

NATIONAL REPORT ON FINANCIAL EDUCATION

Outcome of Work Package 3 – Needs and Gap Analysis

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1 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.

1.1 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:

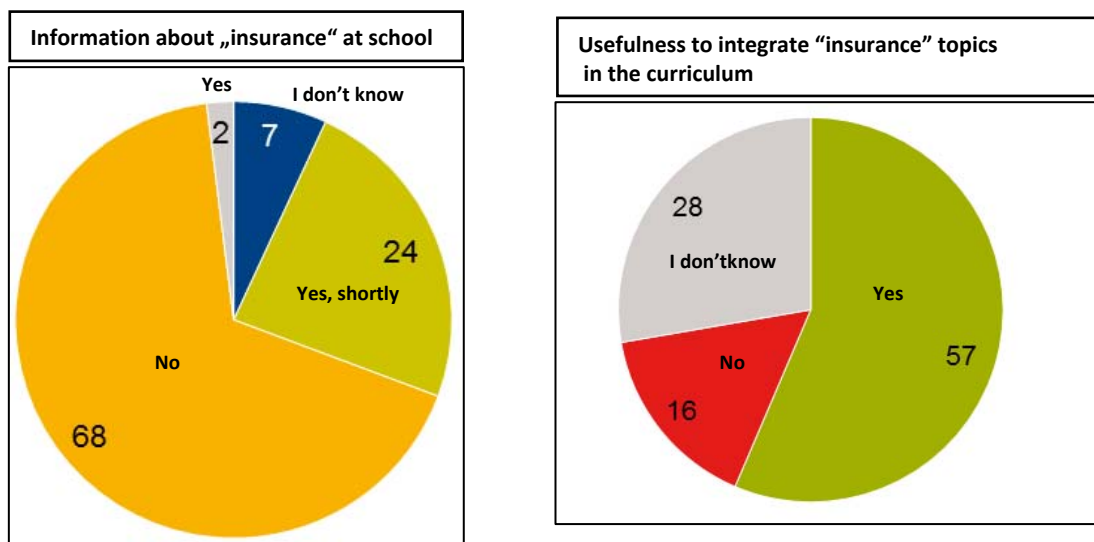


Fig. 1: Source: VVO, Versicherungswissen bei Jugendlichen und Erwachsenen, 2012

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.

1.2 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.

1.2.1 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	
	<div style="display: flex; justify-content: space-around;"> University University of Applied Sciences Academy </div>				
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)	9-12
			Polytechnic School		
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 emphasize 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 emphasize 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.

1.2.2 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.

1.2.3 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 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 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.

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