

Financial literacy: A skill for life

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In today's presentation

- Why is **financial literacy** important?
- How do you **build capability** and positively influence financial decision-making?
- What **resources** are available to support financial literacy training in the workplace?



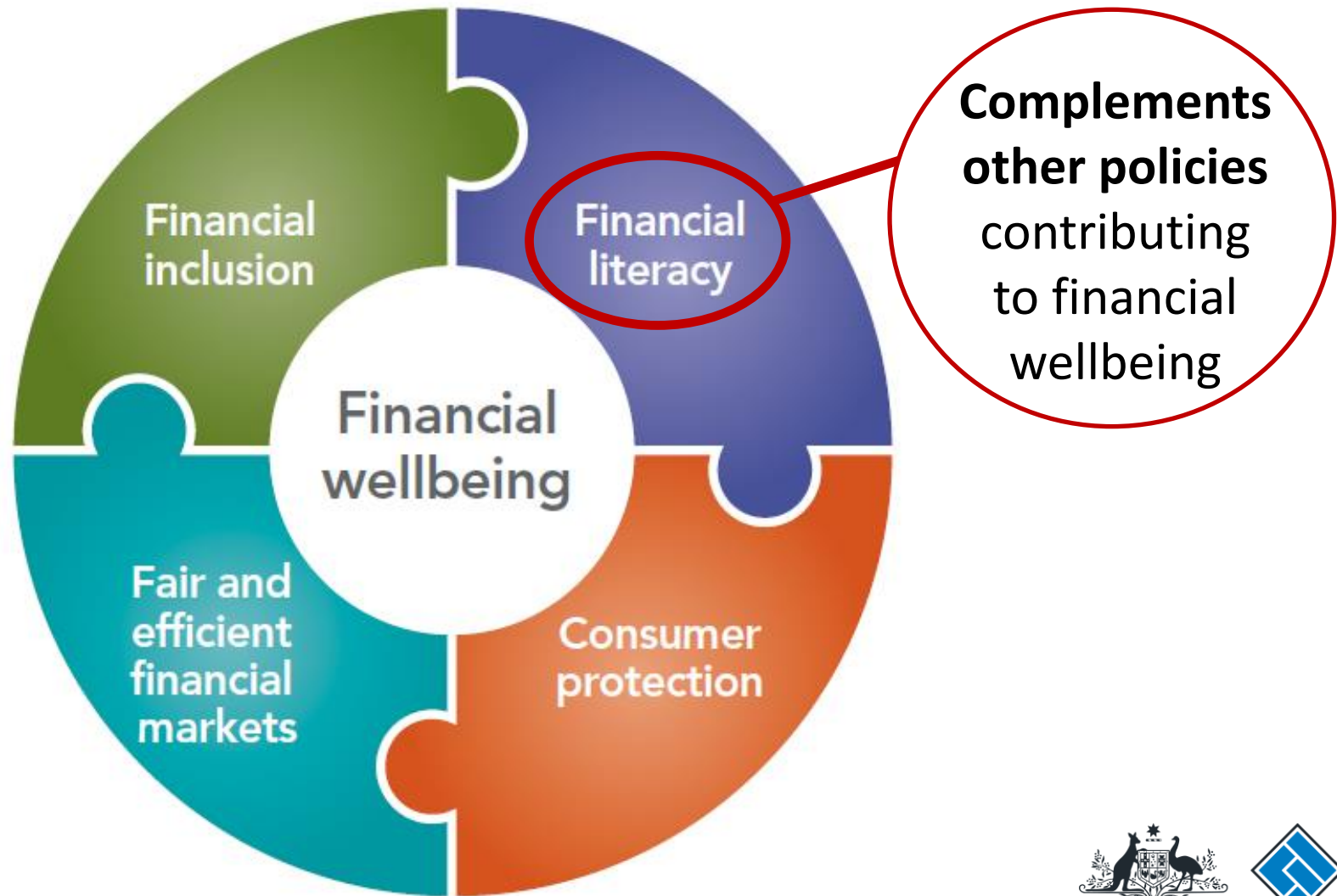
Financial literacy: what is it?

*Financial literacy is a combination of financial **knowledge, skills, attitudes and behaviours** necessary to make sound financial decisions, based on personal circumstances, to improve financial wellbeing.*



Source: ASIC, *National Financial Literacy Strategy 2014-17*, 2014, p6

Context for financial literacy in Australia



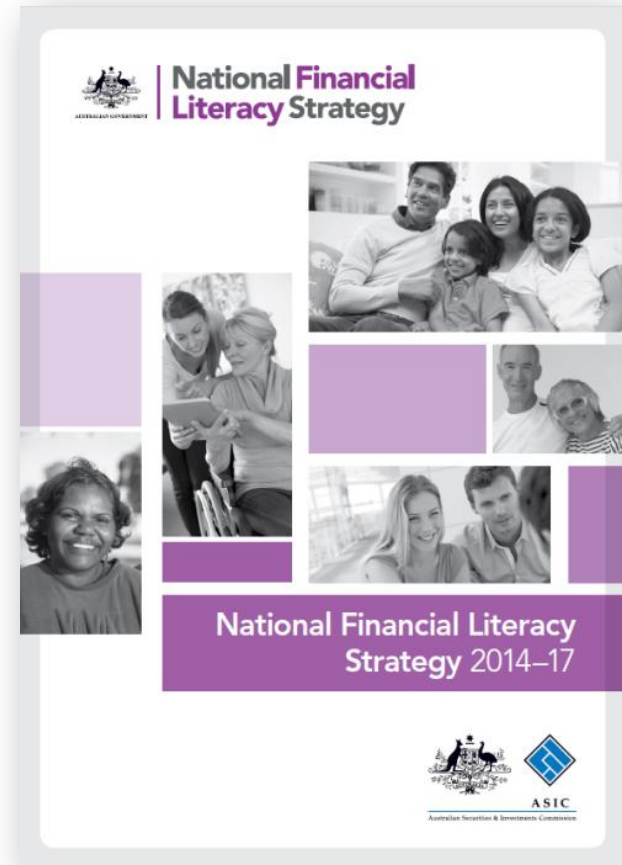
Why is financial literacy important?

- Financial literacy is an **essential everyday life skill**
- It helps people to:
 - understand and negotiate the financial landscape
 - manage money and financial risks, avoid financial pitfalls
 - make **informed financial choices**, day-to-day and throughout life



National Financial Literacy Strategy

- Collaborative, multi-faceted approach, led by ASIC
- Flexible **framework for action** across government, business, community, education
- Informed by consultation, research, international good practice guidelines



Strategic priorities for 2014–17

Individuals, families and communities

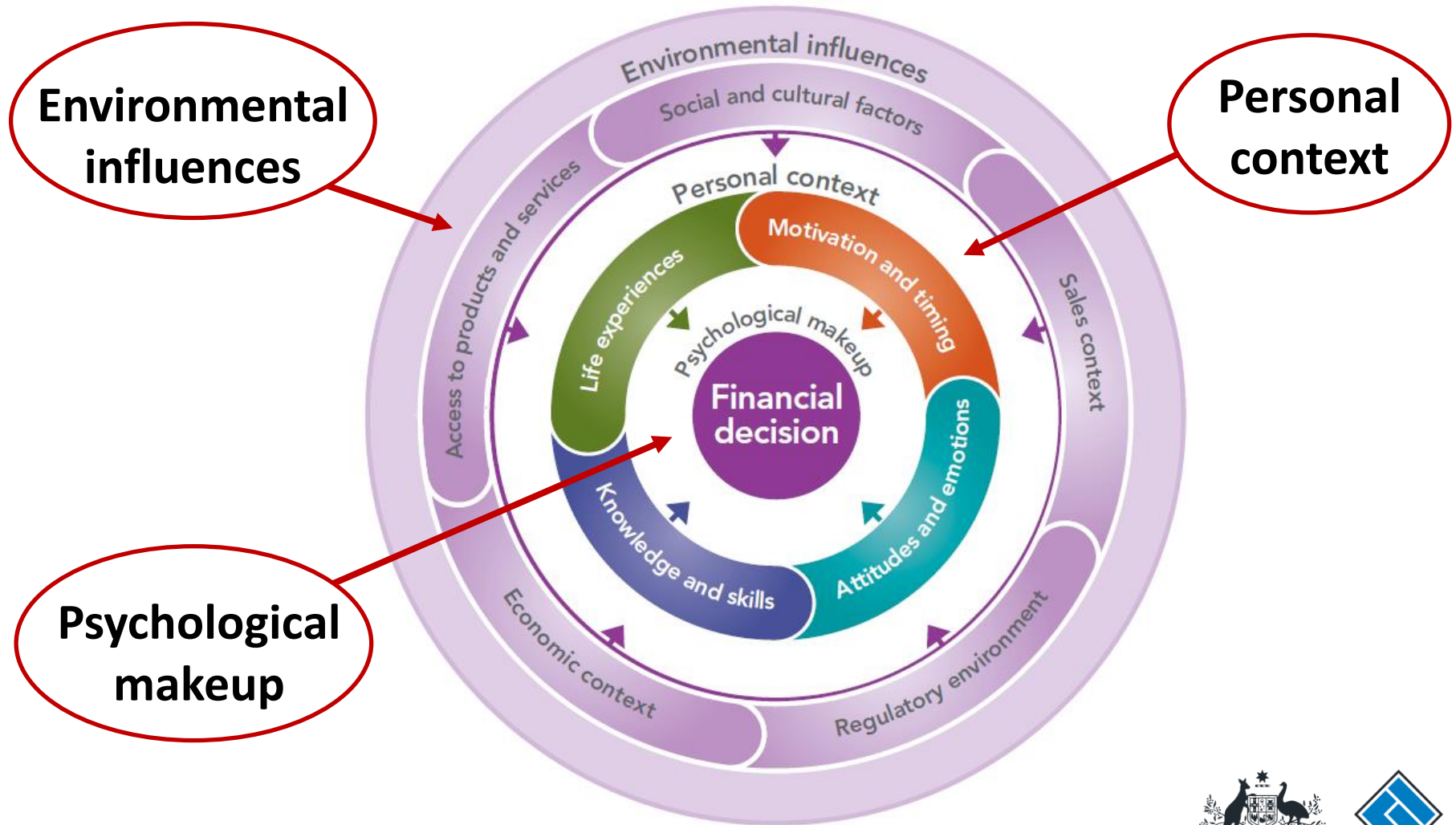
1. Educate the next generation, particularly through the formal education system
2. Increase the use of free, impartial information, tools and resources
3. Provide quality targeted guidance and support

**Workplaces are
a core channel**

Policy and program development

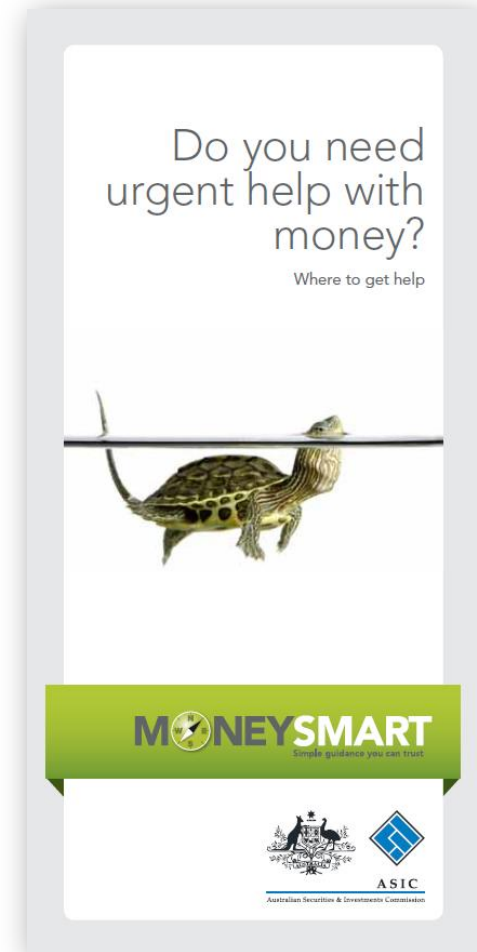
4. Strengthen co-ordination and effective partnerships
5. Improve research, measurement and evaluation

Influences on financial behaviour



Building financial capability

- In combination, knowledge, skills, attitudes and behaviours help **build financial capability**
- Through ‘**teachable moments**’:
 - build on **strengths** and experiences
 - become better able to **avoid crisis** or financial stress
 - strengthen **capacity to rebound** from financial problems



How to influence people to take action



- Promote **action-oriented** behaviours (single-step, if possible)



- Address **known barriers** to decision-making



- Provide **immediate benefits** to consumers



- Provide information **at the point** of decision-making

Key ASIC financial literacy initiatives



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- ASIC's MoneySmart **website** for consumers
- ASIC's MoneySmart **Teaching** program
- ASIC's national Financial Literacy Community of Practice **network**
- Australian Financial Attitudes and Behaviour Tracker **research**



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ASIC's MoneySmart website

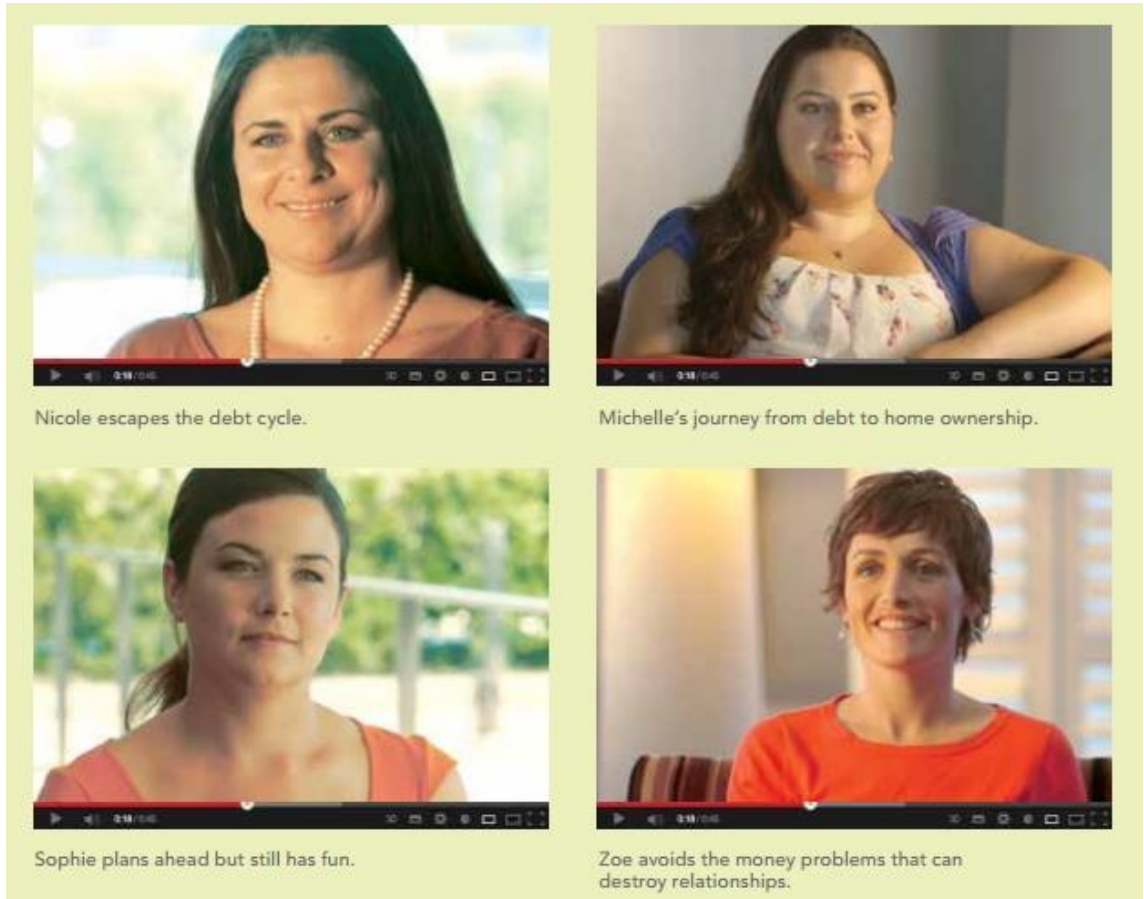


Content is **layered and tailored** for different audiences, life stages, needs, circumstances

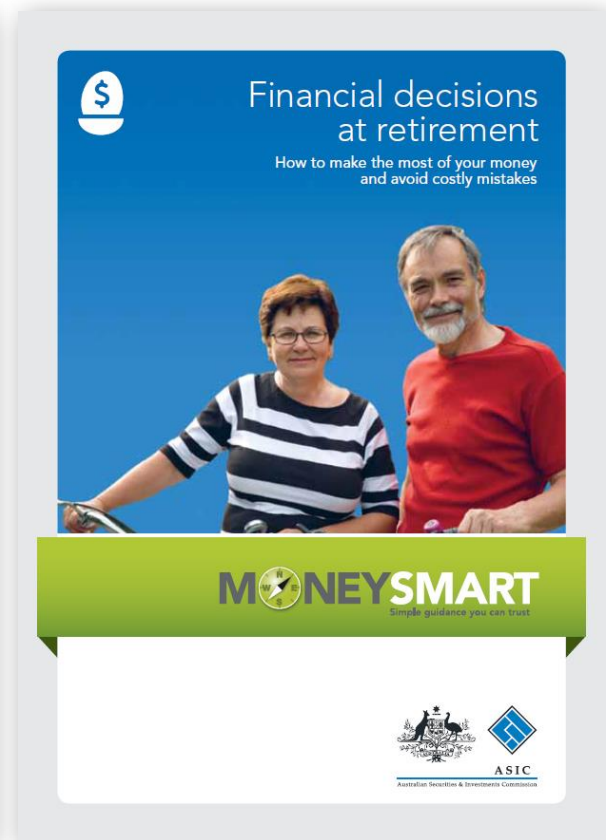
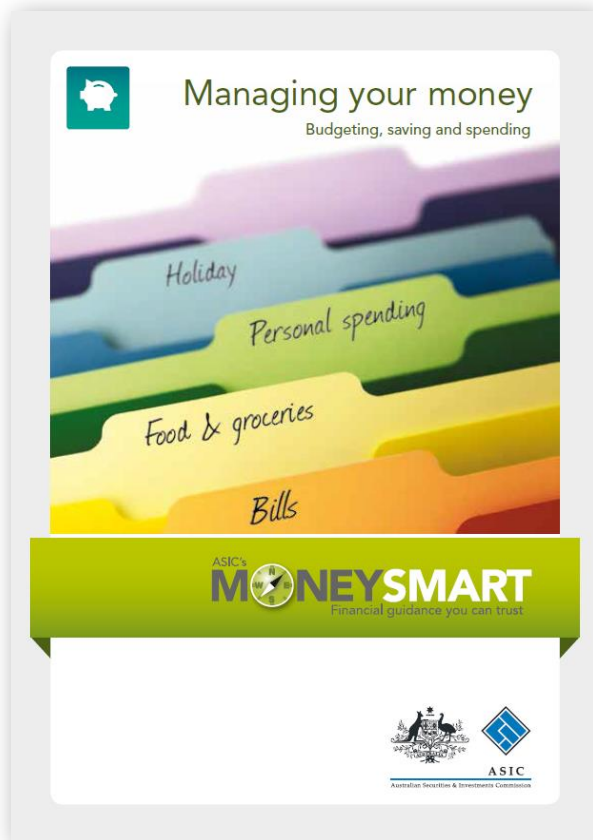
moneySMART.gov.au

Info presented in a variety of ways

- Publications
- Case studies
- Videos
- Infographics
- Calculators
- Mobile apps
- eNewsletter
- Social media

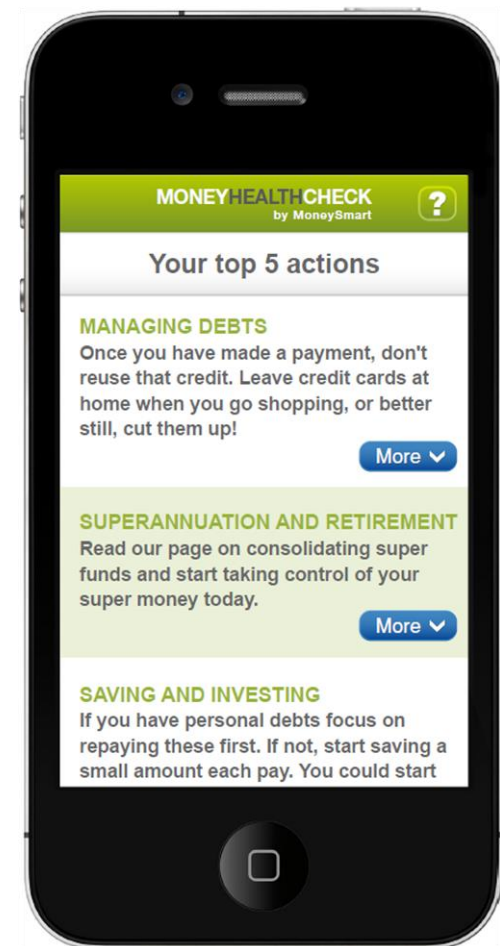
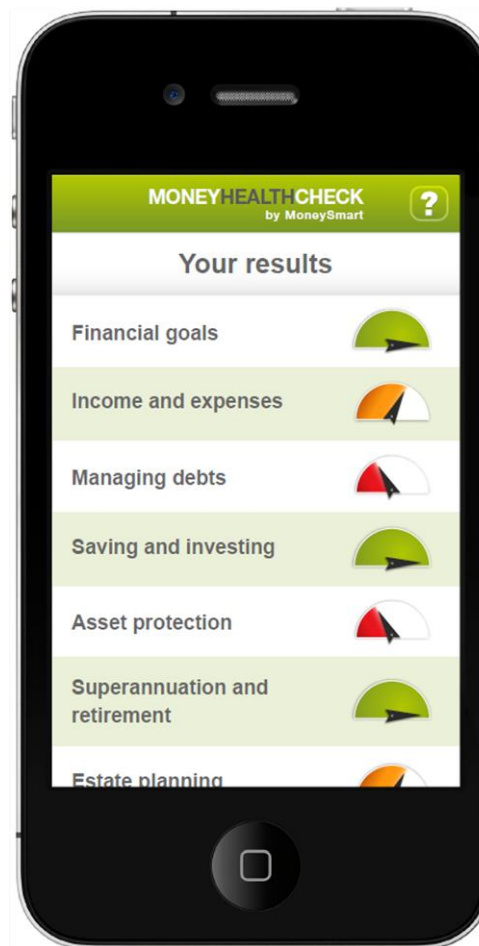
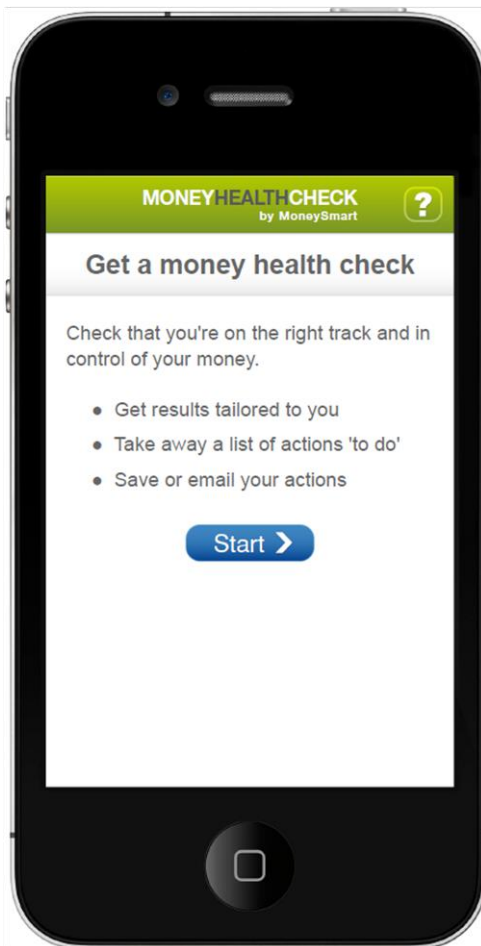


Print and web publications



moneysmart.gov.au/tools-and-resources

Money health check



Apps to track spending and saving



Budget planner

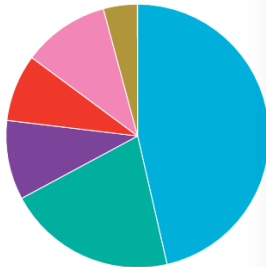
Budget planner Budget 2015

View: **Annually**

Income	\$87,100
Home & utilities	-\$39,620
Insurance & financial	-\$17,720
Groceries	-\$8,320
Personal & medical	-\$7,040
Entertainment & eat-out	-\$9,100
Transport & auto	-\$3,580
Children	\$0
Summary	\$1,720

Congratulations! Your budget is in surplus. (i.e Income: \$87,100 vs Expenses: \$85,380)

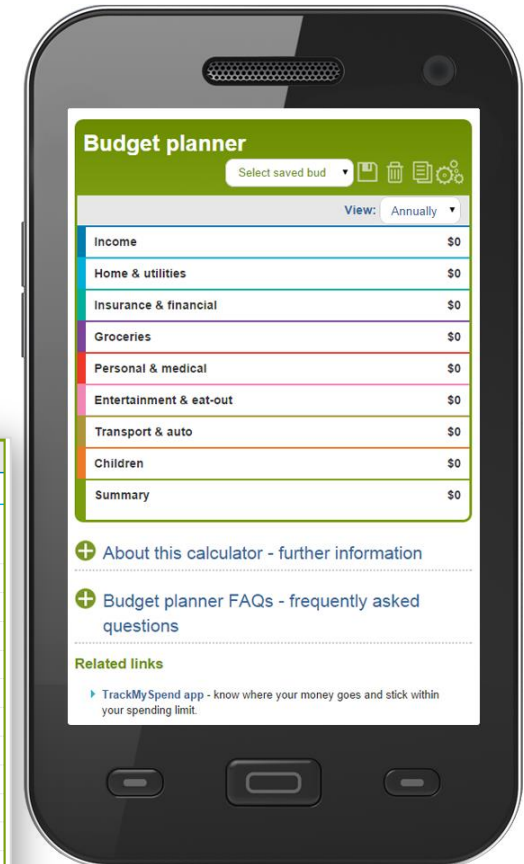
Annually spending breakdown:





Home & utilities: \$39,620 Insurance & Financial: \$17,720 Groceries: \$8,320 Personal & Medical: \$7,040 Transport & Auto: \$3,580 Children: \$0

View: **Fortnightly**

Income	\$3,350
Home & utilities	-\$1,524
Mortgage & rent	550 Weekly \$1,100
Body corporate fees	Weekly
Council rates	5,500 Annually \$212
Furniture & appliances	40 Fortnightly \$40
Renovations & maintenance	40 Fortnightly \$40
Electricity	170 Quarterly \$26
Gas	40 Monthly \$18
Water	Weekly
Internet	100 Monthly \$46
Pay TV	Weekly
Home phone	Weekly
Mobile	90 Monthly \$42
Other	Weekly
Insurance & financial	-\$682
Groceries	-\$320
Personal & medical	-\$271
Entertainment & eat-out	-\$350
Transport & auto	-\$138



Women's money toolkit

 **Trouble with debt** 



Did you know...
The average debt per credit card holder: \$4,200

Top tips

- It can be fun getting into debt, but it's not much fun getting out of it
- Seek assistance from a free financial counsellor or get free legal help

Action

- Go to [Trouble with debt](#)
- Use the [Credit card calculator](#)
- Consider talking to a [financial counsellor](#)

 **Losing your partner** 

Did you know...
Be patient and compassionate with yourself as you adjust to your new life

Top tips

- Seek out emotional support and take care of yourself
- Speak with a trusted friend or family member or consider approaching a financial adviser about your money situation

Action

- Go to [Losing your partner](#)
- Use the [Budget planner](#)
- Consider talking to a [financial counsellor](#)

 **Divorce & separation** 

Did you know...
In 2010 the median age for females at divorce was 41.5 years

Top tips

- Moving on from an unhappy relationship is a good time to set some goals to make you happier and in control
- Adjust to a change in income by doing a financial stocktake

Action

- Go to [Divorce or separation](#)
- Use the [Budget planner](#) and the [Retirement planner](#)

Joint initiative with Prime Minister & Cabinet – Office for Women:
tailored content, covering relevant life events [due mid-2015]

eLearning modules for intermediaries



LEARN CONNECT
COLLABORATE ACHIEVE



Good
Learning

- Jointly with Prime Minister & Cabinet – Office for Women and Good Shepherd Microfinance
- Enhance knowledge and skills of **intermediaries** (frontline staff and volunteers):
 - Relationships and money
 - Financial abuse
 - Referral options (incl. ASIC's MoneySmart resources)



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ASIC's MoneySmart Teaching program

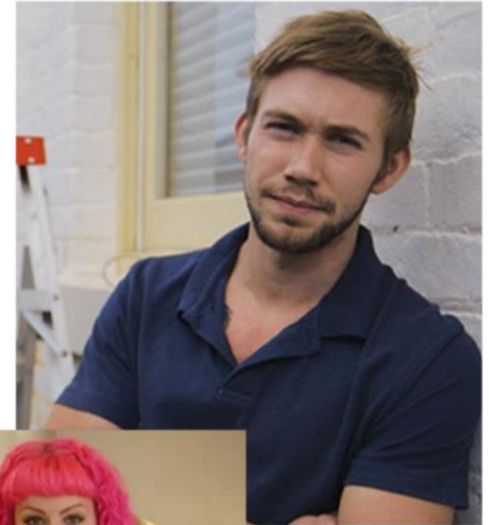
- Teaches young people **good money habits**
- Builds teacher capability
- Provides resources for primary, secondary, VET
- Aligns to the Australian Curriculum



moneysmart.gov.au/teaching

ASIC's *Be MoneySmart* resource

- For **apprentices and trainees**:
 - unit of competency (FNSFLT301)
 - import into any Certificate III
 - or use for non-accredited training
- **Five online modules**:
 - Saving, budgeting, spending
 - Personal tax
 - Superannuation
 - Debt management
 - Insurance



Be MoneySmart

- Videos of young people in different occupations
- Guided by an online mentor
- Built around real life examples

The screenshot shows the 'Saving, budgeting & spending' section of the MoneySmart Teaching website. At the top, there's a navigation bar with 'Glossary' and 'A A' buttons. Below this, a row of tabs includes 'Adviser' (selected), 'Will', 'Kaz', and 'Sam'. The main content area is titled 'Making a plan' and includes a video player. To the left of the video, there are two instructional boxes: one with a play button icon saying 'Use the tabs above the video player to view all clips.' and another with a notepad icon saying 'The following activities in the Student workbook should be completed now.' followed by two activity prompts. The video player itself shows a man speaking and contains the text: 'Ask yourself What am I like? - Get to know your own strengths and weaknesses in dealing with money – your “financial personality”. What do I want? - Be really clear about what you want and you have a much better chance of achieving it.' The video progress bar shows 0:32 / 1:05. At the bottom, there's a progress indicator with 10 steps, where steps 1 and 2 are completed. A 'Save & exit' button is in the bottom right. The footer includes the copyright '© ASIC 2015', the Australian Government coat of arms, the ASIC logo, and the 'ASIC's MONEYSMART Teaching' branding.

moneysmart.gov.au/teaching

Financial literacy resources



financialliteracy.gov.au

Financial Literacy Community of Practice

- ASIC hosts a national videoconference on the **last Friday** of the month
- Australian/international speakers present
- **750+ members** network and share



Contacts for more information

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