



# FINANCIAL BASICS FOUNDATION

An innovative  
approach to  
financial literacy in  
middle school  
economics and  
business

## NAVIGATING ACROSS HORIZONS

2&3 OCTOBER 2014

**BUSINESS EDUCATORS AUSTRALASIA**  
UNIVERSITY OF NOTRE DAME, FREMANTLE, WESTERN AUSTRALIA



# TODAY

- What is Financial Literacy?
- Financial literacy in Economics and Business
- Financial Basics Foundation resources



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# WHO ARE WE??

## Financial Basics Foundation

<http://www.financialbasics.org.au/>

- Our resources are used by over 3500 teachers in 2000 schools across Australia.
- More than 85000 games of ESSI Money have been played by Australian students.



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# Financial literacy is:

- a multi-disciplinary framework
- aligned with employability skills
- the application of knowledge, understandings, skills and values in consumer and financial contexts, and its related decisions
- about behaviours and not knowledge



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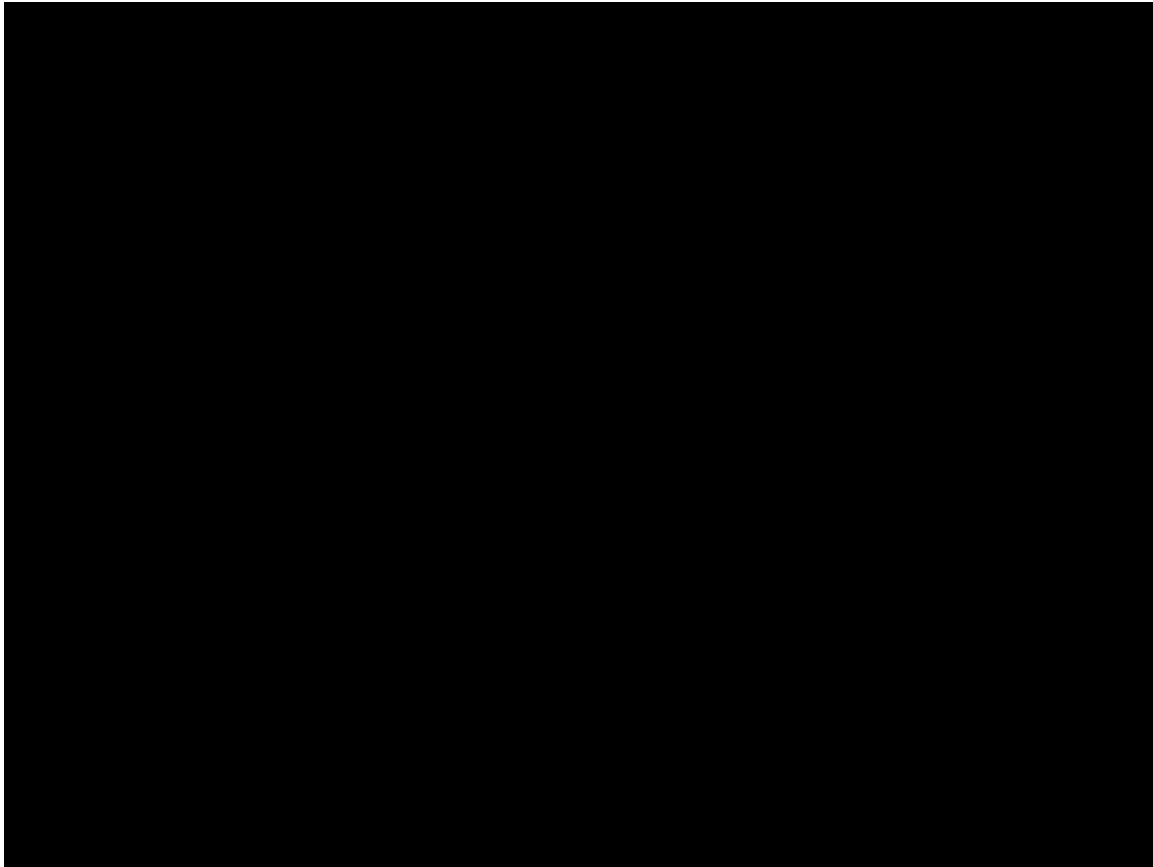


# Lowest levels of financial literacy

- 18 – 24 years
- Over 70 years
- Females
- Low levels of education (year 10 or less)
- Unemployed or unskilled workers
- Low socio-economic status (low incomes)
- Non-English speakers at home
- Indigenous Australians



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# WHY??

- Money is becoming increasingly **invisible**.
- There is an increasing use of online and **digital environments** for shopping and making financial decisions.
- There is a growing range of **choice** and **complexity** in financial products.
- Individuals carry a greater **responsibility** for choices made in these contexts.



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# What our data reveals .....

Students don't understand:

- who is entitled to a **tax refund**
- the significance of **compound interest**
- how **superannuation** functions
- how **insurance** functions
- that “cap” on a mobile phone plan represents a **minimum** payment
- that **habitual spenders** should opt for a low interest credit card



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# Curriculum mapping

- The Australian Curriculum, Mathematics
- The Australian Curriculum, English
- The Australian Curriculum, General Capabilities
- National Consumer & Financial Literacy Framework
  
- The Australian Curriculum, Economics & Business
- Certificate I in Skills for Vocational Pathways (Module 12)



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# Economics and Business Knowledge and Understanding

*Consumer and financial literacy* explores the role of making responsible and informed decisions about consumer issues and managing money and assets, and how these decisions affect the individual's and the community's quality of life, sense of security and awareness of future options.



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Year	Knowledge & Understanding
7	Why and how individuals and businesses plan to achieve short-term and long-term personal, organisational and financial objectives (ACHEK018)
8	The rights and responsibilities of consumers and businesses in Australia (ACHEK029)
9	Why and how people manage financial risks and rewards in the current Australian and global financial landscape (ACHEK040)
10	Factors that influence major consumer and financial decisions and the short- and long-term consequences of these decisions (ACHEK053)



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# Numeracy and financial literacy education

Students find it difficult to develop numeracy in isolation. They need a context in which to work in order to develop competency and confidence in the three components of numeracy, all of which are all related to each other:

- Mathematical knowledge
- Mathematical tools
- Dispositions

“Numeracy requires contextual and strategic knowledge as well as mathematical skills.”



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*NATIONAL CONSUMER & LITERACY FRAMEWORK, ASIC September 2011*



# General Capabilities

- Literacy
- Numeracy
- Information & Communication Technology competence
- Critical and creative thinking
- Ethical behaviour
- Personal and social competence
- Intercultural understanding



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# FBF resources

- **ESSI Money**
- **Operation Financial Literacy**
- **FLIP**
- **Website – resource download, blogs, members only discussion area**



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# The good news!!

- Our resources are provided FREE OF CHARGE to all Australian secondary schools.
- Both OFL and ESSI Money are mapped to the Australian Curriculum and the National Consumer and Financial Literacy Framework.
- Extensive written and technical support for teachers is available through our website.



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# OPERATION FINANCIAL LITERACY



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# A flexible teaching resource targeting middle school learners

- Includes detailed teacher notes and student worksheets
- Written by Australian educators
- Reviewed by BEA
- Currently being updated



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1. Goal Setting – having a financial plan.
2. Income – where does it come from?
3. Budgeting – managing your money.
4. Insurance – managing risk.
5. Credit – making it work for you.
6. Taxation – everyone pays.
7. Banking – how does it all work?
8. Investing – where do I start?
9. Financial planning – take charge of your future.
10. Mobile Phones – being a wise consumer.
11. Scams – don't be caught out.
12. SOS – Smart Online Spending.



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# FLIP – Financial Literacy in Practice

- Pop up blogs addressing current financial issues
- supported by a free access practical classroom resource



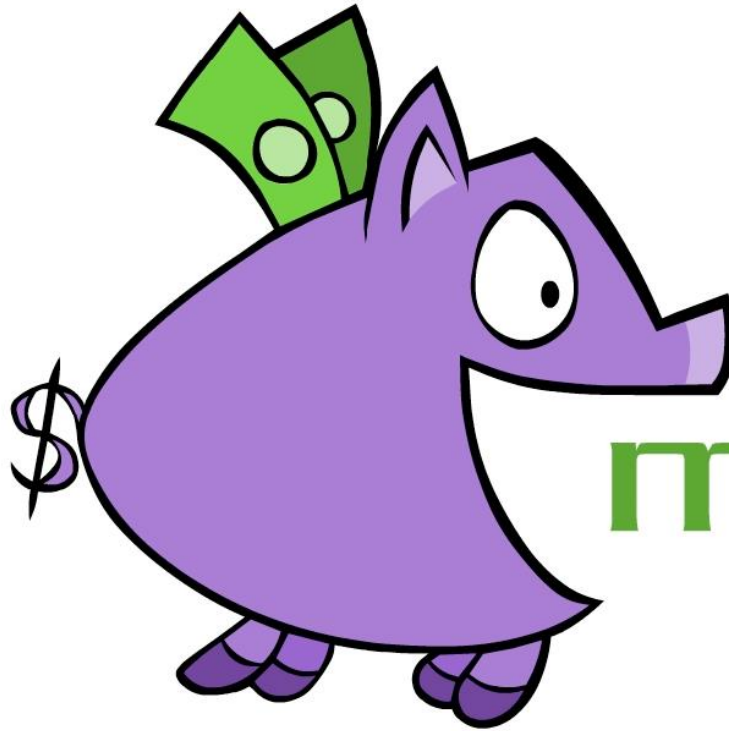
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# Website

- Resource download ([OFL](#) & FLIP)
- [Blogs](#)
- Teachers' forum ([members only](#) discussion area)



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**essi**  
**money**



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# Earning Saving Spending Investing

# Money



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- 
- ESSI Money is an interactive structured e-learning game, designed around the concept of a challenge or quest.
  - The player is required to make a series of financial decisions in order to achieve the best possible financial result.
  - The player experiences the consequences of decisions made throughout the game



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# ESSI Money

- is designed to be used in the middle years.
- simulates financial transactions over a 26 week period.
- can take up to 6 hours to be played.
- assumes that the player is 18 years old.



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# What happens in the game?

- Events are **random**, and no two games are the same.
- Students experience a **range of consequences** of financial decisions.
- The positive and negative effects of financial decisions made over an **extended period of time** are demonstrated.



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- The game uses **educational scaffolding** (through tutorials, newspaper articles, a financial planner and a mentor) to create an authentic learning experience.
- The outcome of the game is the **net worth** (assets less credit card liability) the student has at the end of the 6 month period.
- **Random questions** at the end of most weeks provide the opportunity to earn extra cash (the amount depends on the difficulty of, and time taken to answer the question).



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# Game activities give students the opportunity to:

- Apply for jobs and earn an income
- Create and operate within a budget
- Save money
- Pay regular living expenses
- Buy and sell goods online for cash or credit
- Enter into a mobile phone contract



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- Operate a credit card account
- Invest in shares
- Open (and close) a range of savings and investment accounts
- Set financial goals
- Seek professional advice before making financial decisions
- Experience the consequences of scams
- Experience bankruptcy conditions if expenses cannot be paid



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# LET'S PLAY

Your ESSI Money User Registration link is:

<http://www.essimoney.com.au/essimoney/content.aspx?id=9e48dc51e45c4d13a8f849f0932155c8>

<http://goo.gl/1SRXqN>



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# Enhanced functions of the game

- You are supported by [Teacher's Notes](#) and technical assistance via the Financial Basics website.
- You are able to track [your students](#) as they progress through the game.
- Detailed information is available through the tracking link.



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- Newspaper articles (financial news and job market) can be used for extension activities.
- The calendar can be used to record financial goals.
- The mentor updates status, provides advice and issues warnings.
- The diary can be used to add notes (job details, reasoning behind decisions and choices, etc).



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# HOW???

can you use ESSI Money

- Introduction to a unit/topic
- End of unit to measure learning
- Introduction, and conclusion to measure shift in learning
- Core Component
- Throughout a unit of study (designed around weekly topics - see teacher's notes)
- Stand alone activity
- Reward
- Homework
- Assessment
- Competition (use teacher's link to monitor progress)



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# A few suggestions

- Register each class separately.
- Use school email address (with .edu.au).
- Encourage students to use school usernames and passwords.
- Save the link to the game in a word document on the shared drive.
- Use the newspaper articles for extension activities.



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- Dear Anne,

The Financial Basics Foundation would like to thank you for registering your **BEA** class for ESSI Money Live.

Now that you have registered, we have provided you with a Class ID Link. Each member of your class will need to visit this link in order to create their own username and password.

As mentioned upon registration, this link will cater for up to 40 class members. Should you require access for more than 40 users or your students wish to replay ESSI Money, you will need to complete an additional registration form.

Your ESSI Money User Registration link is:

<http://www.essimoney.com.au/essimoney/content.aspx?id=9e48dc51e45c4d13a8f849f0932155c8>

If the link above appears to be split across two or three lines, please make sure that all the characters are copied into your browser correctly, otherwise your game may not be registered correctly.

Additionally, we have set-up a 'Teacher Only' login section where you can track the progress of each of your students.

Your ESSI Money Teacher Only link is:

<http://www.essimoney.com.au/admin/results.aspx?id=9e48dc51e45c4d13a8f849f0932155c8>

We trust that you and your students will enjoy ESSI Money and we encourage you to log onto our website and send us some feedback.

Regards,

The Financial Basics Foundation Team



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Please take the opportunity to  
give us some feedback.

[info@financialbasics.org.au](mailto:info@financialbasics.org.au)

[anne.nunan@financialbasics.org.au](mailto:anne.nunan@financialbasics.org.au)



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