



*A response from The Australian Association of Mathematics Teachers Inc.
to The Consumer and Financial Literacy Taskforce discussion paper*

Australian Consumers and Money

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The Australian Association of Mathematics Teachers (AAMT) welcomes the attention currently being given to issues of consumer and financial literacy and to the challenge of ensuring that all members of the community are appropriately equipped to participate in an increasingly complex financial environment. The Association valued the opportunity to provide input to the Curriculum Corporation report *Consumer and Financial Education in Australian Schools* through representation on the contributing focus and reference groups, and looks forward to continuing to make a contribution in the area in partnership with others who have similar concerns and aspirations.

There are several reasons for the Association's interest in these issues. Foremost among these is our members' commitment, as teachers, to educating the 'whole' student to become good citizens able to deal with the demands of the society in which they live. We are in no doubt that young peoples' education in mathematics is an important contributor to this. Teachers of mathematics see developing the mathematical underpinnings and ways of thinking that enable financial and consumer literacy as essential components of developing those important generic skills. The mathematics of financial and consumer literacy is therefore important in and of itself. These skills and orientations fit within teachers' aspirations for students' overall mathematical development.

On the one hand they are important ends in themselves; on the other they link with and reinforce that more general development. For example the orientation to ask oneself the question "What would be the impact of an increase in interest rates of 2% for two years on this mortgage and my ability to repay the loan?" and the ability to make a decision based on some mathematical analysis has a lot in common, mathematically at least, to estimating how much longer a road trip will take if there is bad weather en route, working out the impact of the team falling behind the required run rate in a cricket match or any number of applications of these sorts of mathematical models in the workplace and civic life. Hence it is fair to say mathematics teachers will come to this work with dual purposes. They will be looking both to contribute to students' financial and consumer literacy outcomes and to build this into the students' broader mathematical development.

The Consumer and Financial Literacy Taskforce discussion paper *Australian Consumers and Money* makes several mentions of the importance of school education to improving consumer and financial literacy in the population, including the extensive Curriculum Corporation report included as Appendix 4. This has also been recognised in other parts of the world, and there is a significant emphasis on school education amongst the overseas initiatives described in the discussion paper (pp 50-65). It is perhaps a little surprising, therefore, that the place of teachers and schools is not explicitly recognised in some other parts of the paper: for example, in the list of those with a role to play in embedding consumer and financial literacy in the Australian culture (p 18 of the Summary document); the list of those currently providing consumer education (pp 51-52 of the full document); and the sample list of those who could work together in educating the population about avoiding "scams" (p76). These are, in themselves, small oversights. However, there is a danger that they may be perceived by some as indicating that school education is not in fact high on the list of priorities. It is important that the contribution of teachers and schools in this area is not seen as being relegated to an appendix.

Comments in response to Question 3.1 (regarding the extent to which Australians' needs are met by currently available consumer and financial education programs):

Examination of the *Consumer and Financial Literacy Education Stocktake* reveals very few resources developed specifically for teachers or for use in school education. In fact, teachers are not even listed in Figure 3.1 of the discussion paper (which indicates the number of initiatives in the *Stocktake* directed at various target audiences). This suggests that there is probably a general shortage of resources which meet the needs identified by teachers involved in the Curriculum Corporation research reported in Appendix 4 to the discussion paper.

With respect to awareness of what is available: some teachers will have good knowledge of some resources, and teachers generally have good research skills and the capacity to find information they need. However, it is likely to be a problem for many people that they do not know what information they ought to be searching for in the first place. A central repository for finding and obtaining appropriate materials does not currently exist and it is likely that such a resource would be valuable.

Comments in response to Question 4.1 (regarding the possible establishment of a body to promote and facilitate a coordinated and targeted approach to consumer and financial information in Australia):

The AAMT has previously indicated (in response to the ASIC discussion paper *Financial Literacy in Schools*) its in principle support for a national coordinating body focussed on improving financial literacy across the population. If such a body is to achieve this aim, then it will require contributions from a broad range of stakeholders: the education, industry, community and government sectors have different types of resources and areas of expertise, all of which will be required in order to approach the problem. However, if funds are provided by industry then one of the challenges will be to ensure that the independence of the organisation (both actual and perceived) from particular commercial interests is maintained.

One area in which such cross-sectoral collaboration is important is the production of resources for use in school education. Schooling has a multiplicity of concerns, and resource development requires expert input from educators as well as from members of the financial services sector. Teaching and learning principles, contemporary pedagogical practices, student choice, ownership and negotiation of curriculum are all important to consider if a resource is to be in line with current trends in education. One of the roles of the proposed body might be the facilitation of collaborations between the various stakeholders mentioned above to produce high quality resources for use by teachers.

We applaud the statement on page 68 that the proposed national body would “have a focus on schools education and work with educators to raise the level of consumer and financial education taught in schools”. In particular, we welcome this recognition of the need to work *with* educators rather than provide materials and training *for* educators. Improvement on the current situation will hinge on involving teachers in the conversation at all levels, and recognising that any attempt to impose changes in financial literacy education from an external perspective is unlikely to succeed.

It will also be necessary that this body operates with due regard to one of the key tenets of the Consumer Behaviour Model presented in the discussion paper - that provision of

information is not in itself sufficient to combat poor decision making in consumer and financial matters.

We note that the only mention of school education in the list of functions of the proposed body (pp 77-78) is the specific issue of resource accreditation. Supporting the provision of appropriate professional development opportunities for teachers (and other measures identified in the Curriculum Corporation report) does not seem to be covered, unless this is to be dealt with under the “modest grants” program. We agree that there is a need to support teachers in this way, and it should be noted that this requires a commitment of resources. Professional development needs to be well-supported, relevant and ongoing, and is not something that can be done to teachers. Modern theory and practice of teacher professional development will need to be referenced in the development of programs and approaches.

The problem of “measuring and benchmarking” will not be a simple one to address given the rapidly evolving nature of the area. It is important that whatever measures are used are focussed on principles which will continue to be relevant over time, rather than on specific areas of knowledge which may become redundant or inadequate. Our focus must be on teaching broad skills which will equip students for their future needs, recognising that the emphasis must be on teaching *for* financial literacy rather than the teaching *of* financial literacy.

The proposed function of “accrediting” resources for schools may well help to assist quality assurance of resources used by teachers. It needs to be noted that quality assurance of the materials would not ensure quality of their use by teachers — professional development is the key component in this. Such an accrediting function would need to be very carefully planned and may prove unworkable at other than a very basic level such as not accrediting materials with patently incorrect or misleading information.

Other mentioned roles for the proposed body (such as maintaining a “clearinghouse” website for consumer and financial information and conducting public awareness campaigns) are likely to be useful activities.

Some additional comments:

We are concerned at the equating of “poor numeracy” with “the inability to perform basic multiplication” (p. 36). Technical facility with calculations is certainly not sufficient, and is perhaps not even necessary, for a person to be considered to have adequate skills in numeracy.

We are also somewhat uneasy about the apparent over-simplification in the statement that greater take-up of consumer and financial literacy in the school curriculum is a matter of “improved teacher development” (!) and quality control of school resources developed by other organizations (page 17 of the Summary document). This appears to gloss over a large number of issues which are canvassed and discussed in the Curriculum Corporation report (including overcrowding of the curriculum, increasing demands on teachers’ time, the difficulties associated with finding a place in the curriculum so that all students are provided with adequate opportunities to engage with financial literacy, and the need for new initiatives to be adequately supported in terms of both materials and teacher time for implementation).

When considering ideas such as the “life stage approach” etc (p. 47) it is extremely important that we also cater for the needs of people who do not “fit the pattern”. It is

important that the financial literacy education agenda addresses the needs of *all* students, recognising different personal, home and cultural experiences. In particular, this must encompass the idea that a “wealth accumulation” emphasis will not meet the financial literacy needs of a great many students.