

NATIONAL REPORT ON FINANCIAL EDUCATION

Outcome of Work Package 3 – Needs and Gap Analysis

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1 FINANCIAL EDUCATION IN GERMANY

The aim of the following research is to define the current situation of financial literacy of pupils attending German grammar schools. At first the organisation of the German school system is represented. Afterwards the analyses of the framework and curriculum of our partner school reflect that financial topics are rarely implemented into existing subjects. 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 our partner school, show the existing gap regarding financial knowledge and competence.

1.1 STATUS QUO

Germany is a Federal Republic and consists of 16 federal states with their own regional government authority. The responsibility for the education system lies with 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 (known as Kulturangelegenheiten), the preservation of monuments and sites and, in some federal states, also sport and youth welfare.

In 1948 the Standing Conference of the Ministers of Education and Cultural Affairs of the federal states (Kultusministerkonferenz) 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 are given concrete shape in the curricula for which the Minister of Education and Cultural Affairs is responsible. Furthermore, the teaching material for all different types of school and various subjects must 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 lay down a framework for grades 5-9/10, requiring certain subjects in every type of school and course of education: German, mathematics, the first foreign language, natural and social sciences. A second foreign language is mandatory at German grammar schools (Gymnasium) 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,
- educating about Europe in schools,
- 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 (Bayern) or Baden-Württemberg contain the independent subject *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 also teacher to implement this into the existing subjects. Other difficulties do arise from the knowledge of teachers about financial topics. Although a few subjects include some basic knowledge on financial and economic topics, it is usually not part of the teacher 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 of members of the target group, pupils and young adults from 12 to 25 years, have been done to analyse their financial and economic knowledge. In the following, the results of some relevant questions and statements of three different German surveys are presented.

Forsa, a German institute of opinion research, carried out a survey about financial competence in 2011. They asked 1000 pupils and young adults several questions about financial knowledge. Diagrammed in Fig. 1, e.g. the survey result shows that only 15% of the interviewed youth have a good or very good level of knowledge, whereas 85 % of the young people have a rather good to bad level of financial knowledge.

The level of information of youth in finance knowledge is:

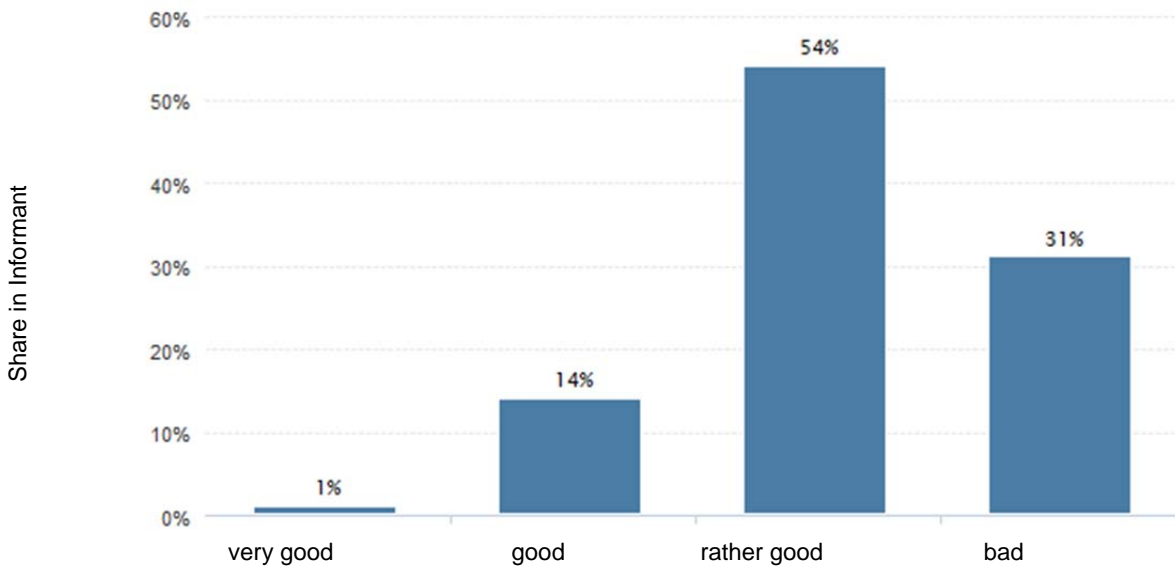


Fig.1 (Source: Jugend; Forsa; 2011)

In 2012 the survey conducted by the German banking association asked young people some multiple choice questions regarding economic and financial topics. The answers are represented in the following chart (Fig.2). The result shows that e.g. only 27% of the young people know the task of the ECB and only 30% are able to give a definition of “return”.

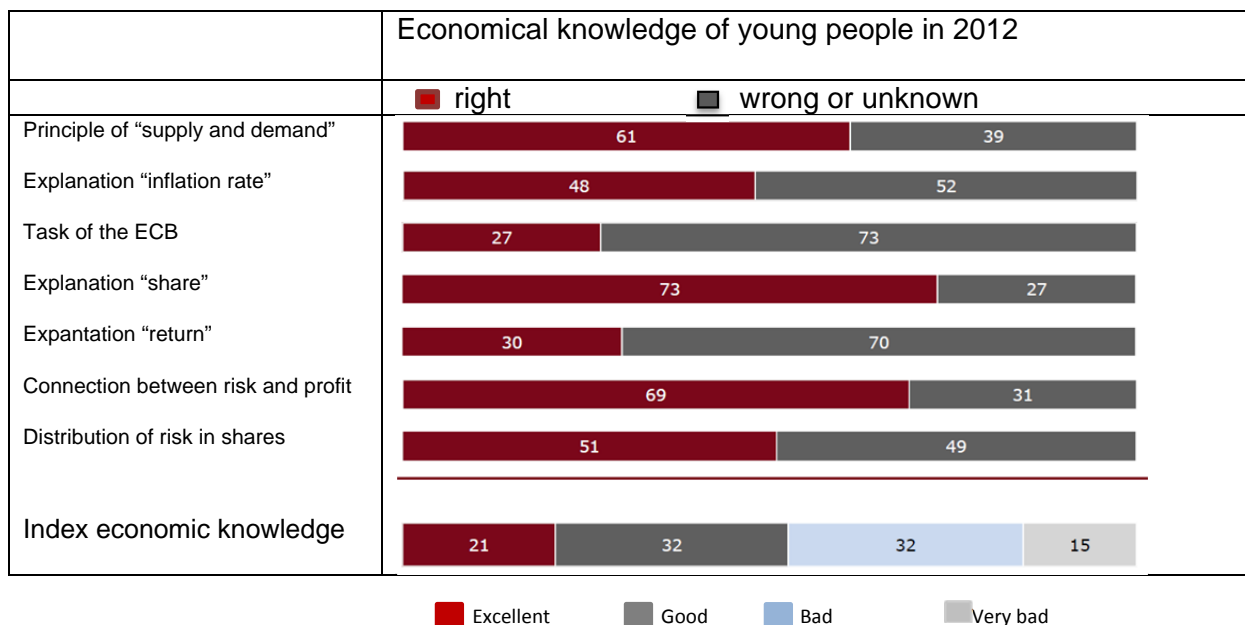
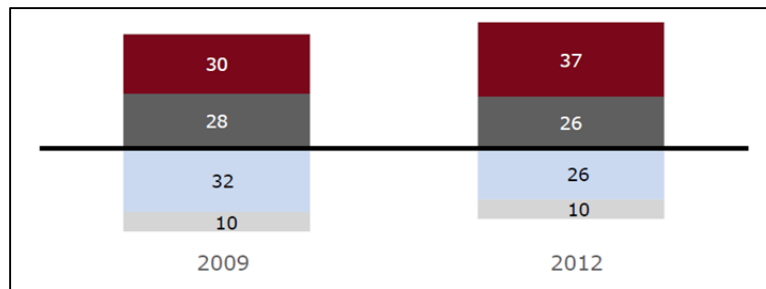


Fig. 2 (Source: Jugendstudie, Bankenverband, 2012)

They also asked the youth about their financial competence in 2009 and again in 2012. Presented in Fig.3 out of all interviewed young people, 36% said that they did not know anything about a stock exchange. In 2012 the percentage was 42% .

Evaluation of the own financial competence

“ I don't know anything what's going on at the stock exchange”



■ I don't agree ■ I don't rather agree ■ I do rather agree ■ I do agree

Fig. 3 (Source: Jugendstudie, Bankenverband, 2012)

The West German television transmitter (WDR) interviewed 1017 young people and young adults via phone about their financial knowledge in 2011. One of the questions was what this group generally thought about the financial knowledge of their age group. The result presented in Fig. 4 shows that 78% of them evaluate the knowledge of the group as bad to very bad and only 22% think that they have excellent or good finance knowledge.

Evaluation of the finance knowledge refers to age group.

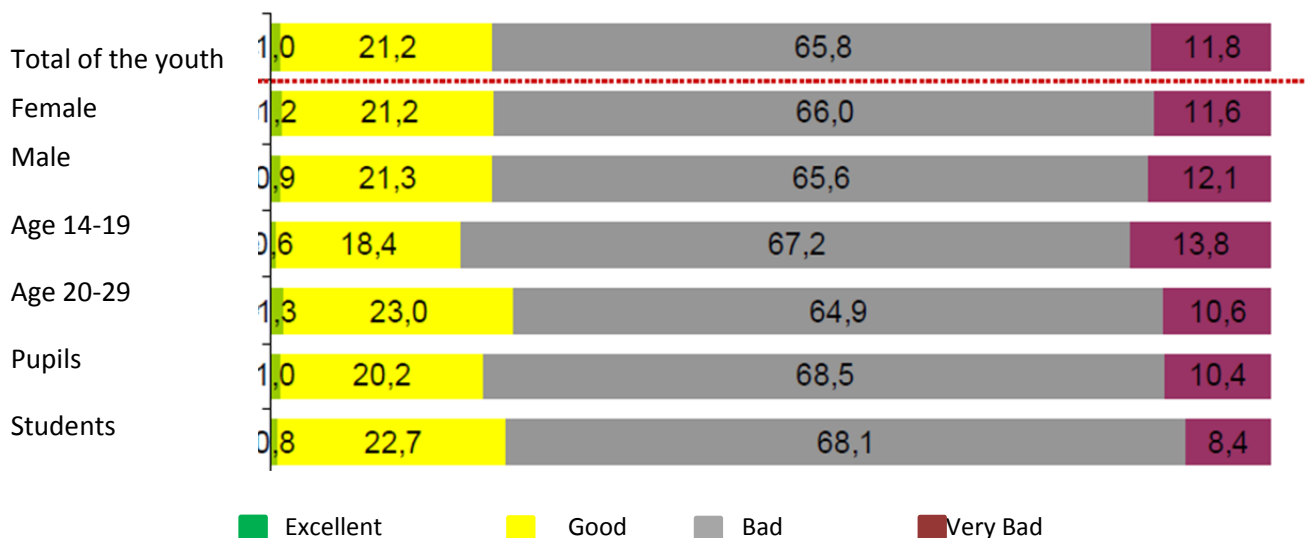


Fig. 4 (Source: Westdeutscher Rundfunk (WDR): Summary of Survey "Ohne Moos nix los- Wie junge Menschen über Geld und Finanzen denken"; 2011)

As an example Fig. 5 demonstrates the result of the question about the rate of overdraft interest which young people have used. This confirmed the prior statement about their

knowledge of finance topics. It becomes apparent that over 45% of all young adults, which are using overdrafts, do not know how much it costs.

Question: If you have already used your overdraft, do you know the rate of interest you paid?

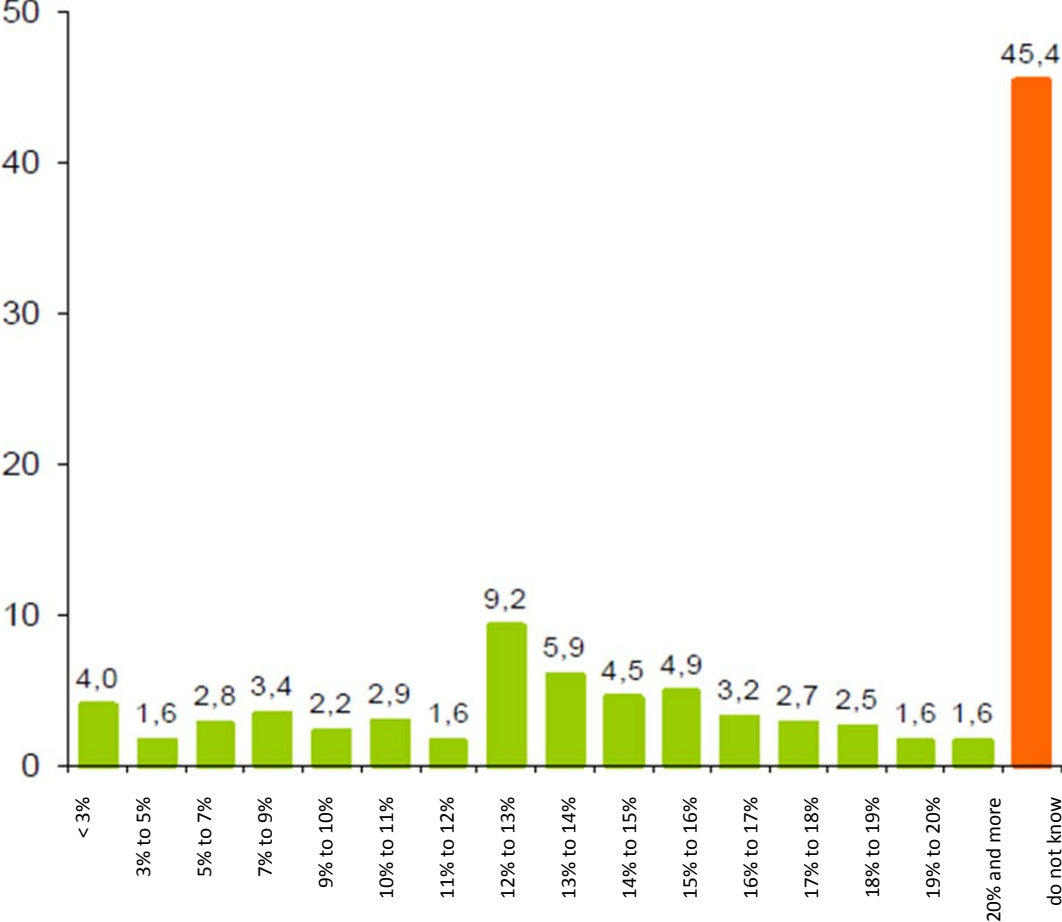


Fig. 5 (Source: Westdeutscher Rundfunk (WDR): Summary of Survey "Ohne Moos nix los- Wie junge Menschen über Geld und Finanzen denken"; 2011)

This summary of the presented surveys gives a current overview of the poor finance knowledge young people in Germany has.

1.2 INSTITUTIONS AND SCHOOLS

1.2.1 School System in general

Abridgment of the basic Structure of the Educational System in the Federal Republic of Germany

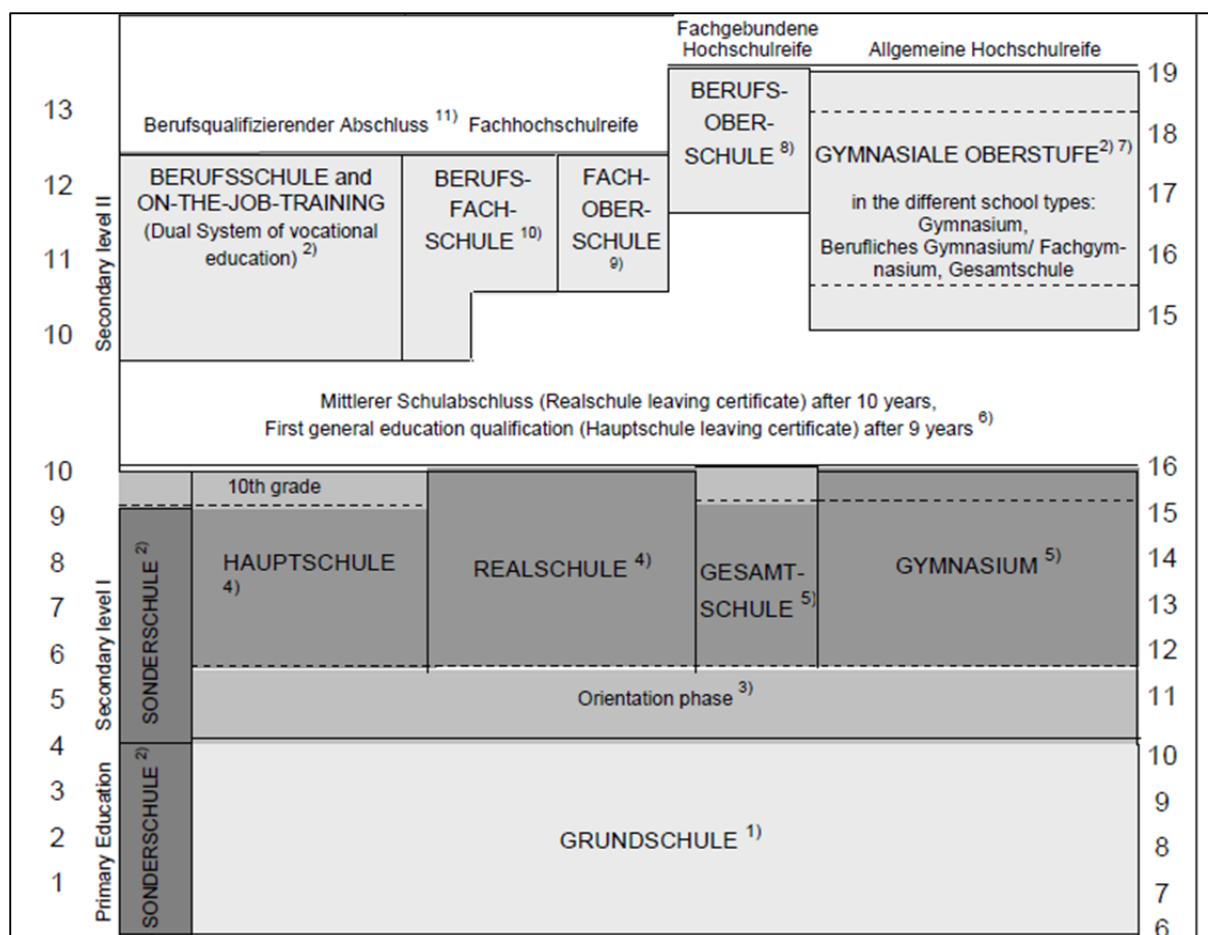


Fig.6 (Source: Das Schulsystem der Deutschen Bundesrepublik 2010/2011; KMK, Bonn 2011)

The course of education in standard grammar schools comprises the lower and upper secondary level and usually covers grades 5 to 12 (or years 7 to 12 following a six-year primary school). Only in Rhineland-Palatinate (Rheinland-Pfalz) pupils attend grammar school nine years from grade 5 to 13.

In addition to the common grammar school there exist specific “economic grammar schools” from grade 10 to 13. Among the regular subjects the curriculum does contain 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 in depth of a good knowledge in eco-

nomics and financial topics. Usually they study at first economics and subsequently add the studies of business and economic education to learn pedagogics.

1.2.2 National Institutions

Besides the Ministers of Education and Culture, there do not exist any other national institutions, which provide financial education. Financial companies like banks and insurances are very interested in financial education projects. Nearly every company has developed its own education program to foster financial literacy. Most of these programs could be integrated in special project-weeks at school.

Schools often have problems to use these programs because of the advertisement of the companies and the non-objective way of teaching. For example: Insurances explain that the life-insurance is the best type of investment and do not show other possibilities of investment. Banks often offer stock exchange – simulation games as a possibility to transfer the financial knowledge to pupils. The risk of these games is that the pupils play with money they do not have. They buy and sell stock shares only to get the highest profit. Thereby the games offer incentives for gambling.

1.2.3 Partner School within Project “Financial Education”

Helmholtz-Gymnasium is one of two grammar schools in the city Zweibrücken and offers grades 5 to 13. Overall 1200 pupils attend Helmholtz-Gymnasium and 70 to 80 teachers work there. The curriculum of grammar schools in Rhineland-Palatinate does not contain financial education but besides the curriculum exists a guideline “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 the time and the knowledge to include these issues in their classes.

Curriculum of Partner School

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

Chart 1 (summary of the curriculum of Rhineland-Palatinate)

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 course, pupils have to attend the following basic course:

Advanced course	Social Studies (politics)	History	Geography
Basic course	11 th to 13 th grade History	11 th and 13 th grade Social Studies (politics) 12 th grade Geography	11 th and 13 th grade Social Studies (politics) 12 th grade Geography

Chart 2 (Abridgement of the curriculum grade 11 to 13 of Rhineland-Palatinate)

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

Chart 3 (Abridgement of the content of teaching grade 11 to 13 of Rhineland-Palatinate)

If pupils do not choose one of these subjects as advanced course, they will attend the basic course "Social Studies": History from year 11-13, Social Studies (politics) in year 11 and 13, Geography in year 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 the financial knowledge at Helmholtz-Gymnasium, we did a short and simple survey, with 15 multiple choice questions. In total, 120 pupils from grade 9 to 11 were asked. Therefrom 110 questionnaires (56 male and 54 female) could be analyzed.

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. At first we asked them whether they knew some general finance definitions, and whether they were able to describe these terms. The result in Fig. 7 shows from the bottom to the top that the knowledge of the pupils correlates with the increasing level of difficulty of the given terms. 82% to 95% may explain the terms: "Saving book, Loan and Stock". Due to the financial crisis it does not amaze that 54% to 73% of the young people are able to describe: "Stock exchange, Euro rescue fund, German Central Bank and Current account" and only up to 9% have never heard the terms before. Low financial knowledge is shown in regard to the term: "current account". 9% do not know what it is and 37% could not explain what a current account is. Only 54% of the young people we asked know and can define a current account. Looking at the result of the last four terms: "Lombard rate, Discount rate, German Banking Act, and overdraft credit" the gap of the finance knowledge is shown.

Question: Do you know and are you able to explain the following terms?

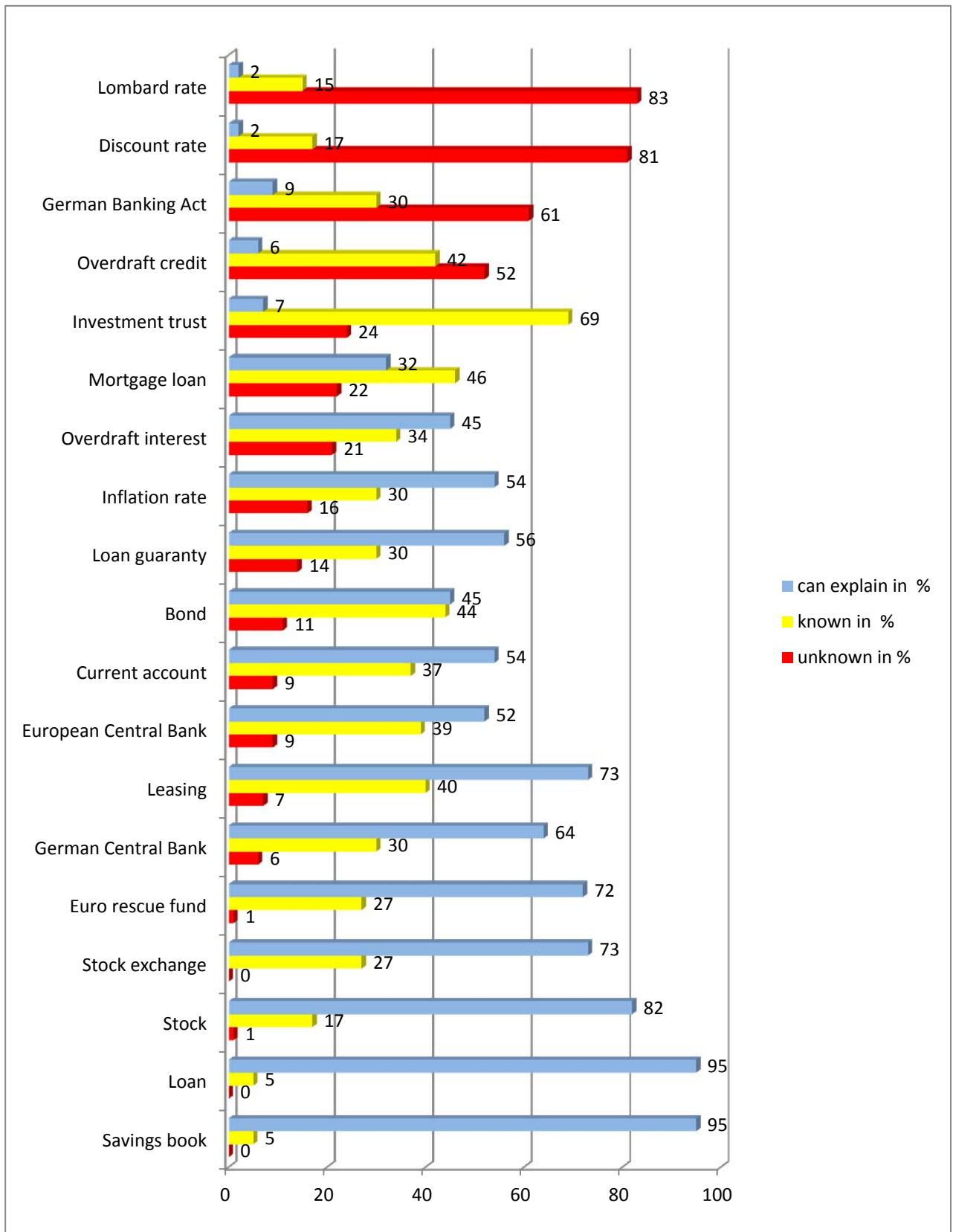


Fig. 7 (Source: Schülerumfrage zum Thema Finanzwissen, FH Kaiserslautern, Finanzdienstleistungen, 2013)

To check the accuracy of the answers to Fig.7, one of the next questions was: “What is a stock?” The pupils had to choose from three answers. The result in Fig. 8 shows that only 36% of them gave the right answer. This result contradicts the fact that 82 % of the young people said they knew and were able to explain what a stock is (Fig. 6). The analysis of our survey also illustrates that 72 % of the girls have given the right answer to this question, whereas only 11% of the boys knew the correct answer.

Question: What is a share?

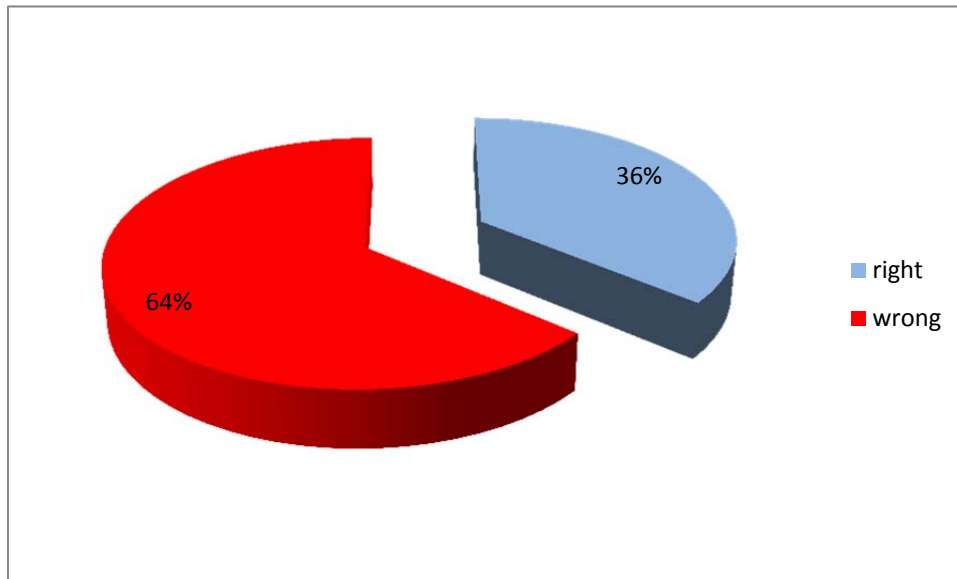


Fig. 8 (Source: Schülerumfrage zum Thema Finanzwissen, FH Kaiserslautern, Finanzdienstleistungen, 2013)

In Fig.9 the answers of the question “How old are you, when you become absolute contractually capable?” are shown. Only 62% of the pupils know that they have to be 18 years old to become absolute contractually capable. The others, who made up 28%, think they could be younger or have to older (21 years).

Question: "How old are you, when you become absolute contractually capable?"

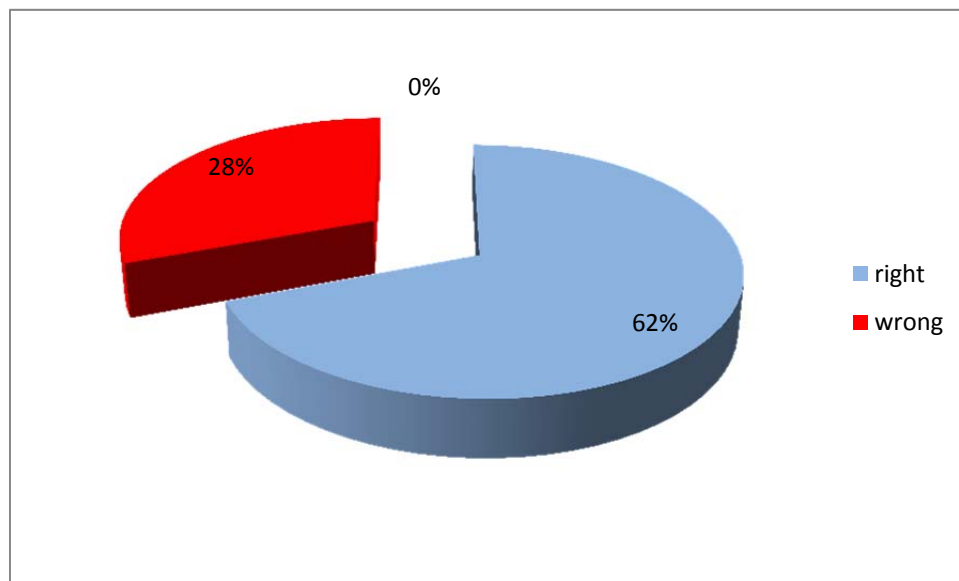


Fig. 9 (Source: Schülerumfrage zum Thema Finanzwissen, FH Kaiserslautern, Finanzdienstleistungen, 2013)

This analysis documents that the pupils at Helmholtz Gymnasium indeed have a better financial knowledge in comparison to the results of the earlier German surveys. But the interviewed target group was much smaller and only pupils between 15 and 18 years participated in the survey. In consequence, other age groups were not considered. A direct comparison is not really possible, because the questions were very simple, short and with given answers.

Nevertheless, especially the answers to the questions regarding "stocks" show that there is an existing gap concerning the financial competence/knowledge of pupils between 13 and 18 years.

2 RESULTS OF NEEDS ANALYSIS

Topic: Future

GENERAL COMPE- TENCE CONTENTS WITHIN CLASSES SUBJECT & GRADE	PARTIAL COMPETENCE <i>Pupils are able to ...</i>	CONTENTS WITHIN CLASSES	SUBJECT & GRADE
<p>PUPILS ARE ABLE TO THINK IN CATEGORIES OF ECONOMIC BEHAVIOR: HOW DO PEOPLE TAKE ECONOMIC DECISIONS?</p>	<p>... differ between various needs and goods. (1) ... explain that shortage is the reason for friction between unbounded needs and resources and therefore people have to act in an economic way. (2) ... show that the variety of competing (own and external) needs leads to conflicts in decision and allocation. (3) ... show that economic player make decisions about alternatives, on basis of economic plans. (4) ... explain that economic decisions have to be made under uncertain conditions and therefore are risky, as relevant information cannot be collected completely. (5) ... show that economic players take decisions, which provide the highest benefit, also considering own preferences and restrictions. (6)</p>	<p>Renting a flat on one's own</p> <p>Sharing a flat or living alone? (1) Sharing a flat means sharing costs and also free space. Agreements are necessary. Cost savings could be used to buy furniture. (2) Staying with your family and saving the money would offer the possibility of purchasing a flat later, after you have finished studying.(3) Staying with your family doesn't mean that you could save all the money. Maybe you must pay some money to your family for living in their house? (4) What will happen if your flat mate doesn't pay the rent, or leaves after a few months? (5) Cost savings by sharing a small flat with only two rooms will bring the highest benefit. (6)</p>	<p>Grade 11: Social Studies</p>
<p>PUPILS ARE ABLE TO DO CONNECTION-BASED AND</p>	<p>... explain causes, forms and results of division of work. (7)</p>	<p>Sharing a flat also means sharing house-work and daily shopping .(7)</p>	

<p>INTERDEPENDENCY-BASED THINKING: HOW DO PEOPLE AFFECT EACH OTHER IN AN ECONOMIC WAY?</p>	<p>... explain, how division of work embeds economic players in a complex network of economic interdependencies.(8) ... grasp economic transactions between national and international players in form of a cycle-network. (9)</p>	<p>The housework could be done by a charlady. The time saved could be spending on working. (8) The expenses for renting a flat are revenues for the hirer. The revenues could be used for renovating the house. (9)</p>	
<p>PUPILS ARE ABLE TO THINK ABOUT CONNECTIONS OF POLICY: HOW DO PEOPLE CREATE ECONOMIC POLICIES?</p>	<p>... explain that the coordination of economic plans in market economies is primary based on markets.(10) ... grasp the economic system of a country as a legal and institutional regime for economic acting. (11) ... explain the economic and social relevance of competition. (12) ... show general functions of the general government, which is embedded in a market economy. (13)</p>	<p>The rent depends on the city, the needs and demands of the people.(10) Everybody is able to rent or lease a flat. The pricing depends on the demand and supply. (11) Only with competition everybody has the choice of finding the right flat with the best cost-performance ratio. (12) The government decides about legal rules for tenancy contracts. The rents as well as the allocation of council flats are stipulated by government .(13)</p>	
<p>PUPILS ARE ABLE TO ANALYSE ECONOMIC SITUATIONS BY USING SPECIFIC METHODS TO BECOME AWARE OF FINANCIAL CIRCUMSTANCES.</p>	<p>... analyse situations of decisions by using economic models of behavior.(14) ... analyse economic relationships and effects of political measures by using a cycle-model. (15) ... show and analyse market processes by using e.g. a model for determining the price. (16) ... find information from different sources. (17) ... investigate the economic reality by making excursions, enquiries or interviews with experts. (18) ... visualize economic processes, process of decision-making and forms of organisations. (19)</p>	<p>Searching for a single room in an existing flat-share is a possibility to get an overview about the living costs.(14) Offering cheap building area for new flats increases the supply, stabilizes the rent and increases the demand on the employment market. (15) Building halls of residence leads to a decrease in the demand of private one single room flats.(16) To make your decision you need different information about the rent, the additional costs, the deposit and also the amount you're able to spend. (17) Discuss your wishes and needs with your</p>	

		<p>family and friends.(18)</p> <p>Classify and recapitulate all given arguments for renting a flat on your own and a shared flat. Consider the costs of both and the money you are able to spend. (19)</p>	
<p>PUPILS ARE ABLE TO EVALUATE ECONOMIC ACTIVITIES AND SITUATIONS BY USING ECONOMIC CATEGORIES.</p>	<p>... evaluate alternatives of possible decisions by using economic categories. (20)</p> <p>... evaluate actions and their effects by using economic criteria with regard to aims and values. (21)</p> <p>... evaluate the usefulness and capability of legal and institutional rules For economic acting. (22)</p>	<p>Living in a hall of residence could be a cheap possibility at first. During this time you're able to get more information about the existing housing market and the cost-performance ratio. (20)</p> <p>Are you able to take the monthly costs of the rent? Do you have a reliable income? What will happen if you lose your income? Do you have some money saved? (21)</p> <p>Are the existing legal rules enough for protecting the tenant? (22)</p>	
<p>PUPILS ARE ABLE TO REFLECT AND EVALUATE WAYS OF ECONOMIC IDENTIFICATION AND JUDGMENT.</p>	<p>... differ between judgment on the merits and on the values about economic situations. (23)</p> <p>... check and evaluate the range of the economic way of perception and mind set. (24)</p>	<p>Judgment on the merits: Free existing housing market with existing council flats does guarantee all people satisfaction of their needs.</p> <p>Judgment on the value: Every paid rent is an income for the landlord. He/she must pay taxes for this income, which will be used for state-subsidised construction of public housing.(23)</p> <p>The economic model on behaviour may explain the effects of changes but not the causes.(24)</p>	

Topic: Free time

GENERAL COMPE- TENCE CONTENTS WITHIN CLASSES SUBJECT & GRADE	PARTIAL COMPETENCE <i>Pupils are able to ...</i>	CONTENTS WITHIN CLASSES	SUBJECT & GRADE
<p>PUPILS ARE ABLE TO THINK IN CATEGORIES OF ECONOMIC BEHAVIOR: HOW DO PEOPLE TAKE ECONOMIC DECISIONS?</p>	<p>... differ between various needs and goods. (1) ... explain that shortage is the reason for friction between unbounded needs and resources and therefore people have to act in an economic way. (2) ... show that the variety of competing (own and external) needs leads to conflicts in decision and allocation. (3) ... show that economic player make decisions about alternatives, on basis of economic plans. (4) ... explain that economic decisions have to be made under uncertain conditions and therefore are risky, as relevant information cannot be collected completely. (5) ... show that economic players take decisions, which provide the highest benefit, also considering own preferences And restrictions. (6)</p>	<p>Planning to go on holiday</p> <p>Did you save any money? How long could you stay on holiday with this money? Is there a given time restriction for going on holiday? Is it better to use a car, train or flight? (1) Taking an airplane saves time, but it is very expensive. Going by car will be cheaper, but it'll take longer. (2) Going on holiday by car and living in a tent will be a cheap possibility for staying a long time on holiday. Taking a hotel is more comfortable, but how many days are you able to afford staying in a hotel?(3) Booking a last minute journey is a possibility to save money, but maybe it is not the resort you want to go to. (4) Maybe you are involved in an accident and the car gets broken. Additional costs, which were not planned, could arise (5) With an early booking you could realize high sales return and allowance. (6)</p>	<p>Grade 10: Social Studies</p>
<p>PUPILS ARE ABLE TO DO CONNECTION-BASED AND INTERDEPENDENCY-BASED</p>	<p>... explain causes, forms and results of division of work. (7) ... explain, how division of work embeds</p>	<p>Going with friends on holiday means that you could split the driving time. The assistant driver could also workout the best</p>	

<p>THINKING: HOW DO PEOPLE AFFECT EACH OTHER IN AN ECONOMIC WAY?</p>	<p>economic players in a complex network of economic interdependencies.(8) ... grasp economic transactions between national and international players in form of a cycle-network. (9)</p>	<p>route.(7) When planning a holiday it is helpful to use the competence of a travel agency. (8) The expenses of the holidays are revenues for the airline, the hotel or the fuel station. They spend the revenues for paying salaries to the employees.(9)</p>	
<p>PUPILS ARE ABLE TO THINK ABOUT CONNECTIONS OF POLICY: HOW DO PEOPLE CREATE ECONOMIC POLICIES?</p>	<p>... explain that the coordination of economic plans in market economies is primary based on markets. (10) ... grasp the economic system of a country as a legal and institutional regime for economic acting. (11) ... explain the economic and social relevance of competition. (12) ... show general functions of the general government, which is embedded in a market economy. (13)</p>	<p>Between European countries exists a high competition in tourism. At the moment Greece has problems with a low demand in tourism because of the financial crisis. This low demand results in cheap holiday offers. (10) Private property and open markets make it possible to choose between different offers and countries. (11) Without competition there were no possibilities to decide between different offers. Prices would be fixed and wouldn't depend on the demand. (12) The general government decides about legal rules for contracts, customers and providers.(13)</p>	<p>Grade 11: Social Studies</p>
<p>PUPILS ARE ABLE TO ANALYSE ECONOMIC SITUATIONS BY USING SPECIFIC METHODS TO BECOME AWARE OF FINANCIAL CIRCUMSTANCES.</p>	<p>... analyse situations of decisions by using economic models of behavior. (14) ... analyse economic relationships and effects of political measures by using a cycle-model. (15) ... show and analyse market processes by using e.g. a model for determining the price. (16) ... find information from different sources. (17) ... investigate the economic reality by</p>	<p>The currency rate of the country you would like to go could be a reason to save money for some months and go on holiday later. (14) The introduction of a toll may lead to a higher demand on rail travel. On the other hand the demand on fuel stations next to the freeway decreases. Some work places may be lost. (15) The introduction of toll leads to an increase</p>	<p>Grade 10. / 11. Social Studies</p>

	<p>making excursions, enquiries or interviews with experts. (18)</p> <p>... visualize economic processes, process of decision-making and forms of organisations. (19)</p>	<p>in rail travel and might foster a price rise. Otherwise the fuel station next to the freeway may cut in the fuel price. (16)</p> <p>For your decision you need different information about countries, hotels and travel costs. (17)</p> <p>Discuss your wishes and needs with your family, friends and travel agency.(18)</p> <p>Classify and recapitulate all given information in a chart. Evaluate all wishes compared with the costs.(19)</p>	
<p>PUPILS ARE ABLE TO EVALUATE ECONOMIC ACTIVITIES AND SITUATIONS BY USING ECONOMIC CATEGORIES.</p>	<p>... evaluate alternatives of possible decisions by using economic categories. (20)</p> <p>... evaluate actions and their effects by using economic criteria with regard to aims and values. (21)</p> <p>... evaluate the usefulness and capability of legal and institutional rules for economic acting. (22)</p>	<p>Would it be better to put off the journey and save the money for getting a higher interest? (20)</p> <p>If you spend all your money for holiday, what happens if your car breaks down?(21)</p> <p>The existing rules and guidelines for travelling minimize the risks during holidays. E.g. if the airline gets insolvent you will get your money back. (22)</p>	
<p>PUPILS ARE ABLE TO REFLECT AND EVALUATE WAYS OF ECONOMIC IDENTIFICATION AND JUDGMENT.</p>	<p>... differ between judgment on the merits and on the values about economic situations. (23)</p> <p>... check and evaluate the range of the economic way of perception and mind set. (24)</p>	<p>Judgment on the merits: Introduction of a toll leads to higher use of country roads. The traffic in towns and cities rise up involving noise nuisance and damage to the environment Judgment on the value: Introduction of a toll concerns mostly commuters. Their income may decrease. The government should use the income of the toll to create tax advantages for commuters to increase their buying power. (23)</p> <p>The economic model on behaviour may explain the effects of changes but not the causes.(24)</p>	

Topic: Mobile phone

GENERAL COMPETENCE CONTENTS WITHIN CLASSES SUBJECT & GRADE	PARTIAL COMPETENCE <i>Pupils are able to ...</i>	CONTENTS WITHIN CLASSES	SUBJECT & GRADE
<p>PUPILS ARE ABLE TO THINK IN CATEGORIES OF ECONOMIC BEHAVIOR: HOW DO PEOPLE TAKE ECONOMIC DECISIONS?</p>	<p>... differ between various needs and goods. (1) ... explain that shortage is the reason for friction between unbounded needs and resources and therefore people have to act in an economic way. (2) ... show that the variety of competing (own and external) needs leads to conflicts in decision and allocation. (3) ... show that economic player make decisions about alternatives, on basis of economic plans. (4) ... explain that economic decisions have to be made under uncertain conditions and therefore are risky, as relevant information cannot be collected completely. (5) ... show that economic players take decisions, which provide the highest benefit, also considering own preferences And restrictions. (6)</p>	<p>Using mobile phone</p> <p>Buying a prepaid mobile card or concluding a contract with a mobile provider? (1)</p> <p>The usage of prepaid cards allowed a better overview of expenses. Pupils decide how much money they will spend. Contracts do lead to variable costs during the contract period. The final point of view monthly expenses should never less than the monthly (2)</p> <p>Contracts normally include internet access. Do pupils need internet access for doing their homework? Are they allowed to use mobiles in school? (3)</p> <p>Using a prepaid card doesn't mean that you save money. It's up to yourself how much money you spend for telephoning.(4)</p> <p>A contract requires a long term payment obligation. Are you able to pay the monthly amounts for the whole next year? (5)</p> <p>In comparison to prepaid cards, the benefit of a mobile with contract is the</p>	<p>Grade 9 Social Studies</p>

		lower phoning cost-rates.(6)	
PUPILS ARE ABLE TO DO CONNECTION-BASED AND INTERDEPENDENCY-BASED THINKING: HOW DO PEOPLE AFFECT EACH OTHER IN AN ECONOMIC WAY?	... explain causes, forms and results of division of work. (7) ... explain, how division of work embeds economic players in a complex network of economic interdependencies.(8) ... grasp economic transactions between national and international players in form of a cycle-network. (9)	Whatever you decide to buy a prepaid card or conclude a contract the provider contributes your decision. (7) To buy a mobile means consumption, service form the provider and production. (8) The expenses are revenues for the contract partner and the provider. They spend the revenues for investigation and paying salaries.(9)	
PUPILS ARE ABLE TO THINK ABOUT CONNECTIONS OF POLICY: HOW DO PEOPLE CREATE ECONOMIC POLICIES?	... explain that the coordination of economic plans in market economies is primary based on markets. (10) ... grasp the economic system of a country as a legal and institutional regime for economic acting. (11) ... explain the economic and social relevance of competition. (12) ... show general functions of the general government, which is embedded in a market economy. (13)	There are different internet accesses on the market and their offers are various and depend on the needs of the market. 10 years ago nobody had internet access. Today it's normal. (10) Private property makes it possible to choose the best contract partner for my wishes and needs.(11) Every internet provider has own rates. The competition in this market is very hard, therefore the price gets lower.(12) The government determinates legal rules for contracts.(13)	
PUPILS ARE ABLE TO ANALYSE ECONOMIC SITUATIONS BY USING SPECIFIC METHODS TO BECOME AWARE OF FINANCIAL CIRCUMSTANCES.	... analyse situations of decisions by using economic models of behavior. (14) ... analyse economic relationships and effects of political measures by using a cycle-model. (15) ... show and analyse market processes by using e.g. a model for determining the price. (16) ... find information from different sources. (17)	The possibility to get a mobile for free by concluding a contract could be a reason for a mobile-contract.(14) With opening the telephone network the competition has been started. The telephone-rates got lower, many people could afford mobiles. The production rose and new jobs were provided.(15) The increase in the demand of	

	<p>... investigate the economic reality by making excursions, enquiries or interviews with experts. (18)</p> <p>... visualize economic processes, process of decision-making and forms of organisations. (19)</p>	<p>smartphones leads to a decrease of internet access rates.(16)</p> <p>For your decision you need different information about various mobiles and internet access. (17)</p> <p>Discuss your wishes and needs with network provider and mobile producer.(18)</p> <p>Classify and recapitulate all given information in a chart. Describe the process buying a mobile and arrange the relevant decisions among every step. (19)</p>	
<p>PUPILS ARE ABLE TO EVALUATE ECONOMIC ACTIVITIES AND SITUATIONS BY USING ECONOMIC CATEGORIES.</p>	<p>... evaluate alternatives of possible decisions by using economic categories. (20)</p> <p>... evaluate actions and their effects by using economic criteria with regard to aims and values. (21)</p> <p>... evaluate the usefulness and capability of legal and institutional rules for economic acting. (22)</p>	<p>Considering the permanent technological development of mobile devices it could be better to wait with the investment after the next trade fair or the lounge of the next version. (20)</p> <p>Are you able to pay the monthly costs of the mobile contract?(21)</p> <p>Are the existing legal rules enough for protecting the consumer? (22)</p>	
<p>PUPILS ARE ABLE TO REFLECT AND EVALUATE WAYS OF ECONOMIC IDENTIFICATION AND JUDGMENT.</p>	<p>... differ between judgment on the merits and on the values about economic situations. (23)</p> <p>... check and evaluate the range of the economic way of perception and mind set. (24)</p>	<p>Judgment on the merits: Free telephone market leads to high competition and tends to result in cut-throat competition. Workplaces get lost.</p> <p>Judgment on the value: With free telephone markets everybody can buy and use a mobile. It's up to everyone how much money they spend.(23)</p> <p>The economic model on behaviour may explain the effects of changes but not causes.(24)</p>	

3 CONCLUSION

Several surveys show that young people in Germany have a gap in finance knowledge and competence, also the pupils of our partner school, Helmholtz Gymnasium. This problem is known about by the Ministers of Education and Cultural Affairs, who are responsible for Education and decide 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 grammar schools from grade 7 to 12 up to date. 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 grammar schools in Germany. Putting theory into practice is difficult for teachers who were not trained in financial topics.

Besides the curriculum of grammar schools in Rhineland-Palatinate exists a guideline "economic literacy". The aim of this guideline is to implement economic topics, including some financial topics, cross-curriculum, but often the teachers do not have the time and the 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 three defined financial topics. These topics could help to increase the knowledge and competence concerning financial competence. But at first the knowledge of teachers needs to be improved.

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