



Secretariat
Task Force on Review of School Curriculum
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Dear Sir/Madam

Responses to the consultation on the Review of School Curriculum

On behalf of the Investor and Financial Education Council (IFEC) and 29 supporting organisations of the Financial Literacy Strategy, we are delighted to see the Task Force's efforts in reviewing the school curriculum and are pleased to share our views on the Task Force's initial recommendations.

Importance of financial literacy

We agree with the initial recommendations in the consultation document that i) Whole-person Development should be reinforced, and that ii) Values Education in schools accorded higher priority, Life Education strengthened, and Life Planning Education should start early at upper primary and junior secondary levels. In relation to this, financial literacy is an integral element of Whole-person Development and Values Education, but is not mentioned nor given due prominence in the current curriculum. This omission should be addressed in this review.

Financial literacy is an essential life skill for individuals and society at large. A low level of financial literacy contributes to ill-informed financial decisions, and these decisions could, in turn, have adverse effects on a person, the household they live in and society in general. As a result, financial literacy is now globally accepted as an important factor to enhance social stability and development. This is reflected in the G20 endorsement of the OECD/INFE High-level Principles on National Strategies for Financial Education¹.

With regard to school curriculum, financial literacy is increasingly recognised as an essential subject matter for students across the globe. Since 2012, the OECD has included financial literacy as one of the domains in its Programme for International Student Assessment (PISA)². In addition, the World Economic Forum has included financial literacy as one of the six foundational literacies and one of the sixteen skills students require for the 21st century³. Unfortunately, curriculum development in Hong Kong has been unable to keep up with the pace of change, and financial literacy remains to be an area without a clear focus.

Financial education should start as early as possible

Financial education is a process intended to increase the financial literacy level of people. The OECD advises that "*People should be educated about financial matters as early as possible in their lives*"⁴. Two main reasons to support this recommendation are: focusing on children to provide them with key life skills before they start to become active financial consumers; and the relative efficiency of providing financial education early in life rather than attempting remedial actions in adulthood.

¹ G20 (2012), "G20 Leaders Declaration", Los Cabos, www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/131069.pdf; OECD/INFE (2012), OECD/INFE High-Level Principles on National Strategies for Financial Education, OECD, Paris, www.oecd.org/daf/fin/financial-education/OECD-INFE-Principles-National-Strategies-Financial-Education.pdf

² OECD (2012), PISA 2012 Frameworks - Mathematics, Problem Solving and Financial Literacy, www.oecd.org/pisa/pisaproducts/PISA%202012%20framework%20e-book_final.pdf

³ New Vision for Education, World Economic Forum, 2015, www3.weforum.org/docs/WEFUSA_NewVisionforEducation_Report2015.pdf

⁴ OECD (2005a), Recommendation on Principles and Good Practices for Financial Education and Awareness, OECD Publishing, Paris, www.oecd.org/finance/financial-education/35108560.pdf



Financial education enhances Life Planning Education

When people plan for their future, they inevitably need to understand and take into account the financial considerations, such as income, savings and expenses, in order to achieve and sustain their life goals.

Hence, we believe financial education should form part of Life Planning Education and start early in primary schools. This is in line with the Task Force's initial recommendation that Life Planning Education should start early at upper primary and junior secondary levels.

Financial education strengthens Whole-person Development and Values Education

Among the five key domains that Whole-person Development targets to develop among students, financial education provides life-wide learning experiences in relation to managing money and addresses the moral (德) and social (群) aspects. Financial education can provide many life event examples for Whole-person Development.

Managing a person's finances responsibly is an essential attribute which should also be highlighted in the curriculum framework. This would be coherent with and supports the values and attributes, such as responsibility, commitment and self-management skills, purported in the curriculum framework. However, financial education is not included in the existing approach and curriculum document in implementing Values Education.

Giving prominence to financial literacy in school curriculum

OCED/INFE recommends that "*financial education should ideally be a core part of the school curriculum. It can be, but need not be, taught as a 'stand-alone' subject; integration into other subjects like mathematics, economics, social science or citizenship can also be effective. Financial education can give a range of 'real life' contexts across a range of subjects.*"⁵

In Hong Kong, according to a research conducted by the IFEC⁶, there are financial literacy elements scattered among different school subjects in the current school curriculum. However, there is no dedicated staff support or central coordination for financial education and the learning needs of students are not addressed holistically.

The task force's initial recommendations, that Whole-person Development should be reinforced and that Values Education in schools accorded higher priority, are in line with the need for financial education. We agree with the curriculum's emphasis on Whole-person Development and Value Education, fostering students' balanced development of essential attributes. Meanwhile, we urge that financial literacy be given more prominence in the revised curriculum so that children in Hong Kong are well equipped for the 21st century, remain competitive and do not lag their counterparts in other developed economies. Money management skills should be included as a generic skill in the curriculum framework. In addition, while financial education is usually infused throughout the school curriculum, a holistic approach needs to be adopted to ensure that the various financial literacy elements are adequately covered.

Yours faithfully

Rex Auyeung
Board Member, Investor and Financial Education Council
Chairperson, Financial Education Co-ordination Committee of the Financial Literacy Strategy

⁵ OECD/INFE (2012), Financial Education in Schools, www.oecd.org/daf/fin/financial-education/2012%20Schools%20Guidelines.pdf

⁶ IFEC (2014), Understanding Financial Literacy in Schools, www.ifec.org.hk/common/pdf/about_iec/IEC-Research-Understanding-Financial-Literacy-in-Schools-2014.pdf

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