materials</i> - Financial and Consumer Education	Pupils of grades: 8,9,10,11
DOLCETA	European Union	<i>Online Platform with teaching materials</i> - Consumer Education	Teachers
Klartext: €ash @ School	Debt Provider Upper Austria	<i>Workshop</i>	Pupils of age range 14-19
Klartext: mein-haushaltsbuch.at	Debt Provider Upper Austria	<i>Teaching Materials</i> - Book of household accounts for learners	Teachers
Klartext: Schuldenkoffer.at	Debt Provider Upper Austria	<i>Teaching Materials</i>	Teachers
Debt Prevention Concept	Chamber for Working Issues Tyrol and School Inspector Tyrol	<i>Workshops</i> - Watch the money	Pupils of grade: 8
Watch the Money	Chamber for Working Issues Tyrol and School Inspector Tyrol	<i>Teaching Materials</i>	Teachers
Economy	Chamber for Working Issues Tyrol	Business Game	Pupils of grade: 8
Fit for the Money	- Chamber for Working Issues Vorarlberg - Institute for Social Services Vorarlberg - Youth Centre aha Vorarlberg - Job Market Service - Economic Society Vorarlberg and - Austrian Banks	<i>Finance Driving Licence, including Workshops</i>	Pupils of General Secondary Schools (I and II)
We bring Economy in the Classroom	- Chamber for Economic Issues Austria - Working Association Economy and Schools and - Sparkasse Union Austria	<i>Teaching Materials</i> - Banking and Insurance Industry - Tourism and Leisure Time - Business Services - Industry and Trade - Transportation and Traffic - Industry and Trade in Austria	Teachers

		<ul style="list-style-type: none"> - Facts and Figures – Austria's Economy - Austria's Possibilities on the World Market - How does Economy work? - Economy in Daily Life 	
Money and Money Policy	Austrian National Bank	<i>Teaching Materials</i>	Teachers
Knowledge Factory	Bank Austria Unicredit and Museum for Society and Economy	<i>Workshops</i> <ul style="list-style-type: none"> - Financial Products - Private Household - Function of Money - Tasks of a Bank 	Pupils

Tab. 2: Source: Different Austrian Organisations' Websites, 2013

Another project, launched by the European Commission, Dolceta, provides full teaching materials, including teaching methods, for teachers of elementary as well as compulsory schools. What one can say is that the supply of information materials is ongoing, but unfortunately, there is often less time in the classroom to deal with financial education contents as well as with what is given in the curricula. This is the reason, why teachers have to be fostered in how to combine their given topics with financial education contents. In addition, there are no specific advanced trainings for teachers, which deal with the overall finance and insurance topics, so they are always up-to-date. In Austria, teachers have to attend advanced trainings; thus, this project aims to offer such trainings for teachers, who are willing to provide financial education instruction.

2.2.3 Partner School within Project “Financial Education”

BG/BRG Kirchengasse is a high school with tradition and open-mindedness for changes in society. Concerning languages we offer English, Italian, French, Spanish, Latin, Russian and Persian. For students who are particularly talented in languages, we offer bilingual classes in English. Scientific topics are dealt with and intensified in the scientific branch of our school. We specifically focus on autonomic subjects like communication and presentation skills as well as project management, economical competence and encouragement of social competence and integration. In the year 2010, we received the quality award “best practice school” for afternoon care and education. Diversity of languages, access to science, social and communicative competence is also an important part of our school culture.

Curriculum of Partner School

The partner school bases on the curriculum for general secondary schools: BGBl. Nr. 88/1985, changed by BGBl. II Nr. 352/2012.

Results of Gap Analysis

The gap analysis shows that there is a lack of financial education within Austria's curriculum for general secondary schools. The only subject that deals with financial education related topics is Geography and Economics. From grade 5 to 12 (which refers to an age range between 10 and 18 years), pupils learn about the economy and the economic cycle, money, dealing with revenues and expenses in the household and in companies, the European Union or the market and the formation of prices. These topics are determined within the curriculum and are also part of school books, teachers are using. There are also some more topics within the curriculum, like the pension system and insurance issues or possibilities of assessing money (including risks and chances) but mostly, there is less time to go through these topics thoroughly, as there are few materials available for the teachers and moreover, teachers are not trained in-depth referring to these topics within their educational career. Therefore, it can be summarized, that there is a gap of financial education within Austria's curriculum of general secondary schools, which can be closed or narrowed if teachers are fostered, e.g. by providing teaching materials, and trained, e.g. within teachers workshops.

2.3 CONCLUSION

Putting everything into consideration, financial education is a current topic within Austria's educational discussion. Although there have already been launched a lot of financial education initiatives, e.g. for pupils of different school types, financial competences are less developed among pupils of general secondary schools. One of the most problems is time. Within the curriculum of Austria's general secondary schools, there is tolerance for financial topics, e.g. in subjects like geography, mathematics or languages. But as financial topics are less prepared in school books and teachers of general secondary schools often don't have gained an academic education in topics like financial products or asset management, financial education has been considered so far. This is the main point, this project and the project partners are taking on. To support teachers within the implementation process of financial education is the main aim of this project, which should – in an indirect way – affect pupils and increase their understanding for financial education. Furthermore, pupils should develop financial competences and should be prepared for the challenges of the financial market after graduating from school.

3 National Results: FE in Belgium

On the Child & Youth Finance International Regional Meeting Europe and Central Asia in November 2012 in Brussels, Mr. Steven Vanackere, Belgian's Vice Prime Minister and Minister of Finance, said something very important: "If people don't understand finance by the time they reach the age of 18, chances are low they will still learn it later". The most important outcome of this conference was a clear commitment that there is a general need in Europe and more particular in Belgium to improve financial education.

3.1 STATUS QUO

In order to get informed about financial literacy the Belgian Febelfin (the Belgian Federation of the Financial Sector) organized a national survey on basis of a representative sample of the Belgian population in September 2009. A series of sixteen specific questions with varying difficulty were posed to the interviewed; ranging from questions about calculating the interest rate till how to arrange a family insurance. Only 44.5 % of the interviewed young people between 18 and 24 years succeeded for this test. In other age groups, more than 50 % received good results.

Febelfin therefore wants financial education becoming a priority topic in general secondary education. "The goals of secondary education should be adjusted", said President Stefaan Decraene of Febelfin. "We leave the initiative to the government, but personally spoken, children over 12 years should know what e.g. a current account is [...] and from the age of 15 years, they should know what a stock or a bond is." The Flemish Minister of Education, Pascal Smet (SP.A), accepted this conclusion in 2009. Financial literacy will start in the following school year within new cross-curricular themes of education in Flanders. Therefore, all Flemish general secondary schools from must ensure that their students will have a sufficiently broad financial knowledge, starting with September 1st 2013.

The above described test, which Febelfin wants to repeat annually, also shows that Belgians know more about bank products than about insurances. Questions about general topics, such as calculating an interest, provided better results than product-related questions. The financial knowledge of the Belgian population does increase by age, until the age of 64. Afterwards it decreases slightly. Febelfin therefore argues not only for financial education related teaching materials in education. The banking federation also created an interactive website to help other vulnerable consumers. But that happens in collaboration with the FSMA (Financial Services and Markets Authority). The FSMA received the legal mandate to contrib-

ute to financial education and was not surprised about the results of the test. “Financial education is a long process, which we supportfully” said FSMA president Jean-Paul Servais. The Flemish Minister of Education Pascal Smet also wants more financial aspects integrated in the study programmes: “Now it’s not yet a separate topic, but it is present through cross-curricular themes. [...] Since 2010 there is more attention paid to the interaction between society and economy”, said Pascal Smet. The Minister will also take financial education in the reformation of general secondary education into account. In Flanders, the Minister wants to reform the structure of general secondary education and hopes that financial education will become a most important issue. The Minister wants to provide financial education in schools through video games. Furthermore, the Minister highlighted the importance of financial education among members of the Committee on Education of the Flemish Parliament last year as a member of the Parliament wanted to know about how to be able to improve financial education for pupils, students and citizens in general. Moreover, the Minister of Finance Steven Vanackere (CD&V) pointed out last year that financial literacy of consumers is an urgent need.

3.2 INSTITUTIONS AND SCHOOLS

The following sections deal with the school system in Belgium – specifically in Flanders – as well as financial education programmes within general secondary schools.

3.2.1 School System in general

As a result of the various state reforms since 1989 in Belgium, education is no longer part of the responsibilities of the federal state but of the Communities (Flemish, French and German-speaking Community). For this project, the Belgian project partners are going to focus on Flanders and will integrate this project in general secondary education ASO. In Flanders, there are 3 levels of education: primary education (pre-school and primary school), secondary education (high school) and higher education (vocational and university).

The primary school is attended by children from 6 to 12 years, whereas secondary education schools are teaching children aged between 12 and 18 years. These 6 years of secondary education are divided into 3 degrees of two years. The first grade consists of a core curriculum; at the end of the first grade, pupils have to choose a particular study-programme:

- **ASO** (general secondary education) with emphasis on broad general education
- **TSO** (technical secondary education) with 3 courses of study: a theoretical, practical, and a combination of theoretical and practical education

- **KSO** (artistic secondary education) that combines general education courses with art theory and practice
- **BSO** (vocational secondary education) is a practical education

Primary and secondary education is organized according to a so-called educational network. There are 3 educational networks in Flanders:

1. The **Subsidized Free Education** (BER) can be divided into denominational (Catholic, Protestant, Jewish ...) and non-denominational, such as Steiner, Freinet and Montessori Schools. These are schools from private organizations, but recognized by the Flemish government, if they reach certain requirements. The Free Education covers about two thirds of the Flemish education (in terms of numbers of schools and pupils).
2. **Community Education** (GO!) is entirely organized by the Flemish Community. 15 to 20% of the Flemish schools belong to this network.
3. The **Official Subsidised Education** (DBL) consists of urban/municipal and provincial education. The provincial schools follow the same curriculum as the Community Education, while the urban/municipal schools determine the choice of their curriculum by themselves.

Higher education in Flanders consists of universities and university colleges. A University college is any higher education institution except the university. The following illustration should provide an overview over the Flemish school system:

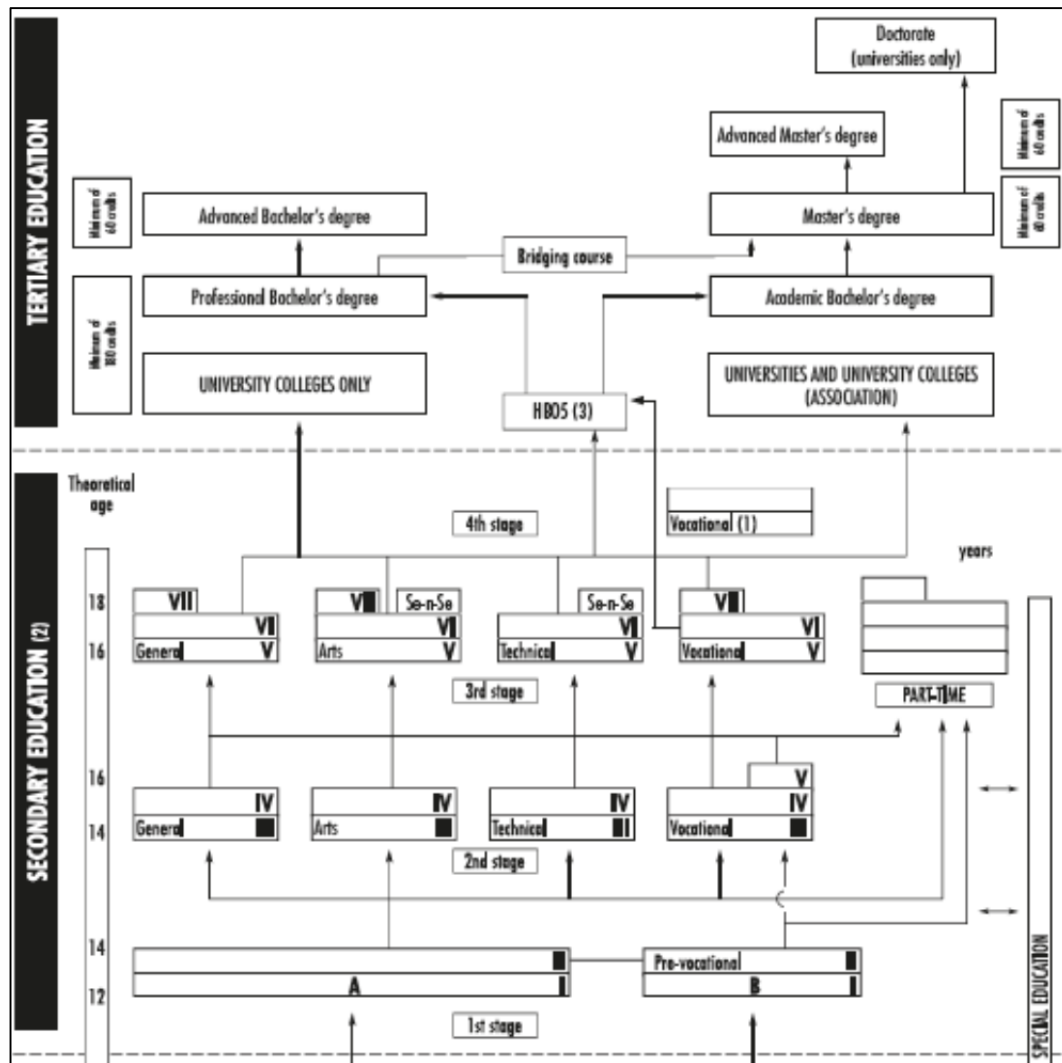


Image 1: Source: Vlaanderen.be: officiële site van de Vlaamse overheid, Flemish education in figures, 2011-12

Financial education programmes in secondary schools

Financial education can be integrated in socio-economic programmes, where pupils can become familiar with social participation, personal development and responsibility for their financial behaviour. These learning outcomes have been developed by The Flemish Ministry of Education and are the guidelines for different types of educational networks in Flanders. The following topics are included:

- the role of the government
- the role of companies
- the management of companies
- the employers and employees organizations
- welfare and prosperity
- employment

- economic activities
- goods and services ...

The living in poverty (knowledge of poverty; characteristics, causes and consequences) may be experienced as a barrier to full participation in the society. The education emphasizes on the rights and duties of consumers. Most relevant about financial education is budget as an element of consumer behaviour, self-reliance and resilience. All these topics are focusing on the dynamic nature of the social-economic society, influenced by a permanent interaction between economic, social and financial mechanisms. The international context, reflected in the globalizing economy, has an obvious impact on this interaction, too. It could be concluded that the knowledge of these themes empowers young people.

Inspired by European recommendation and based on ideas from the OECD project The definition and selection of key competences, an updating of the goals of these learning outcomes offers an answer to the question, what kind of minimum competences in Flanders each citizen has to have in order to be able to participate in the society and to develop his/her own personal life. The learning outcomes prepare pupils on a critical and creative function in the society and the development of their personal life. To realise these ideas, the Flemish Ministry of Education creates a framework to operationalize the vision of basic education in general secondary schools in different packages such as physical health and safety, mental well-being, socio-relational development, a multicultural-democratic society, environment and sustainable development, political-legal society, social-economic society and socio-cultural society.

It can be summarized that financial education could be integrated in all these different packages and could be linked with it. Basic skills like think and act autonomously, communication and collaboration, self-reliance and resilience, social functioning, exploration, initiative and creativity, etc. are in each package expressed more than once and this causes an overlap. The following illustration shows some more figures about the school system in Belgium:

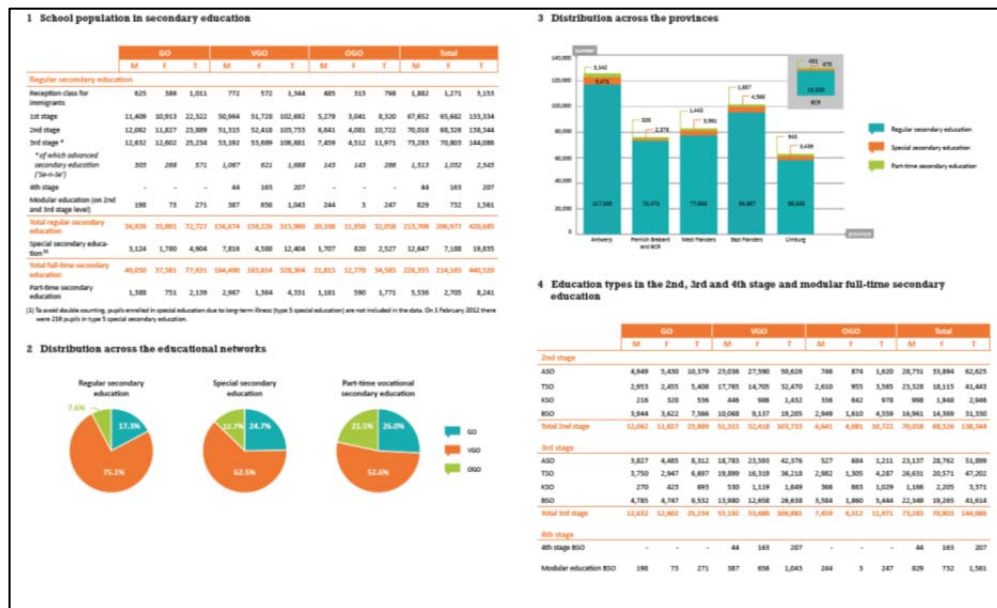


Image 2: Source: Sint Pieters College Leuven, Facts and Figures about General Secondary Education, 2012

3.2.2 National Institutions

In Belgium, different actors, namely Febelfin, FSMA, the Minister of Finance, the Minister of Flemish Education, BVK (professional association for credits) a member of Febelfin and VCS (Vlaams Centrum voorschuldenlast or Flemish Center for Indebtedness) to work together to improve financial literacy among citizens in order to develop financial education. This is an extract of their initiatives:

VCS Book: In balans

The VCS is working on prevention for young people and aims to introduce this book in general secondary education from 12 years in ASO, TSO and BSO (see below: structure in Flemish education). The objective of In Balans is to provide skills and the way on how to deal with money to young people. Young people get pocket money, they sometimes have an income from student jobs and often, they manage their own account at a bank. One of the aims of this project is to provide information on how to spend money in a good way, other than spending money for games, ring tones, gambling, the latest mobile phones and expensive clothes, as this is very attractive for young people. In Balans wants to help young people becoming independent.

The Credit Guide and Balance Calculator

The organisation UPS-BVK decided to write a credit guide using easily understandable words to inform consumers about their rights and duties as well as to provide basic, low entry information about the main characteristics of consumer credit products. Such a guide promotes the idea of informed consumers being able to make right financial decisions.

Ghent University: Planning and Budgeting Game

This game has been presented during a conference meeting for teachers in Leuven in May 2011. The teaching materials are available via the following link: <http://habe.hogent.be>.

Joetz (Organisation of Young People of Socialist Mutuality)

Joetz organised their 6th conference in Leuven in November 2012 about How to learn young people dealing with money and the importance of financial education? The target group of this meeting were teachers from general secondary education. During the conference, different speakers from institutions as Research and Information for the Consumer Organisation (CRIOC and VCS) have been part of the programme.

Workshops

There are a lot of workshops to show practical examples of projects on financial education like a workshop about improvisation or the game No credit, game over (EW 32-Serious is a game about debts) and social skills in dealing with money from OCMW (PCSW) and schools in Zottegem (Flanders). Based on the philosophy to provide financial information as early as possible, OCMW developed some projects for children and young people on how to handle money on a more social way.

FSMA

The FSMA is responsible for the integrity of the financial markets and fair treatment of financial consumers. FSMA organized the first financial education conference in Belgium on January 31st 2013. Contributing to the financial education of consumers is one of the missions, entrusted to the FSMA by the Belgian legislation. It's for the reason that the FSMA has developed a financial education website www.wikifin.be. There is also a savings account simulator on the website that provides savers online a personalized comparison of several accounts. The goal of this website is helping citizens with their financial decisions and to equip

consumers with information and simple tools to enable them to make informed choices that are best suited to their personal financial needs. Princess Mathilde is also supporting to this project. In addition to launching FSMA's financial education programme, the aim of this conference was also to gather all together those people who are concerned by financial education issues in Belgium. They were convinced that education plays a crucial role in increasing awareness among young people. During the conference, Pascal Smet organized round tables to discuss financial education topics as well as resources needed to integrate this subject into the curriculum.

Dolceta: A Project issued by the European Commission

The abbreviation Dolceta was originally derived from developing On-Line Consumer Education and Training for Adults. Dolceta is an ongoing online Consumer Education project involving 27 countries of EU, financed by the European Commission. Dolceta offers online modules, which focus on different consumer topics. One of the topics is financial literacy, launched for teachers. Belgium is one of the partners of this consortium.

3.2.3 Partner School within Project “Financial Education”

Sint Pieters College (College of Saint Peter) is situated in the centre of Leuven and is a subsidized private school. They only offer general education (ASO) in first, second and third grade. Young people from 12 to 18 years can follow courses in this school. The mission of the St. Pieters College could be translated as follows:

“We want to offer qualitative broad education. In addition, we enhance our students in becoming more independent. We want to create a warm, honest, respectful atmosphere, with possibilities for different initiatives.”

Sint Pieters College is offering an outstanding preparation for higher education afterwards. They want to challenge and stimulate pupils and offer a lot of possibilities for the pupils' development as well as their becoming of independent young people. The structure of the school is as follows:

Derde graad				
Grieks-Latijn of Grieks-Wiskunde	Latijn-Wiskunde of Latijn-Wetenschappen of Latijn-Moderne talen	Wetenschappen-Wiskunde of Moderne talen-Wetenschappen of Moderne talen-Wiskunde	Economie-Moderne talen of Economie-Wiskunde	Humane wetenschappen
Tweede graad				
Grieks-Latijn	Latijn	Wetenschappen	Economie A - Economie B	Humane wetenschappen
Eerste graad				
Grieks-Latijn	Latijn	Moderne wetenschappen		
Klassieke studiën		Moderne wetenschappen		

Image 3: Source: Sint Pieters College, Structure of Education, 2013

When searching for financial education, it can be found in the first grade within the modern sciences (Moderne wetenschappen). In the second grade, the programmes economics (Economie A/B) and human sciences (Humane wetenschappen) are relevant. In the third grade, the programmes economics/modern languages (Economie/modernetalen) or economics-mathematics (Economie/Wiskunde) and human sciences (Humane wetenschappen) are of importance for the delivering of financial competences.

Curriculum of Partner School

The needs and gap analysis is based on the teaching (doctrine) plans, issued by the Catholic education (VVKSO Verbond van Katholiek Secundair Onderwijs or Association of Catholic Secondary Education).

Results of Gap Analysis

In the second year of first grade socio-economic initiation (SEI or Socio-economische initiatie), an optional course can be found. In the first grade, this course only verifies if student are interested in studying economics by offering some interesting topics. Topics such as purchasing power, the sources of family income and the household expenditures have been found within the curricula analysis. In the second grade, the learning outcomes for the cours-

es of economics are the functioning of companies (SME); their core business, growth and prosperity. In the third grade, topics such as the competition between markets, the imperfect market, generation of income, income inequality, poverty, GDP as welfare indicator of a country, economic fluctuations and international economic relations are taught. Pupils also could learn about business by creating their own small business. Therefore, the school is collaborating with Vlajo (Flemish Young people), an organisation, subsidized by the Flemish government to stimulate entrepreneurship among young people. Students of the last year or the third grade could choose this special course. There, they learn about the functioning of companies by playing the game Vlajo Challenge.

3.3 CONCLUSION

The awareness of the importance of financial education among policy makers in economies all over the world is very clear. Also in Belgium, there are contacts between the Ministry of Education, the Ministry of Consumer Affairs and the Ministry of Finance. There is a lot of information about financial literacy available as well as international conferences about financial education all over the world. The Conference of Child and Youth in Brussels at the end of January 2013 shows the importance of that topic. Not only the Minister of Finance was convinced by the need of financial education, also the Minister of Flemish Education, Pascal Smet, and the Minister of Consumer Affairs recognized the need of good financial education for young people. They also know that financial education should start at school. Pupils should be informed about financial matters as early as possible. Financial literacy is a core life skill for fully participating in a modern society. Children are growing up in an increasing complex world where they will need to take charge of their own financial future. National surveys show that young adults have the lowest levels of financial literacy also in Belgium where young people were not successful in a test about financial products. This is reflected in their general inability to choose the right financial products and often a lack of interest in undertaking financial planning. Even from an early age, children need to develop the skills to choose between different career and educational options and manage any discretionary funds they may have, whether from allowances or part time jobs. These funds may entail the use of saving accounts or bank cards. Situations where students/pupils have to reflect about managing their budget (the purchase of clothes, the purchase of mobile phones or smart phones ...) have been developed.

We are convinced that very simple examples could help students/pupils to think about financial planning. Our Minister of Flemish Education is trying to introduce financial education programmes in our school system. Financial education programmes that help financial consumers to understand pros and cons as well as the risks of different types of financial products.

Our COMENIUS project could help to develop these financial education programmes. We discovered the need of the introduction of financial education amongst young people in Flanders but financial literacy and good financial topics are not hot topics in our educational system and there is still a long way to go. We found that yet financial education/literacy is not well integrated in school programmes of general secondary schools. We couldn't find financial literacy and specific topics of financial education in the educational programmes of Sint Pieters College, our partner school for this project. In this paper we tried to analyse some typical topics such as saving or spending, how to manage the own budget, all illustrated by very simple examples.

This analysis will be the start of a long process. We are convinced that we have to develop educational programmes to promote financial literacy and have to help young people to make better financial decisions for their future. This COMENIUS project will help us to do so.

Finally, we want to conclude with a statement of the OECD:

"Financial education is increasingly important, and not just for investors. It is becoming essential for the average family trying to decide how to balance its budget, buy a home, fund the children's education and ensure an income when the parents retire." (OECD 2006).

4 National Results: FE in Germany

The aim of the following research is to define the current situation of financial literacy of pupils, attending general secondary schools in Germany. At first, the organisation of the German school system is presented. Afterwards the analysis of the framework and curriculum of the German project partner school is reflected: furthermore the problem of financial topics, which are rarely implemented into existing subjects, is shortly discussed. Due to time restrictions and sometimes a lack of knowledge, it is difficult for teachers to include financial topics in their classes. Different surveys, one of them in the project partner school, show the existing gap regarding financial knowledge and competence.

4.1 STATUS QUO

Germany is a federal republic and consists of 16 federal states with their own regional governmental authority. The responsibility for the education system lies within the federal states. The Ministries of Education, Cultural Affairs and the Ministries of Science in each federal state are responsible for education, science and culture. Their scope of responsibilities generally includes schools, higher education, libraries, archives, adult education, arts and culture in general, relations between the state and religious or ideological communities, the preservation of monuments and sites and, in some federal states, also sports and youth welfare. In 1948 the Standing Conference of the Ministers of Education and Cultural Affairs of the federal states was established to define and guarantee similar standards in the federal states. Thus, people have the opportunity to move between the federal states in their professional and private lives.

The federal states are in charge of organising the school structure and determining the content of courses and teaching objectives. The educational objectives presented in school legislation give are relevant for the curricula design, for which the Minister of Education and Cultural Affairs is responsible. Furthermore, teaching materials for all types of schools have to be defined and approved by the Minister of Education and Cultural Affairs.

The Conference of the Ministers of Education and Cultural Affairs of the federal states decide about the types of schools and courses of education in lower secondary level. They determine a framework for the grades 5 to 9/10, requiring certain subjects in every type of school as well as course of education: German, mathematics, the first foreign language and natural and social sciences. A second foreign language is mandatory at general secondary schools in German in grades 7 to 10.

Cross-curricular topics concern questions of political and economic education in the broadest sense. This includes:

- sustainable development education
- democracy education
- Europe education
- human rights education
- National Socialism and the Holocaust
- economic education

Financial education has not been integrated in the curricula of the federal states yet. The curricula of a few federal states like Bavaria or Baden-Württemberg contain an optional subject, called *Economics*. Each federal state is aware of the importance of fostering financial literacy. There are existing guidelines introduced by each Minister of Education and Cultural Affairs to integrate financial topics cross-curricular, but it depends on every school and their teachers to implement this into the existing subjects. Other difficulties do arise from the knowledge of teachers about financial topics. Although there are subjects including some basic information about financial and economic education, it is usually not part of the teacher's training in Germany. Putting theory into practice is difficult for teachers, who are not trained in financial topics.

During the last 10 years, several surveys among pupils and young adults from 12 to 25 years have been implemented in order to analyse their financial and economic knowledge. In the following, the results of some relevant questions and statements of 3 different German surveys are presented.

Forsa, a German institute for opinion research, carried out a survey about financial competence in 2011. They interviewed 1000 pupils and young adults. As presented in Fig. 2, the survey results show that only 15 % of the interviewed have a good or very good level of knowledge, whereas 85 % have a rather good or bad level of financial knowledge.

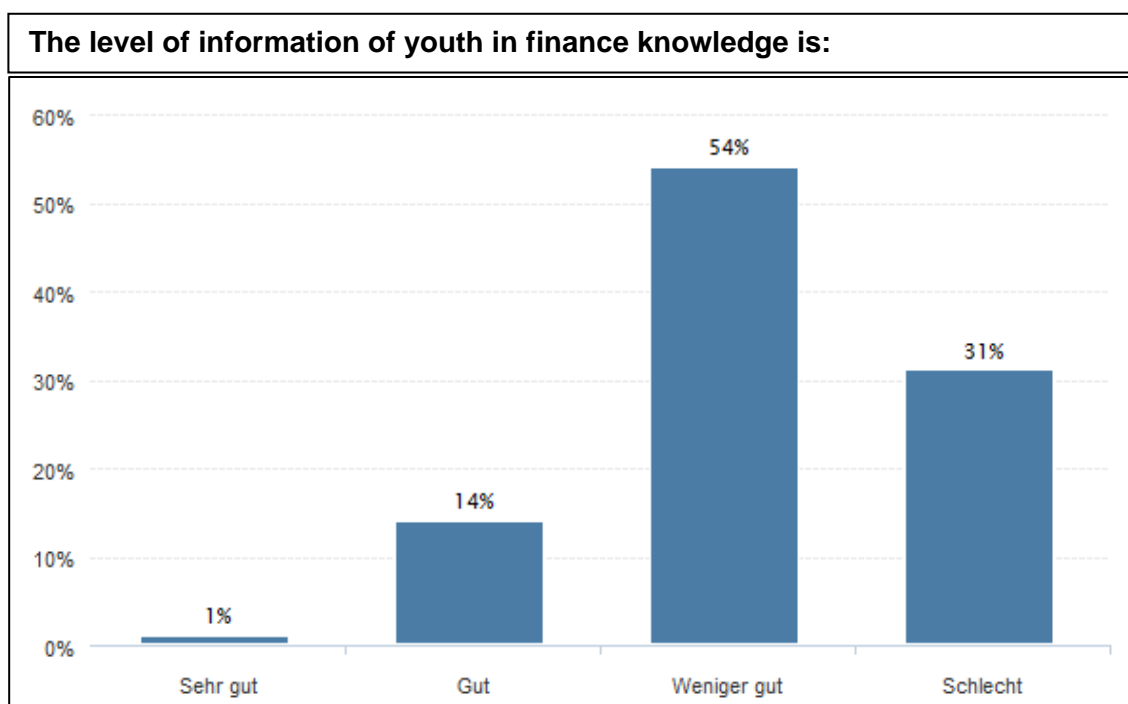


Fig. 2: Source: Forsa, Jugend, 2011

In 2012, a survey implemented by the German banking association deals with various questions regarding economic and financial topics. The answers are presented in the following chart (Fig. 3). The results show that e.g. only 27 % of the young people know about the tasks of the ECB and only 30 % are able to define the term “return”.

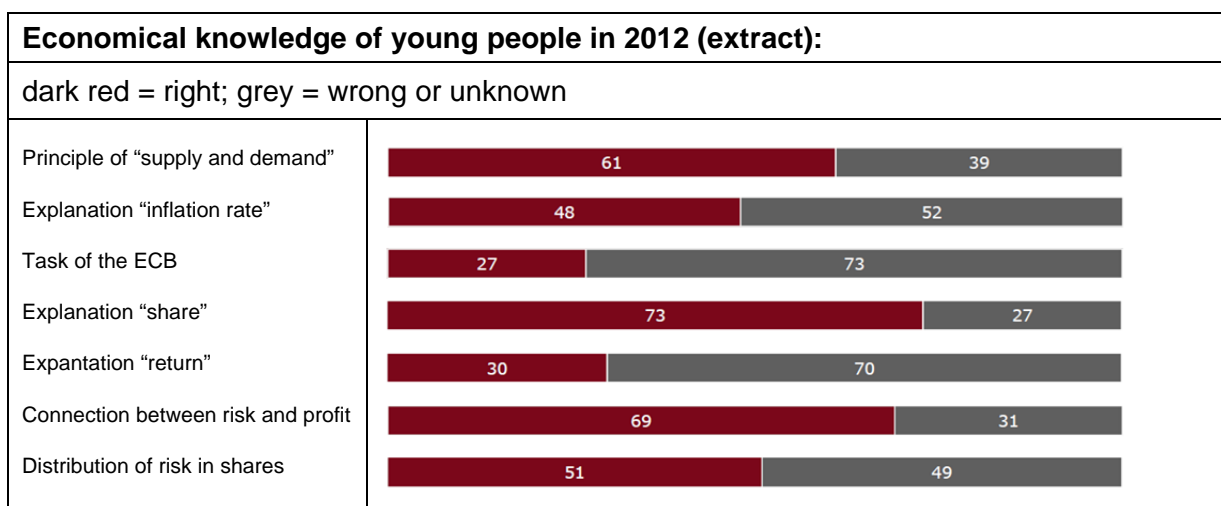


Fig. 3: Source: Bankenverband, Jugendstudie, 2012

They also asked the young people about their financial competence in 2009 and again in 2012. Presented in Fig. 4, 30 % out of all interviewed said they don't know anything about a stock exchange. In 2012 the amount increased to 37 %.

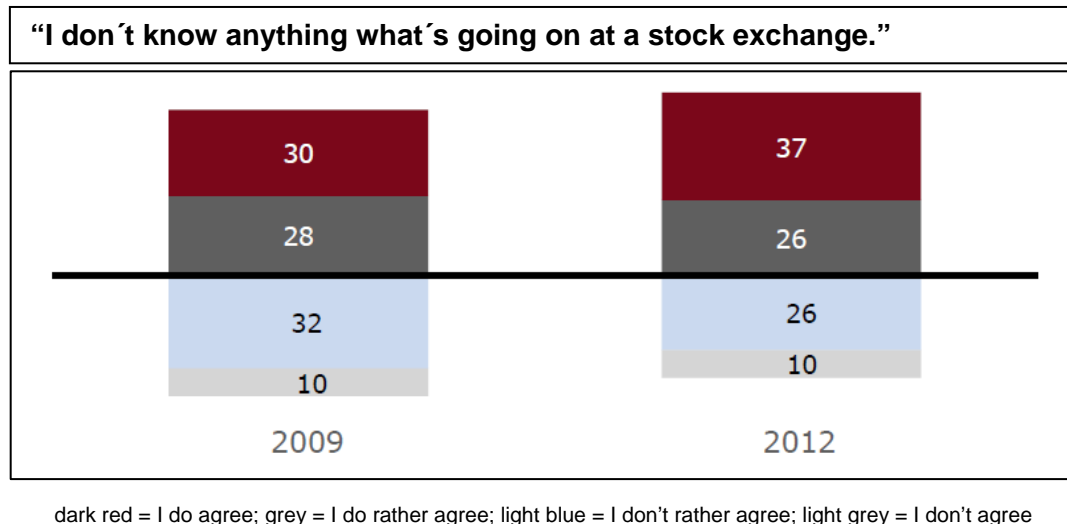


Fig. 4: Source: Bankenverband, Jugendstudie, 2012

The Western German television transmitter (WDR) interviewed 1017 pupils and young adults about their financial knowledge in 2011. One of the questions was about what the interviewed generally think about their financial knowledge. The results presented in Fig. 5 show that, on average, 78 % of them evaluate the knowledge of their specific group as bad to very bad and only 22 % – on average – think they have excellent or good financial knowledge.

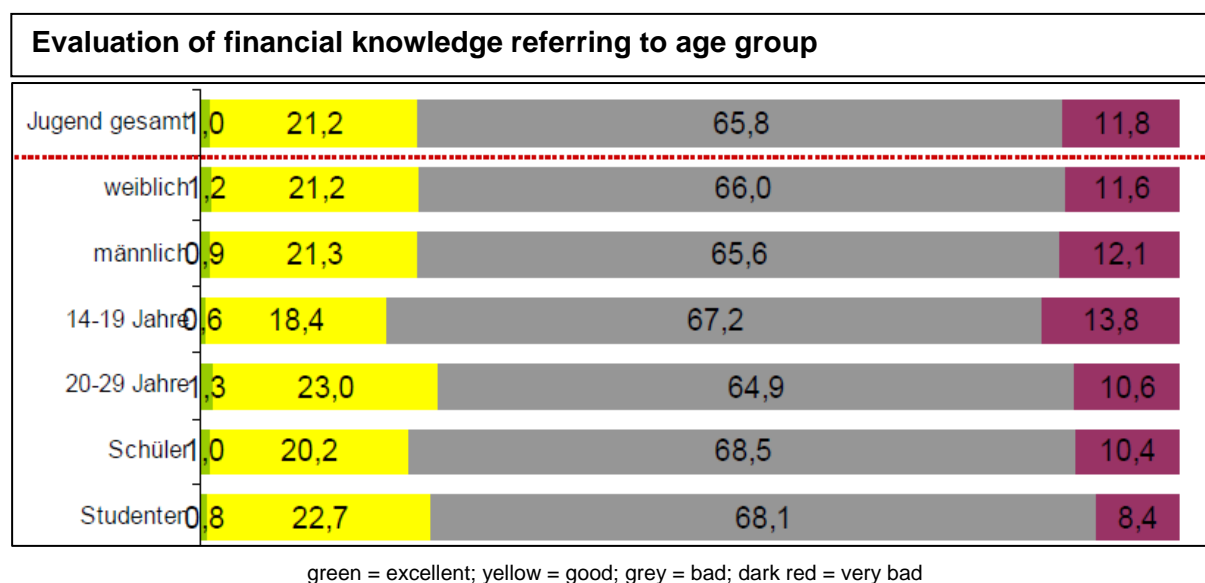


Fig. 5: Source: Westdeutscher Rundfunk (WDR): Summary of Survey "Ohne Moos nix los; Wie junge Menschen über Geld und Finanzen denken", 2011

Exemplarily, Fig. 6 shows the results of a question dealing with the overdraft interest rate, which young people do have connected with their bank account. The prior statement about their lack of knowledge of finance topics was confirmed by the results of this question. It becomes obvious that more than 45 % of the interviewed don't know much about the occurring costs of overdraft interest rates.

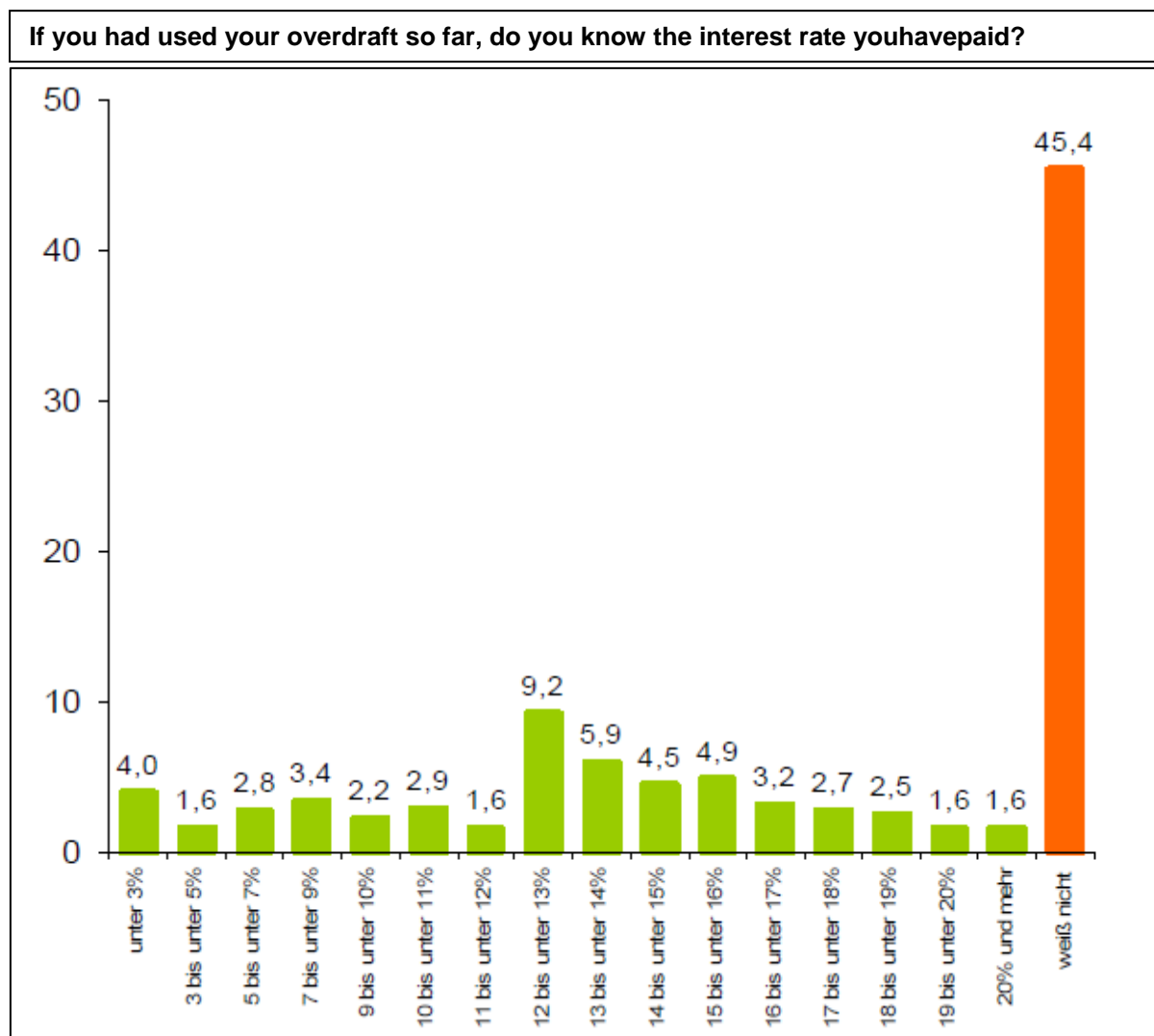


Fig. 6: Source: Westdeutscher Rundfunk (WDR): Summary of Survey "Ohne Moos nix los; Wie junge Menschen über Geld und Finanzen denken", 2011

The presented extract of the implemented surveys in Germany gives a current overview of the poor financial knowledge among young people.

4.2 INSTITUTIONS AND SCHOOLS

The following section gives information about the school system in Germany as well as the project partner school, which is Helmholtz Gymnasium.

4.2.1 School System in general

As follows is given an overview over the German school system:

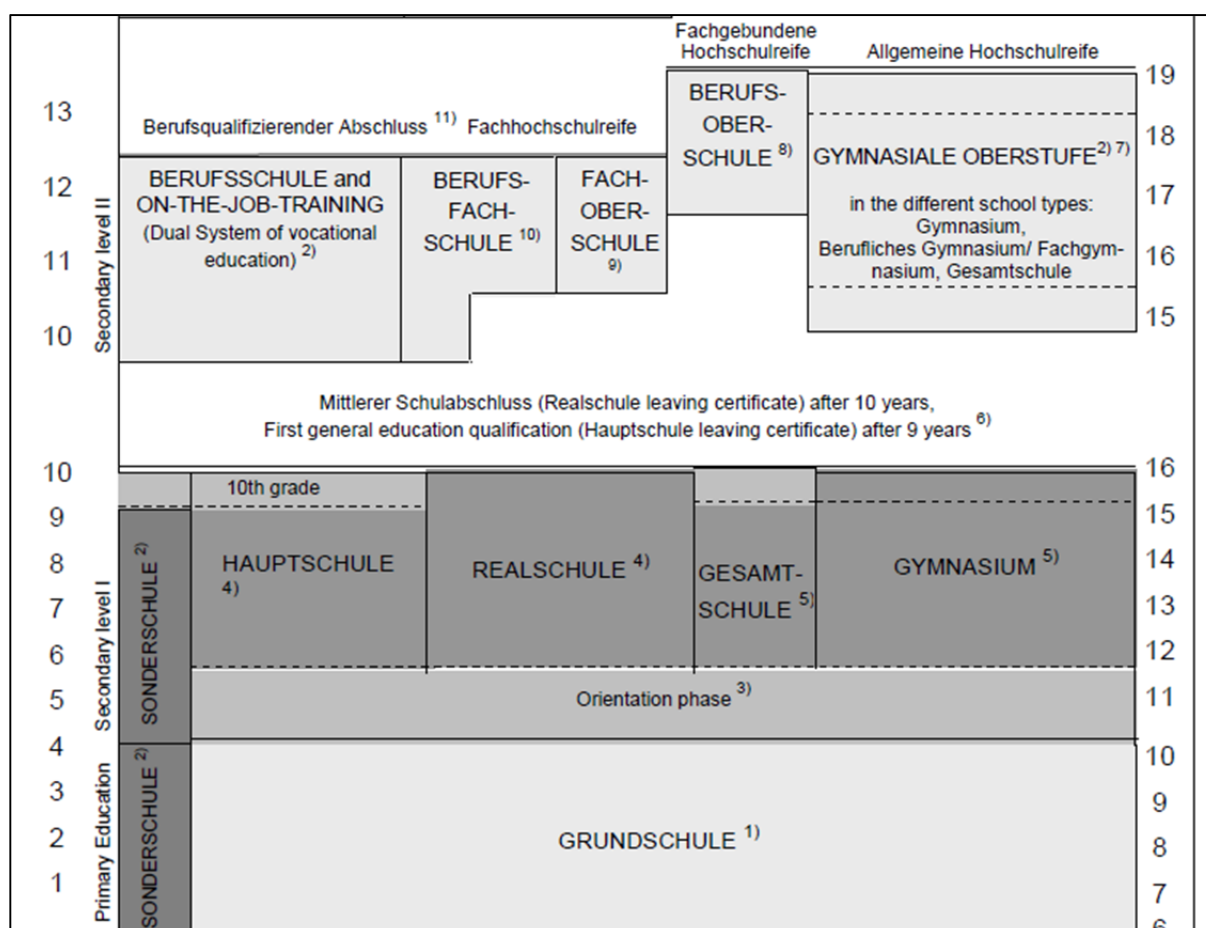


Image 4: Source: KMK Bonn, Das Schulsystem der Deutschen Bundesrepublik, 2010/2011

The course of education in general secondary schools includes the lower and upper secondary level and usually covers the grades 5 to 12 (or years 7 to 12 following a six-year primary school). Only in Rhineland-Palatinate (Rheinland-Pfalz), pupils attend general secondary schools for nine years, from grade 5 to 13. In addition to general secondary schools, there also exist specific economic grammar schools from grade 10 to 13. Among the regular subjects, the curriculum contains the subject “economics” with up to 280 teaching units. The teachers have to graduate in a specific study called business and economic education which lead to an in depth knowledge in economics and financial topics. Usually, they study eco-

nomics at first and subsequently add the studies business and economic education to additionally gain a pedagogic education.

4.2.2 National Institutions

Besides the Ministers of Education and Culture, there aren't any other national institutions, which provide financial education. Financial companies like banks and insurance companies are very interested in financial education projects. Nearly every company has developed its own educational programme to foster financial literacy. Most of these programmes could be integrated in special project-weeks at school. Unfortunately, schools often have problems to use these programmes because of the advertisement of the companies and the non-objective way of teaching. For example: Insurances explain that life-insurance is the best type of investment and don't show any other possibilities of investment. Banks often offer stock exchange simulation games as a possibility to transfer financial knowledge to pupils. Thus, the risk of such a game is that pupils play with money they don't have. They buy and sell shares only to get the highest profit. Thereby the games offer incentives for gambling. Although it is funny to play such games, there is mostly no pedagogical background within.

4.2.3 Partner School within Project “Financial Education”

Helmholtz general secondary school is situated in Zweibrücken, in the province Palatinate. The school focuses on mathematics and natural sciences, but also offers a wide range of additional subjects to their pupils such as English bilingual classes in geography and history from grade 7 to 13, special language education in ancient Greek or Latin as well as different types of sports. Besides Helmholtz Grammar School sets value on international exchanges and has already cooperated with international schools within this working field. Therefore, a pupil-exchange with schools in the USA, Switzerland, France, Spain, Argentina, Ecuador, Poland and Canada has already taken place. The contact to all partner schools is very important and will be sustained continuously. Another focus of the school concerns a special programme referring to the pupil's vocational choice after graduating from Helmholtz Grammar School. The programme starts at the 9th level of education (age level 15) and lasts until the 13th level of education (age level 19). It is to attend voluntarily and includes information about job application, company excursions, an aptitude test as well as information about different universities, universities of applied sciences and other educational possibilities for graduates. Helmholtz general secondary school is a media competence school. It means the school participates in a project for the enhancement of media competence. Therefore the school receives financial support for investments in the field of computer hardware and soft-

ware. In about 20 classrooms whiteboards with internet access have been installed so far and are in use. Pupils have access to individual laptops in their classrooms, too.

Curriculum of Partner School

The curriculum of schools in Rhineland-Palatinate doesn't contain financial education but the curriculum provides a guideline called "economic literacy". The aim of this guideline is to implement economic topics, including some financial topics, cross-curriculum. Nevertheless, it is difficult to implement the guideline, as not all teachers have enough time and the knowledge to include these topics in their classes.

The following chart shows an overview of the curriculum from grade 7 to 10:

GRADES	GERMAN	MATHEMATICS	GEOGRAPHY	SOCIAL STUDIES	ETHICS	HISTORY
7	no binding content	Interest calculation	no binding content		no binding content	no binding content
8	no binding content	statistics	industrialization, coal mining, traffic development, energy extraction		no binding content	no binding content
9	no binding content	no binding content	no binding content	business cycle, pricing, social market economy, changing processes of industrial society, young people as consumers	resources and trading	economic and social development of the 19 th century, industrial revolution
10	no binding content	no binding content	changes of structure in the German economic area, changes of structure in the European economic area, global relations and dependence, topography and orientation	European agreement	no binding content	the way to the European community

Table 3: Source: Summary of the curriculum of Rhineland-Palatinate, 2013

After the 10th grade, subjects are split in advanced courses and basic courses. They differ in regard to the number of lessons and the valuation and position in the final secondary-school examination (A-level). Concerning social sciences, pupils can choose one of the following subjects as advanced course:

- Social Studies (Politics)
- History
- Geography

In addition to the advanced courses, pupils have to attend the following basic course:

ADVANCED COURSE	Social Studies (Politics)	History	Geography
BASIC COURSE	<u>11th to 13th grade:</u> History	<u>11th and 13th grade:</u> Social Studies (Politics) <u>12th grade:</u> Geography	<u>11th and 13th grade:</u> Social Studies (Politics) <u>12th grade:</u> Geography

Table 4: Source: Abridgement of the curriculum grade 11 to 13 of Rhineland-Palatinate, 2013

The advanced course includes the following economic topics:

SOCIAL STUDIES	HISTORY	GEOGRAPHY
<ul style="list-style-type: none"> - Social market economy - Politico-economic tasks of social market economy - Causes and consequences of the financial crisis and bust - Domestic market - Politico-economic in times of globalization - Environmental policy 		<ul style="list-style-type: none"> - European economic area - Policy in times of globalization

Table 4: Source: Abridgement of the content of teaching grade 11 to 13 of Rhineland-Palatinate, 2013

If pupils do not choose one of these subjects as advanced course, they will attend the basic course Social Studies, History from grade 11 to 13, Social Studies (Politics) in grades 11 and 13 and Geography in grade 12. The contents are similar to the advanced classes, but less in depth and less extensive.

Results of Gap Analysis

To get an overview about financial knowledge at Helmholtz general secondary school, a short survey with 15 multiple choice questions was implemented. In total, 120 pupils from grade 9 to 11 were interviewed by a questionnaire. Therefrom, 110 questionnaires (56 male and 54 female) could be analysed. In the following some relevant questions and results are shown. Overall, 10 of 15 questions have been answered correctly by approximately 80 % of the pupils.

First of all, a question about whether they know some general financial definitions, and whether they are able to describe these terms was posed. The results in Fig. 7 show that 82 % to 95 % may explain the terms "Saving book, Loan and Stock". 54 % to 73 % of the pupils asked were able to describe "Stock exchange, Euro rescue fund, German Central Bank and Current account" and up to 9 % have never heard the terms before. Low financial knowledge is shown regarding the term "Current account". 9 % don't know about this term and 37 % are not able to explain it, whereas 54 % of the pupils know and can define a current account. Regarding the results of the last four terms "Lombard rate, Discount rate, German Banking Act, and Overdraft credit", a lack is obvious.

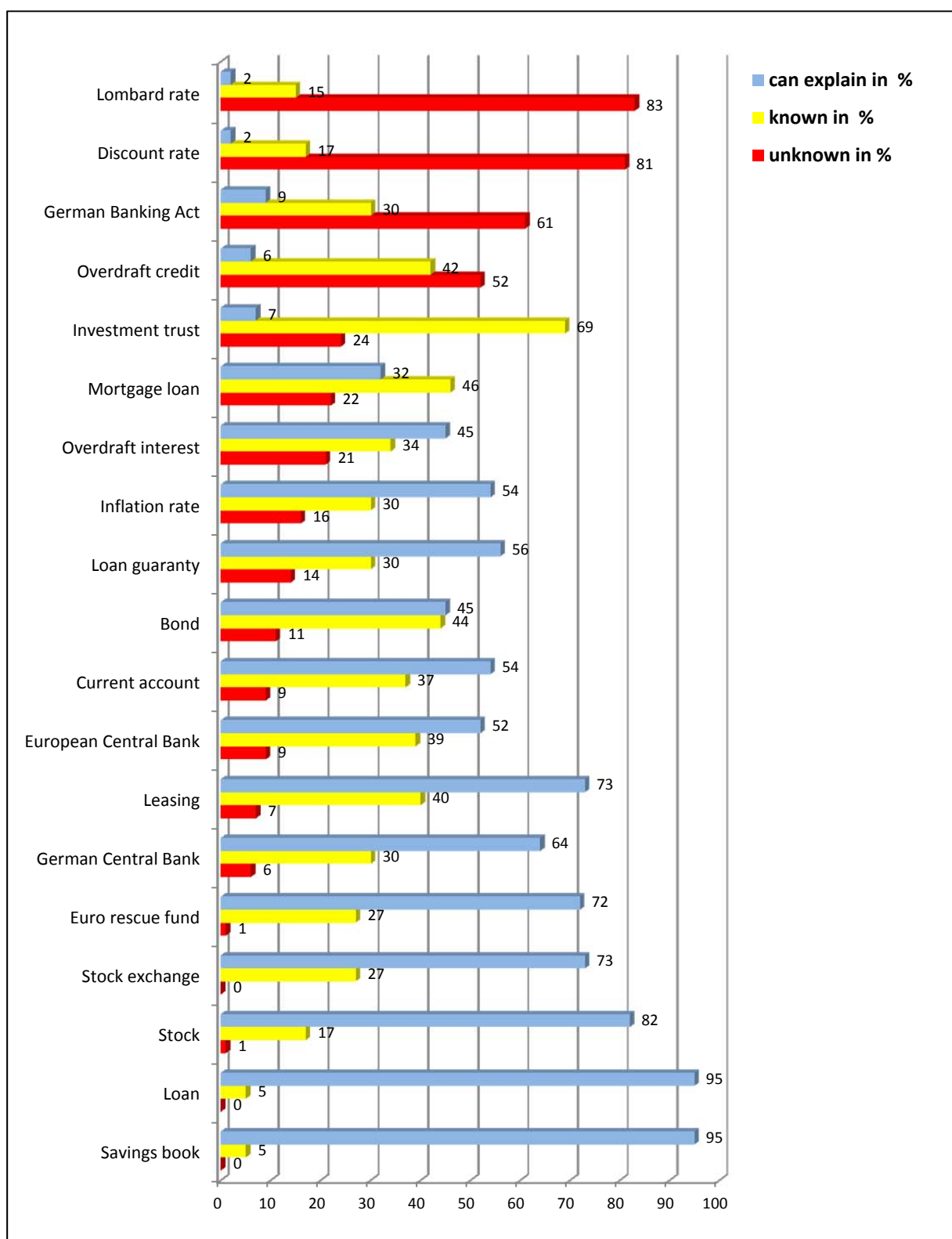


Fig. 7: Own Source, 2013

To check the accuracy of the above presented answers, one of the next questions was: “What is a stock?” The pupils could choose from 3 answers. The result in Fig. 8 shows that only 36 % of pupils gave the right answer. This result contradicts the fact that 82 % of the pupils said they knew and were able to explain the term stock (see Fig. 7).

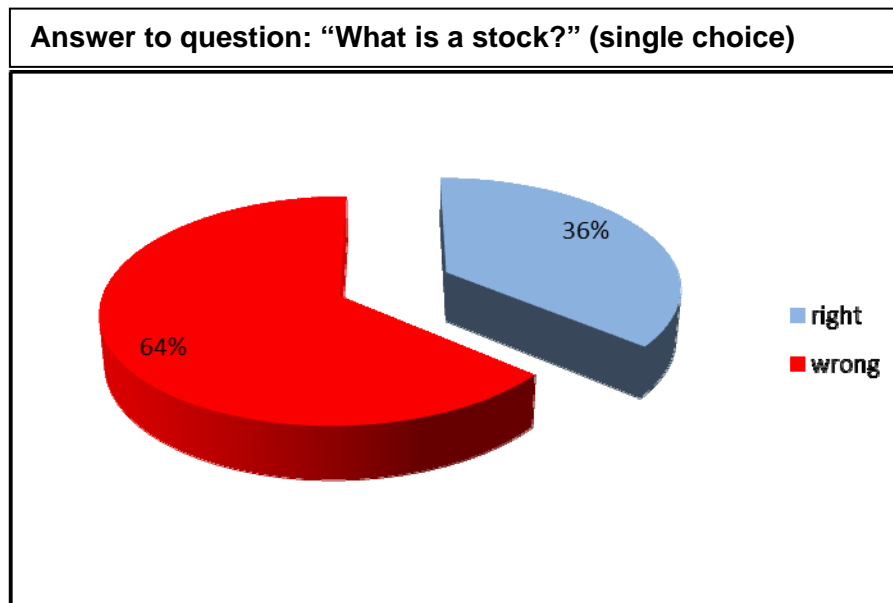


Fig. 8: Own Source, 2013

In Fig.9, the answers of the question “How old are you, when you become absolutely contractually capable?” are shown. Only 62 % of the pupils know that becoming absolutely contractually capable starts at an age of 18. 28 % of the interviewed think they could be younger or have to be older (21 years).

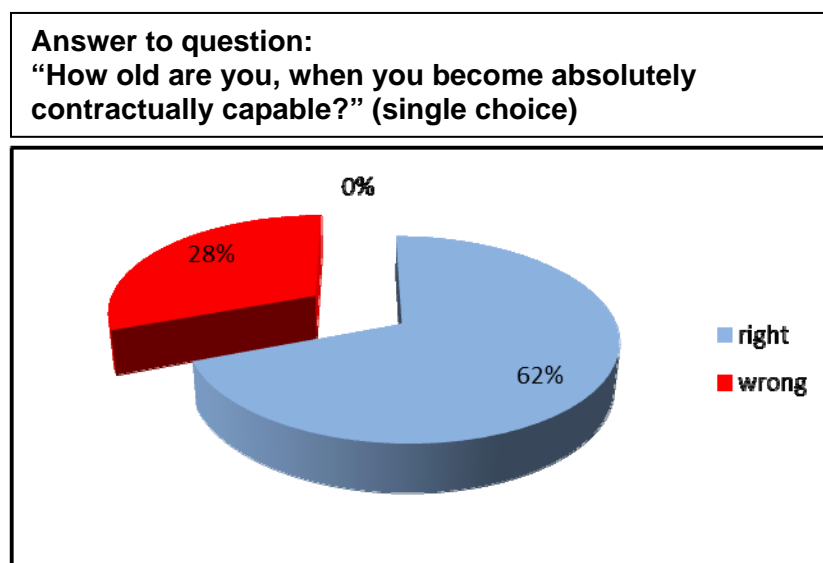


Fig. 9: Own Source, 2013

This analysis shows that pupils at Helmholtz general secondary school indeed have a better financial knowledge in comparison to the results of the German surveys, described earlier in this document. But it has to be admitted that the interviewed target group was much smaller and fairly not representative. Furthermore, only pupils between 15 and 18 years participated in this survey. Nevertheless, especially the answers to the question referring to “Stocks” show that there is an existing gap in financial competence/knowledge among pupils between 13 and 18 years.

4.3 CONCLUSION

Several surveys show that young people in Germany have a gap in financial knowledge and competences; also the pupils of our partner school, Helmholtz Gymnasium. This problem is known about by the Ministers of Education and Cultural Affairs, who is responsible for Education and decides about the curriculum of all school types. They are aware of the importance of fostering financial literacy, but have not integrated it in the curricula for general secondary schools from grade 7 to 12 so far. Each of them has more or less existing guidelines to implement financial topics cross-curricular. In addition, economic and financial topics are usually not really part of the teacher training for teachers of general secondary schools in Germany. Putting theory into practice is difficult for teachers, who are not trained in financial topics. Besides, there is a guideline for the curriculum of general secondary schools in Rhineland-Palatinate existing, called economic literacy. The aim of this guideline is to implement economic topics, including some financial topics, cross-curriculum; unfortunately, teachers don't have enough time and knowledge to include these issues in their subjects. The current curriculum of Helmholtz Gymnasium from grade 9 to 13 includes subjects, with different economic contents. Particularly, the subjects Social Studies (Politics) and Geography could be used to implement the financial topics. These topics could help to increase the financial competences among pupils. But at first, the knowledge of teachers needs to be improved, which is the main aim of this COMENIUS project.

5 National Results: FE in Latvia

Latvia is the only state involved in this project, which resumed trade relations at 1991. The deep financial crisis of 2007 and its aftermath have given a chance to Latvia to understand how newsworthy and important it is to teach and create the understanding of questions of financial education throughout the community. In the following sections, topical activities and what has already been done in the field of financial education will be discussed as well as the issues, which causes a lack of financial illiteracy will be identified.

5.1 STATUS QUO

In 2011, Latvia's economy was the 91st biggest economy in the world; starting from 2000 it was characterized by rapid GDP increase (2011: 27407bln. USD). However, at the end of 2008 and at the very beginning of 2009, when the financial crisis was ongoing, consumption rapidly fell. In 2008, Latvia's GDP per inhabitant according to purchasing parity was only 56 % from an average level of all 27 European Union (EU) states, what was the third lowest indicator among the EU states. The rapid GDP increase to a big extent was affected by the state inner consumption – by joining the EU, Latvia had access to previously unprecedented financial means – the EU fund financing started to flow into national economy, households and businessmen and women had greater possibilities to take consumer and mortgage loans. The above mentioned is also proved by statistical data – from 2003 till 2008, the total level of loans in Latvia increased per 80 %. The mortgage loans reached 32 % in 2008. Due to high household debts, huge retardation was observed Latvia's economy when the world financial crisis started in 2007 and caused an 18 % GDP decline in 2009; it was one of the biggest falls in the whole world during the last crisis. In 2010, Latvia's government debt was 45 % of the GDP and 75 % of it was foreign debt. It is planned to introduce the EURO in Latvia in 2014.

In Latvia financial education is defined as the set of knowledge and skills, which allows a person to understand the principles of finance to make informed decisions about financial products and services that affect or can affect one's financial well-being. Financially skilled people should have knowledge about economics and finance should be able to use this knowledge in everyday life, e.g. when planning one's income and expenses.

Young people in Latvia do not evaluate their knowledge about financial questions as sufficient and say that, although the range of theoretical knowledge offered by schools is wide, they do not often know how to use it in real situations. The evaluation of financial education

is higher for these young people, who often participate in activities at home, in family businesses and who have some independence in long term planning of spending their pocket money. Also working during school time helps to understand money value and expense planning. Such character traits as economy, the ability to save money and plan one's budget, as well as the ability to independently and rationally make financial decisions are evaluated positively. Wastefulness, short-term decisions as well as spontaneous and unconsidered purchases are evaluated negatively. Most of all young people see themselves as passive participants of economic processes and also teachers and parents consider young people to be immature and irrational. In cases of wrong financial decisions, young people show that they are immature.

The main information sources about financial education are family and school. Even if a pupil evaluates his/her financial education negatively, he/she evaluates knowledge, skills and advice by the family highly positively. Family is the place, where young people learn the basis of financial skills. Young people see school as a place, where to acquire theoretical knowledge and, although they approve the necessity of economic theory, they wish bigger integration of theoretical knowledge in real life. Not only pupils, but also teachers emphasize the necessity of practical knowledge, not only for acquiring knowledge at school for the sake of tests and marks, but for pupils to use it practically when making financial decisions.

In September 2012, the Financial and Capital Market Commission (FCMC) hold the discussion "Directions for public finance education" among representatives of the involved institutions the Bank of Latvia (BL), the Ministry of Education and Science (MES), the Association of Commercial Banks of Latvia, BA School of Business and Finance (BA) about current questions of financial education. During the discussion, BL president I. Rimshevs confirmed that there is a low level of financial education within the Latvian society and it was emphasized that teaching questions of economics including financial education has been topical since 1997. Nevertheless, since 2008, the basics of economics are an optional subject at general secondary schools in Latvia, but many students don't choose it. MES has to carry out coordination work to improve the educational content in order to provide a higher understanding level of financial issues. Moreover economics should be introduced as a compulsory subject by every school student in Latvia.

At present, different activities are being implemented in Latvia that envisages work at various informative materials about financial education for school students. In spring 2013 the Financial and Capital Market Commission in cooperation with the Association of Commercial Banks of Latvia (ACBL), BL and BA are organizing the Financial Education Week. The Socie-

ty – with active participation of mass media – will be informed about financial education questions as well as what has already been done and what is planned in this specific working field. Financial Education Week will be a possibility for pupils in Latvia to test both their and their parents' knowledge about financial issues. In summer 2013, the Association of Commercial Banks of Latvia is organizing a Summer School for Economics teachers for improving their knowledge and creating new methodology materials.

5.2 INSTITUTIONS AND SCHOOLS

Within the next section, the school system in Latvia is explained. Furthermore, institutions that deal with financial education are presented.

5.2.1 School System in general

The education system in Latvia includes pre-school education, basic education, secondary education and higher education. General education lasts for 12 years, including 9 year basic education and 3 year secondary education. Besides, pre-school education at the age of 5 to 6 years is compulsory in Latvia. In the state and local government educational institutions, education is obtained in the state language. In private educational institutions, as well as in the state and local government educational institutions, if they implement educational programmes of minorities, education can be obtained in another language. A child usually starts acquiring basic education at the age of 7 and lasts up to the age of 16. Basic education is compulsory in Latvia, the length of the programme is 9 years. The obligatory content of basic education is stated by the State Basic Education Standard, which includes also pre-school. The aim of basic education is gaining necessary basic knowledge and skills as well as the development of value orientation. In secondary education, there are two types of programmes: the programmes of general secondary and vocational secondary education. General secondary educational programmes are academic; their basic objective is to prepare pupils for further studies whereas vocational secondary educational programmes are based on acquiring professional qualification that is for entering the labour market and/or further education. The obligatory content of the secondary education is stated by the State General Secondary Education Standard. General secondary educational programmes have the following focus points:

- **Generally-educative;** stated by the educational programme group; subjects are not specially emphasized
- **Humanity and social sciences;** stated by the educational programme group; with specially emphasized subjects of humanities and social sciences

- **Mathematics, natural science and technology;** stated by the educational programme group; with specially emphasized subjects of mathematics, natural sciences and technological sciences
- **Vocational;** stated by the educational programme group: with specially emphasized vocational line (for example in art, music, commercial sciences, sport)

Educational programmes of all focuses include 8 compulsory subjects of the same title. Each programme focus has some more (3 to 6) compulsory subjects. A school can offer some more optional subjects from 10 to 15 % of the study time or can offer in-depth study time of the compulsory subjects during this time. General secondary education in the corresponding focus can be combined with minority education, too, including the native language of the minority. The contents refer to the minority's identity and its integration in the Latvian society.

In secondary schools, it is possible to gain 4 levels of economic education (the amount of lessons is chosen by every school):

- **0 lessons** – students do not learn economics
- **70 lessons** – students get basic knowledge about economics
- **105 lessons** – students get main knowledge about economics and its connection with everyday life
- **210 lessons** – students get detailed knowledge about economics; it is possible to participate in projects and take part in activities outside school that are linked to economic issues

Each of the given lessons of financial education can be split in several years. Usually, 70 lessons are placed in one year (mostly 11th or 12th grade). 105 lessons can be divided in 2 or 3 years, but can also be taught in one year whereas 210 lessons are almost always divided in 2 or 3 years. This choice is also made by the corresponding school.

5.2.2 National Institutions

In Latvia, the Ministry of Education and Science (MES) is responsible for educational issues; it determines the educational implementation policy, educational contents and also implements the EU common position in educational questions on the national level. MES is also responsible for the national level legislation, including the normative acts of school accreditation and programme licensing. The National Centre for Education (NCE) is responsible for directing general educational content.

NCE provides the development of general education study content and supervises its implementation, coordinates the adequate development of study literature to general education standards and organizes support events for the development and talent improvement of pupils. In order to develop general educational contents including questions of financial education and a broad student knowledge and understanding about it, NCE actively cooperates with professional associations and specialists in this working field. The Bank of Latvia has made a visitors center called “Money World” available, where people can find in-depth and interesting information about the history of money, the EU, the stock exchange and other important topics, using interactive and modern methods. They also have produced special materials about inflation, monetary policy and European money. Another new project is called “Money Tree” that will be revealed soon, and is a new education CD designed to help individuals learn about money. To solve this problem, the Bank of Latvia is also working on a Customer School Project, where young people get the possibility to obtain and evaluate their level of financial knowledge and understanding in an active and attractive way. At the Customer School Project, children have the possibility ...

- to participate in excursions to the Bank of Latvia
- to see films, info graphics about the history of money, as well as how to play games
- to familiarize with the website of the Bank of Latvia Money School, where information about money, economics and loans can be obtained; on the website, different financial education related games are available, too

ACBL is a public organization uniting on voluntary principles of the banks registered in Latvia and branches of foreign banks. Some of the main activities are strengthening corporate governance and responsibility, safeguarding consumer rights, providing training and improving expertise, compiling statistics and preparing analytical materials. The ACBL also pays attention to educating the society on money safety. Since 2012 the Association of Commercial Banks of Latvia has started implementing a financial education project to improve the level of financial literacy in general and vocational education. The Association has signed a mutual agreement with the University of Latvia to support conducting anthropological researches on financial literacy of different target groups, e.g. youth, families. In 2012 the Association has conducted a research called “Study on the Situation of Financial Literacy in the General Education among Target Groups of Teachers and Students”. The aim of this research was to obtain information for the creation of a support system for teachers of social studies and economics on teaching financial literacy in general education. In 2012 the Association has developed digital resources for teachers of economics like educational films on student loans as well as question sets for interactive voting handsets.

In 2013 the Association is developing an animated cartoon on financial literacy for children from 6 to 10 years as well as a teachers' handbook. The Association is planning to develop resources on financial literacy for interactive whiteboards in social studies, economics, mathematics, home economics and other subjects. In summer 2013, the Association of Commercial Banks of Latvia and the Bank of Latvia are organizing summer in-service training courses for teachers on topical questions of financial education in schools.

Other institutions that support financial education are the Financial and Capital Market Commission and Junior Achievement Latvia. The main projects involve student companies, the business plan contest, business fairytales and the job shadow day. They provide one of the most active everyday programmes to develop financial competences among Latvian's youth. In collaboration with the College of Business Administration for school children, a project called Be a Leader has been launched. This project is divided into several parts: for primary school children (grades 4 to 6) about pupil etiquette, home economics, philosophy, PC and internet; for older primary school children (grades 7 to 9) about money, decision making, careers, oratory skills and how to reach goals. For general secondary schools, they offer business etiquette and marketing in grade 10 and documentation, business and accounting in grade 11. In grade 12, legislation and management are offered. These courses are rarely used in the school system, as they are not free.

Some more institutions that try to provide financial education are banks. They offer lectures about bank products, loans, payment cards and other financial products. As it includes some sort of bank advertisement, these lectures are usually for free. Commercial banks in Latvia are also involved in increasing the level of financial knowledge:

- **SWEDBANK** has made a survey about spending habits and launched a contest for secondary school pupils
- **DANSKE BANK GROUP** has made a game about money in English
 - *Game Moneyville, for children from 5 to 9 years*
 - *Game Control your money, for children from 10 to 15 years*
 - *Game Dream on, for juniors from 15 to 17 years*
- **SEB BANK** has established a school, where children are informed about questions of financial education
- **NORDEA BANK** has produced a financial guide and financial standards
- **DNB BANK** has produced a young people handbook called *TRY*

5.2.3 Partner School within Project “Financial Education”

Agenskalns State gymnasium is one of the leading secondary education schools in Latvia. It was founded in 1996 on the basis of Riga Technical University Agenskalns College. The main aim is to provide secondary education for pupils. Specific attention is paid to subjects such as mathematics, physics, chemistry, biology as well as economics in order to educate pupils becoming independent and being able to manage their finances. Other subjects which pupils acquire in Agenskalns State gymnasium help them to learn skills necessary for communicating with different people all around the world. The graduates are well accepted and evaluated not only in Latvian universities but also in universities abroad and afterwards they have a wide range of opportunities in finding jobs. At the moment, the number of pupils in Agenskalns State gymnasium is about 700. Agenskalns State gymnasium has participated in several Comenius projects. At the moment, the school is taking part in the Comenius project “It is time for fun with physics; play, learn, live”. The participants strongly believe that the school is able to provide extra knowledge in finances and economics for their pupils; therefore, improving their feeling of safety when making decisions concerning their finances is important to develop.

Little understanding about economic processes is not only a youth problem in Latvia, it can be seen all over. There are historical reasons for it of course (more than 50 years of plan economy in USSR), but to be successful, this has to be changed. It is not so easy to teach everyone and not everyone is interested in it, but it is extremely important that young people have basic information and ideas of modern world economy. Otherwise, today's problems are met: young people often have no understanding how money is created, they do not know what is an annual interest rate or GDP, they have no idea what are the main reasons why salary differs, and that each of them has an impact a country's economy. Only few understand that economy of a country is part of the world's economy. Therefore, it is hard for them to make even simple decisions connected to economy. For young people it is hard to participate in the labour market. Rarely, pupils think about entrepreneurship and they do not have comprehension about manufacturing and economic processes in general. In this school, it is possible for secondary students to choose a class with in-depth focus on economics. In this case, pupils have 40 minutes economy lecture twice a week for all 3 years. In these lectures it is possible to talk about financial education. But, at the same time, economics is not a compulsory subject; therefore there are many schools where it is not taught at all. Therefore, after studying the school system and through long discussions with the school director, the conclusion has been made that financial education should be included among different subjects so that everyone gains basic understanding. It is also important to use realistic examples; otherwise students may assume the information is irrelevant.

Results of Gap Analysis

In the education programme of the Latvia's basic school, questions of financial education are integrated in different subjects. In the subject Social Sciences of grades 1 to 9, ways of economic activities and principles, economic wishes and needs, the regularities of demand and offer, the principles of price development, production factors, the ways of commercial activities and sources of financing as well as the system of state economy are taught. School students are taught in how to act in order to defend consumer rights and use mathematics in financial calculations. In the subject Housekeeping and Technologies, the skill to economize resources (e.g. time, money, electricity) is taught; furthermore, the ability to critically assess the quality of goods and services, and expenses as well as financial skills on how to manage a household. In the education programme of Latvia's secondary school, questions of financial education are discussed in the subject Economics. This subject includes themes about the kinds of money, functions and its role in the economy of a country. School students learn to understand characteristics of saving and investing as well as about different financial instruments and institutions. Insurance and the role of various funds are taught moreover; just as how to understand the cyclic character of economics.

Agenskalna State gymnasium is aware of the problems corresponding to financial education and pays attention on that. Therefore, pupils can take a part in different activities, not only lessons about economics. Student Companies in order to take a part in a business plan contest or to write Business Fairytales and be a part of Job Shadow Day are offered. At the same time, meetings with businessman/women and bank representatives are organized. This provides impressions about economics in real life and helps to understand processes better.

5.3 CONCLUSION

After examining the situation in Latvia, the research team came to the following conclusions:

1. Although lifelong education programmes are available to teachers and other adult groups, there is a lack of understanding of questions of financial education; it is necessary to facilitate the common understanding of the term financial education in Latvia (pupils, adults, teachers).
2. To work out diagnostic instruments of the financial education knowledge level that would allow measure school student knowledge before and after acquiring of integrated subjects and adapt flexible study process to offset gap (using a test in march 2013, developed by the FCMC).
3. To continue to provide (all subject) teachers lifelong education and professional development (using LCA summer school (august 2013) for teachers of economics); to explain how to use existing and work out new modern study materials directed towards the acquiring of the financial education competences.

4. To inform schools managers and teachers in Latvia (especially in regions) more widely about social partner (the Bank of Latvia, FCMC, LCA, commercial banks, BA) activities and encourage schools to join these activities.
5. To provide revision of subject content and flexible approach to pupils' needs; to prepare specially adapted and integrated practical examples in the questions of financial education in the education programme.
6. To facilitate the development of teachers' cooperation net.
7. To facilitate school cooperation with the representatives of banks and finance institutions (The Bank of Latvia, SWED bank, Nordea bank, DANSKE bank).
8. To facilitate youth involvement in economics activities – to provide a possibility to participate in the labour market; creating jobs for pupils.
9. To involve foreign language teachers to financial education.
10. To involve the pupils' parents in the school subjects learning process.

6 Minimum Financial Standards

Referring to the meeting in Zweibrücken, the following minimum financial standards were set to be included and implemented within financial education instruction. The setting is based on the results of the national needs and gap reports, which are included in this synthesis report.

MAIN CONTENTS (3)		
(1) Personal Budget & Daily Life	(2) Personal Risks & Insurance	(3) Financial Markets
Choices/Evaluation of Alternatives Daily Costs Saving and Borrowing Costs of Money (interest rates ...) Salary (taxes, social system) Contractual Aspects in Daily Life (mobile phone, loan contract ...) Online Banking ... [to be continued individually]	What risks do I face? How can I transfer them? What is the purpose of an insurance company? ... [to be continued individually]	What is Money? Easy Bank Products Financial Markets and Institutions What is the Purpose of a Bank? Manipulation and Marketing on the Financial Market ... [to be continued individually]

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