Students getting ahead financially
Financial capability for secondary school students

Why financial capability matters

Today’s students will face new challenges in their working lives and in their retirement as the population ages and the world around them changes. We need to equip them to be ready to meet those challenges. The Commission for Financial Capability believes most New Zealanders can make smart decisions about money – providing they have the right tools and encouragement. Improved financial capability will give young people – the retirees of tomorrow – more choices and the opportunity to achieve better social and health outcomes for themselves, their family and whānau, and to actively participate in economic life.

Supporting learners to become confident, responsible and capable in managing their finances is part of the vision in the New Zealand Curriculum for young people to be confident, connected, actively involved, life-long learners.

The demand exceeds the supply

Students, teachers and school leaders all want more financial capability taught in school

DEMAND
- 99% of teachers see financial capability as important.
- 83% of students think it is important to seek advice.
- 73% of students are keen to learn more about money and money management.
- 77% of teachers believe students’ financial skills and knowledge are low.

SUPPLY
- 38% of school leaders think financial capability has a high profile in their school.
- 60% of teachers say they include some financial capability in their teaching.
- 42% of students say they have learnt some or a lot about financial capability at school.
- 51% of students say they have had little or no financial education at school.

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**What’s the story?**

**Students use lots of different financial products and services**

- **88%** have bank accounts
- **61%** own EFTPOS cards
- **61%** have used foreign money
- **37%** work part-time
- **51%** save regularly
- **79%** have lent money to others

**They get income from a range of sources**

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Sometimes</th>
<th>Frequently</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting gifts of money</td>
<td>66</td>
<td>17</td>
</tr>
<tr>
<td>Doing jobs at home for money</td>
<td>36</td>
<td>23</td>
</tr>
<tr>
<td>Getting an allowance (pocket money)</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>Working at a part-time job for pay</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>Selling things that I own (e.g., on Trade Me)</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td>Doing jobs for neighbours</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Running my own business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**They have positive attitudes towards money**

- **74%** say they know a lot about how to manage their money
- **95%** say it is important that they have enough money
- **88%** say that borrowing money is OK if you are able to pay it back

**But they don’t always put their knowledge into practice**

- **74%** know how to set goals
- **57%** have set goals
- **59%** know how to budget
- **27%** have a budget
What students think about financial risks and rights

<table>
<thead>
<tr>
<th>ASPECTS</th>
<th>STATEMENTS ABOUT RISK</th>
<th>YES %</th>
<th>NO %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scams</td>
<td>I know what a scam is</td>
<td>71</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>I have been approached to respond to a scam</td>
<td>33</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>I have been the victim</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>Security Issues</td>
<td>I have told others my EFTPOS or internet banking password</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>I let other people use my EFTPOS card</td>
<td>17</td>
<td>83</td>
</tr>
<tr>
<td>Consumer Rights</td>
<td>I know my rights when I buy something</td>
<td>68</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>I have returned products that I have bought because they are faulty</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>I read guarantees or contracts that are on things I buy</td>
<td>51</td>
<td>49</td>
</tr>
</tbody>
</table>
The experience of teachers and students differ

<table>
<thead>
<tr>
<th>STUDENTS</th>
<th>TEACHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Students agree that parents or caregivers are the most important</td>
<td>• Teachers agree that parents or caregivers are the most important</td>
</tr>
<tr>
<td>source of financial learning</td>
<td>source of financial learning</td>
</tr>
<tr>
<td>• Students saw their wider whānau as an important source of information</td>
<td>• Teachers thought whānau were a less important source of information</td>
</tr>
<tr>
<td>• Only 11 percent of students reported that they had learned ‘a lot’</td>
<td>• Half of the teachers see banks as a major source of financial learning</td>
</tr>
<tr>
<td>from banks</td>
<td>for students</td>
</tr>
<tr>
<td>• Students rated training courses outside school as the least</td>
<td>• Teachers also thought training courses outside school should be a</td>
</tr>
<tr>
<td>important source of information</td>
<td>major source of learning</td>
</tr>
<tr>
<td>• About a third of students say they’ve learned something from their</td>
<td>• Teachers think that peers are the least important source of financial</td>
</tr>
<tr>
<td>friends</td>
<td>information</td>
</tr>
</tbody>
</table>

What is holding us back and what can move us forward

• Making the case for the relevance of financial capability in a crowded curriculum
• Increasing the status of financial capability
• Getting buy-in from school leadership and parents
• Encouraging a cross-curricula approach to the teaching of financial capability
• Increasing access to both professional development and suitable resources
Here’s how some teachers have built financial capability into teaching and learning

Financial capability is often seen as just acquiring the knowledge and skills but it is also about using that knowledge and those skills in real life. The teaching of financial capability occurs mainly in related subjects, most commonly in economics, accounting, and business studies, but it can have a wider place in schools. Only 18 percent of teachers reported regularly teaching money matters within a curriculum area, although 64 percent reported using teachable moments to include it.

Conversations on money and finance sometimes spark up among the senior students. I shared my opinion with them and asked open ended questions to spark up more in-depth discussion. I still remember a male student asked me what caused the global recession while he was doing his artwork. I explained briefly what caused it and the effect of it. (Maths teacher)

In social studies, we did an activity called the ‘Real Game’ where we were assigned jobs and given choices about our lifestyle (house, vehicles, etc.) and taught how to budget things. (Student)

We did an exercise on how much it would cost a person who was both a smoker (20 cigarettes per day) and a drinker (2 beers a day) over their life-time. It would buy a moderate house! (Health teacher)

The sourcing and costing of materials in making artworks. The time and labour involved in making artworks. The price of artworks. Artworks as investment. (Science teacher)

Teaching ‘The Merchant of Venice’ by William Shakespeare I include a section on compound interest. (English teacher)
What is Financial Capability?

Financial Capability encompasses not just the knowledge and skills needed in the modern financial world (often described as financial literacy), but also includes actively employing them.

Financial capability is defined in various different ways. The Commission for Financial Capability (CFFC) states:

Financial capability is defined as the ability to make informed judgements and effective decisions regarding the use and management of money. It is about having financial knowledge, and the understanding, confidence and motivation to make and implement financial judgements and decisions.

Read the full report or summary

The full report can be found at:

A summary report can be found at:

A digital copy of the pamphlet can be found at: