



# SNAPSHOTS

Global Assessment // Local Impact

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## Australian students: Attitudes to money and finance

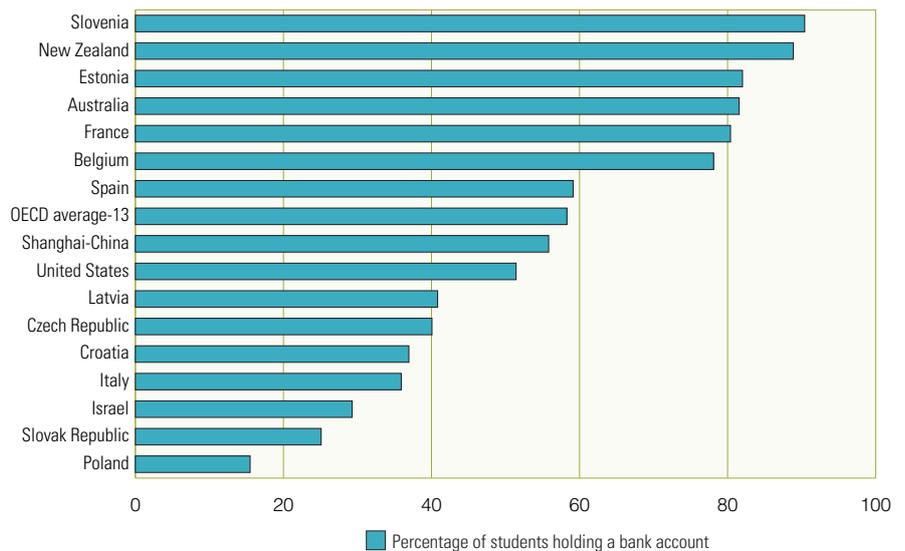
Surveys like the Programme for International Student Assessment (PISA), Trends in International Mathematics and Science Study (TIMSS) and Progress in International Reading Literacy Study (PIRLS) enable educators, policy makers and the wider community to compare Australian students with each other, as well as their counterparts across the world.

In the previous edition of *Snapshots*, we described the assessment of financial literacy within PISA, and compared results for Australian students with those of students in other countries.

In this *Snapshots*, we take a closer look at the Australian data on financial literacy, and in particular the relationships between students' experiences with money and their performance on the assessment. As with all elements of literacy, students not only need knowledge, understanding and skills in the area of finance, but also need positive attitudes, motivation and confidence.

## TALKING POINT:

These findings would be a great way to begin a discussion with your students about money. You could ask them whether they agree and why.



It is the combination of these that best equips students to make decisions about finances that will contribute to their wellbeing and enable them to participate productively in the economy.

### Bank accounts

Does having a bank account make you more savvy with money, or do you get a bank account *because* you're more savvy with money?

We can't tell just from this one-off survey, but either way makes sense. Having a good understanding of financial products might mean that a student is more likely to get their own bank account rather than ask their parents to look after any money they have. On the other hand, if a student has a bank account already it might mean that they are more inclined to learn

more about relevant financial issues. Cross-cultural historical research, published in 2012 by Sheldon Garon, suggests that countries that fostered banking habits among children in the past tend to display higher rates of saving in recent decades.

Most Australian 15-year-old students – 82 per cent – have a bank account, not quite as high as in Slovenia or New Zealand, which are the only two participating countries in which 15-year-old students are able to open a bank account without the consent of their parents, but a much higher percentage in Australia than in many other countries, including the United States.

An interesting finding is that, while Australian girls were more likely to hold a bank account than boys, the score difference in financial literacy was only significantly lower amongst girls who did and did not have a bank account.

### Number of girls and boys who ...



85% 77%  
15% 23%

Have a bank account

539

540

Do not have a bank account

505

520

### Financial literacy score

Whether students are using financial products, such as a bank account, also depends on whether they have access to money. Investigating where girls and boys obtain money, PISA found that:

- ▶ Across the OECD on average, it's more likely for boys than girls to receive money from working outside school, but in Australia this was the other way around.
- ▶ Girls were more likely than boys to earn money from gifts, and from working outside school, either in part-time or holiday jobs or in informal occasional jobs like babysitting.
- ▶ Boys were more likely than girls to earn money from working in a family business or from selling things.

## Attitudes to money

Students were asked who or what influences their spending behaviour. For the vast majority of Australian students, the need to 'fit in' and advertising, particularly TV and radio advertising, were the main influences. Interestingly, the influence of friends was rated the lowest.

- ▶ Boys were significantly more likely than girls to say that the main influence on spending was the need to 'fit in'.
- ▶ Boys were also more likely than girls to say that their friends, or advertising in magazines and newspapers, influenced their spending.



### POINTS TO PONDER:

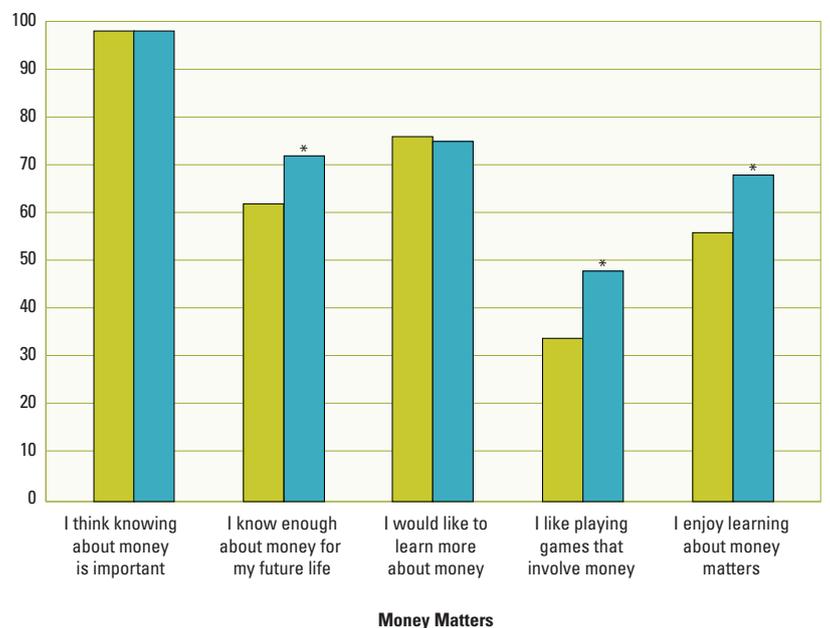
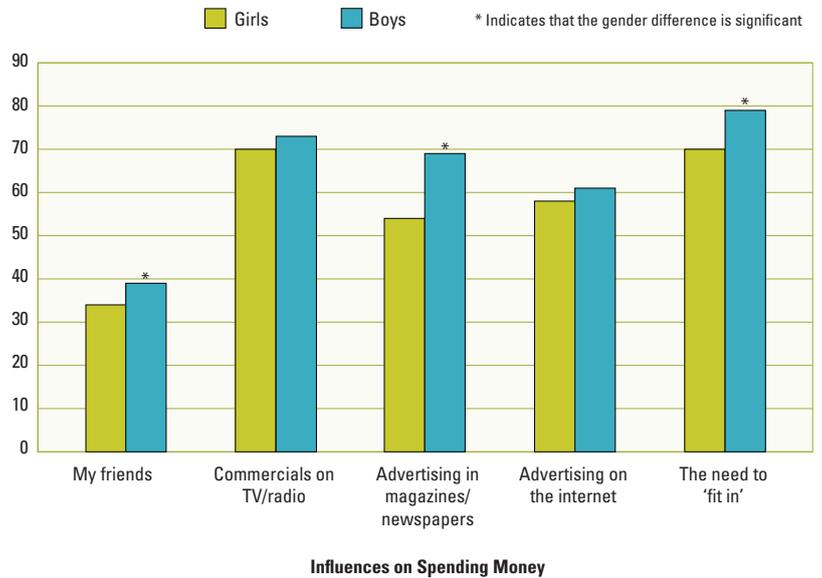
Why do you think that more 15-year-old girls than boys work outside the home? What effect do you think this should have on their knowledge of financial issues?

Studies of adults' financial literacy in Australia have shown that men have better financial knowledge than women. Why do you think this is?

Students were also asked whether they agreed or disagreed to a number of statements about money.

- ▶ Almost all students think that knowing about money is important.
- ▶ Three-quarters of both boys and girls would like to learn more about money and more than half said they enjoyed learning about money matters.
- ▶ Sixty-two per cent of girls and 72 per cent of boys believe they know enough about money for their future lives.

This potential conflict, between wanting to learn more and believing they already know enough, may make educating young people about more complex financial issues difficult, particularly if those more complex issues do not have a direct bearing on their current, or at least near future, lives.



Australia's participation in the PISA 2012 financial literacy study was managed by ACER and funded by the Australian Securities and Investment Commission.

The data presented here are drawn from the Programme for International Student Assessment (PISA), which together with the Trends in International Mathematics and Science Study (TIMSS) and the Progress in International Reading Literacy Study (PIRLS), form the suite of international comparative education studies in which Australian students participate as part of Australia's National Assessment Program. Further information about Australia's participation in PISA can be found at [www.acer.edu.au/pisa](http://www.acer.edu.au/pisa).

**REFERENCES:** S. Garon, 2012, *Beyond Our Means: Why America spends while the world saves*. Princeton: Princeton University Press.

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