education and/for social justice

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Conference Program

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Session Overview

Session

G.06.: Financial inclusion starts in school

Time: **Tuesday, 04/June/2024: 5:00pm - 6:45pm**

Location: **Room 10**

Building A Viale Sant'Ignazio 70-74-76

Convenors: Luca Refrigeri (Università del Molise, Italy); Maria Iride Vangelisti (Banca d'Italia, Italy)

Presentations

Providing Access to 'Powerful' Financial Knowledge: A Financial Literacy Programme for School Students

Emanuel Mizzi
University of Malta, Malta

There is an urgent need of financial inclusion that provides adequate financial education to all young people, especially those who do not study the business education subjects (e.g., Farrugia, 2021; Greimel-Fuhrmann et al., 2016; Mizzi, 2021a, b). All school students have a right to epistemic access to 'powerful' financial knowledge that helps them to think and act in new ways and guide their financial decisions (Young, 2015).

This paper proposes a financial literacy programme for the lower secondary school years that includes the 'powerful' financial knowledge identified by the participants in a research study conducted by the author that explored school economics education in Malta. The notion of 'powerful knowledge' refers to disciplinary knowledge that, when learned, empowers students to make decisions in a way that will influence their lives in a positive way (Young, 2008).

The underlying conceptual framework for this study is critical realism, which offers an understanding of the world that is real but which may be differently experienced and interpreted by different observers (Bhaskar, 1979; Fletcher, 2017). This qualitative research involved interviewing and observing fourteen economics teachers, together with four focus group interviews with students. Data was analysed thematically with the help of Nvivo software. Financial literacy emerged as a main theme.

The financial literacy programme proposed in this paper is based on the findings of this study and underpinned by the notions of threshold concepts and powerful knowledge. The financial education of students needs to be based on what constitutes powerful knowledge in the area of financial literacy. The consideration of the relationship between financial literacy, powerful knowledge and threshold concepts assists the reflection, policy development and practice relating to effective financial inclusion.

~~**The financial education project of Roma Tre University.**~~

~~**Francesca Borruso, Amalia Rizzo, Ada Manfreda**~~
~~Roma Tre University, Italy~~

~~Financial education in schools of any level, starting from nursery school, has eventually been the subject of greater institutional attention in recent years, as proved by a specific project of Law (A.S. 674). Issues relating to finance, savings and investment must acquire visibility within civic education itself and from an interdisciplinary perspective across the whole training curriculum, with the aim of making all individuals aware and capable of participating fully to the economic life of their country. Such a choice of cultural and educational policy is of strategic significance for the exercise of an authentic, inclusive and active citizenship aimed at combating gender and class discriminations as well as the many forms of social marginality characterized by socio-cultural and economy gaps that, instead of decreasing, are increasing in western societies (Streeck, 2013). Even today, the economic-financial culture remains the prerogative of an élite; therefore, the formalization of literacy and linguistic familiarity systematically and on a large scale in institutional training courses, would prove invaluable in influencing emancipation processes and overcoming social marginalization of individuals and groups.~~

~~For these reasons, the cultural policy of our internship office has included, within the Primary Education Sciences course of the Roma Tre University (Rizzo A., Riccardi V., 2022), a series of meetings on the topics of financial education within the scope of indirect curricular internship for students of the third and fourth classes in the academic years 2022-2023 and 2023-2024.~~

~~This was possible thanks to a memorandum of understanding with the Bank of Italy Financial Education Department, allowing for synergic and interdisciplinary collaboration between the BI economists and the coordinators and organizers of our course by combining pedagogical reflexivity and teaching tools with economic-financial knowledge. Thus, our contribution is meant to focus on the political cultural reasons supporting our training offer (Borruso, 2023, pp.21-26) and financial education laboratories (Nigris, 2010).~~

~~**Comparing Teaching Methodologies for the Development of Financial Literacy in a Primary School: An Explorative and Evidence-Based Study**~~

~~**Giovanna Andreatti, Monica Parricchi, Daniele Morselli, Doris Kofler**~~
~~Free University of Bozen-Bolzano, Italy~~

~~Financial literacy is increasingly seen as an essential skill to participate in social life, that is characterized by growing complexity and the shift of financial responsibility from governments to citizens (Amagir et al., 2018). International surveys show that there is a low level of financial literacy on all continents, accompanied by high levels of stress in the daily management of finances and poor financial resilience (OECD, 2020a). In Italy, the level of financial literacy, divided into knowledge, behaviors and attitudes, is low in both adults (Banca d'Italia, 2023) and adolescents (OECD, 2020b). These results place Italy among economies with statistically lower performance compared to the OECD average, meaning a high number of individuals are low performers and thus lack the essential minimum skills for making informed and responsible financial decisions (Refrigeri, 2020).~~

~~Recognizing the importance of financial education for promoting active and sustainable citizenship, as well as achieving personal, social and economic well-being, there is a need to involve educational institutions with a more systematic approach, both horizontally and vertically, in a lifelong learning perspective (Parricchi, 2020). In particular, international frameworks for financial education (European Union & OECD, 2023) highlight the need to develop knowledge, behaviors and skills in Money and Transaction (managing money in the short and long term), Planning and Managing Finances (making informed financial choices), Risk and Reward (understanding and managing financial risks), and Financial Landscape~~

~~(knowing key financial products and services). However, little is specified regarding the teaching and pedagogical methodologies to be used in schools to support the development of these competencies.~~

~~Based on this semantic framework and the need to guide research in the educational field towards the most effective teaching methodologies in financial education, this exploratory research adopts a case study methodology. The aim is to investigate which teaching methodology, between Game Based Learning and Cooperative Learning, is more effective in educational paths aimed at developing financial literacy in primary schools. The choice of the two teaching methodologies is based on the identification of the six clusters of innovative pedagogies (Paniagua & Istance, 2018), with a particular focus on two of them: Experiential Learning and Gamification.~~

~~Two fifth-grade classes from a primary school in Trentino are involved, with each class being presented with six two-hour modules on topics consistent with the Financial Competence Framework for Children and Youth (European Union & OECD, 2023). One class tackles the learning modules using the Cooperative Learning methodology, following the principles of Learning Together (Johnson et al., 2021), while the other class adopts the Game-Based Learning methodology (Nesti, 2017), using the Jun€co program developed by the Amiotti Foundation.~~

~~To assess the educational impact of the teaching methodologies used, pre and post tests following the Invalsi model are employed, calculating the effectiveness index (d index) (Hattie, 2023). Open-ended written questions, examined through thematic analysis, are also used to gain a deeper understanding of the studied phenomenon.~~
~~The results are discussed based on evidence-based research on financial education, as well as on Cooperative Learning and Game-Based Learning methodologies.~~

~~Financial Education In Italy: Training The Future Teachers~~

~~**Claudia Maurini[1], Maria Iride Vangelisti[1], Carlotta Rossi[1], Luca Refrigeri[2]**~~
~~[1]Bank of Italy, Italy; [2]Università del Molise~~

~~In the academic year 2021-22, the Bank of Italy initiated a pilot project aimed at integrating financial education into primary teacher education university programs (*Progetto Scienze della Formazione Primaria*; SFP project, from here on). These programs award the degree required for teaching in primary schools nationwide.~~

~~The SFP project serves as a valuable addition to the ongoing efforts led by the Bank of Italy, spanning over more than a decade, in providing teacher training on economic and financial topics (De Bonis et al.,2022). It addresses a common challenge, as teachers, particularly those in primary schools, often hesitate to engage voluntarily in such training due to their lack of confidence in dealing with economic and financial matters.~~

~~The effectiveness of this initiative lies in its considerable potential for a widespread, multiplicative impact. Each aspiring teacher exposed to the training has the capacity to share interest and knowledge in financial education, potentially reaching multiple schools, many prospective students, and fellow teachers. Moreover, the training may prove beneficial in itself for the university students who, as young adults with a typically lower level of financial literacy, are on the brink of entering the workforce. This is particularly valuable as they prepare to earn a salary and make crucial financial decisions.~~

~~Furthermore, students stand to gain greater benefits when taught by educators who possess a deeper understanding of economic and financial concepts. Agasisti et al. (2023) demonstrate that the financial education program provided by the Bank of Italy yields more significant improvements in students' financial literacy when delivered by teachers with prior experience in economic and financial subjects.~~

~~Following the initial pilot year, during the academic year 2022-23, the Bank of Italy, collaborating with its regional branches, successfully signed partnerships with nine universities. This collaboration ultimately extended financial education training to approximately 1400 students/perspective teachers, covering some of the topics outlined in the OECD-INFE financial competence framework for young people. (https://www.oecd.org/daf/fin/financial-education/financial-competence-framework-youth-european-union.htm).~~

~~In the current academic year, the SFP project is further expanding to more universities and regions. In the spring of 2024, data for the ongoing academic year will become available, including aggregate information on how students have responded to and evaluated this initiative. These data will be documented and discussed in the upcoming paper.~~

~~"Discovering Finance": A Preliminary Evaluation of a Financial Education Project for Primary Schools~~

~~**Giulia Bettin**~~
~~Università Politecnica delle Marche, Italy~~

~~The "Alla scoperta della finanza (Discovering finance)" project, undertaken with fifth-grade classes in primary schools across selected institutions in the province of Ancona, aims to instigate elementary reflections on economic and financial matters among children starting from fundamental concepts like money, savings, and investment.~~

~~The project consisted of three sessions with chosen classes, presenting educational content through playful activities, role-playing exercises, and brief frontal teaching segments. Before and after each session, students completed two questionnaires to gauge their initial understanding of economic-financial topics and to assess the knowledge and skills acquired during the activities.~~

~~Similar pre- and post-questionnaires were administered to students of the same age in other classes within the same school to establish a control group. Additionally, a supplementary questionnaire was distributed to the parents of participating children. The analysis of the collected data enables an initial assessment of the project's impact and provides valuable insights to enhance its effectiveness in the future.~~

~~Financial Knowledge and Household Vulnerability. Evidence from Italy~~

~~**Riccardo Grazioli**~~
~~University of Milan - Department of Social and Political Sciences~~

~~The 'everyday financialisation' that has been taking place for more than twenty years has increased the interest of institutions, international organisations, central banks and academic research in financial literacy and the consequent implementation of strategies to promote it – such as financial education initiatives – for the development of financial capability and the pursuit of financial well-being. However, this widespread attention by academics and major institutions has been matched by a paucity of empirical analysis testing the role of financial competences in protecting against social exclusion.~~
~~This study aims to investigate the relation between vulnerability and financial knowledge – the main component of financial literacy – trying to test whether higher levels of knowledge help to prevent a household's vulnerability and thus reduce its risk of financial and social exclusion.~~
~~The analysis was conducted using mono- and multivariate linear regression models, contingency tables and a multivariate logistic model (with interactions), applied to a sample of households resident in Italy (N=4,412), obtained from the harmonised unification of the datasets of the first two waves (2017 and 2020) of the Bank of Italy's Survey on the Financial Literacy and Competences of Italians (IACOFI). Financial vulnerability was assessed by combining two indicators: one expressing the resilience of households to the adverse shock of losing the main source of income, and the other the ability to cope with unexpected expenses. Instead, the level of financial knowledge was measured using the FK index proposed by the OECD/INFE.~~
~~The main result shows that 56.6% of households are in a state of financial vulnerability and that, in general, the probability of vulnerability decreases as the level of knowledge increases. The young (18-34) are the most vulnerable and the elderly (over 65) the least vulnerable, the age groups where financial knowledge reduces the probability of vulnerability the most. As expected, education level, employment status and area of residence are factors that influence knowledge and vulnerability, showing the effects of financial socialisation processes.~~
~~Saving reduces vulnerability, but analysis of the interaction between its modalities and knowledge shows the relevance of all three components of literacy (knowledge, behaviour and attitudes). In order to reduce the probability of vulnerability, it is necessary to have not only the ability to save, but also the financial knowledge to channel savings into a formal mode.~~
~~Finally, the analysis confirms the existence of the phenomena of chronicisation and overconfidence also in relation to the financial dimension of vulnerability. In the first case, households that have been in a vulnerable situation in the past have a very high probability of being in the same situation in the future, for which increased knowledge can only play a preventive role, not a liberating one. In the second case, households with an excess of financial self-efficacy show an increase in the probability of vulnerability of up to 24.7 percentage points more than those who do not overestimate their knowledge. There is therefore a need not only to increase financial knowledge, but also to raise individuals' awareness of the mismatch between objective knowledge and subjective perceptions.~~