
State of Financial Education In Canada

Report: November, 2015



Prepared for TD Bank Group by the
Canadian Foundation for Economic Education (CFEE)

Executive Summary

TD Bank Group has an extensive history and record of philanthropic activity – supporting a wide variety of causes and organizations. In recent years, TD has assigned attention and resources to the goal of improving financial literacy in Canada. The Bank has supported organizations that work in the field (e.g. ABC Life Literacy, Junior Achievement, Prosper Canada, and others), has provided volunteers who support programs at the local level, and has undertaken research to explore the challenge and identify needs and opportunities.

There is a need for coordination between federal and provincial governments to achieve the goals. The federal government should play the role of catalyst, coordinator and facilitator, providing resources and educational support. The provinces/territories should be the primary level of government implementing the strategy for youth through the education system, and for youth and adults through government offices or through the voluntary sector (charities and non-profit organizations that have a comparative advantage at dealing with target groups).

Source: Dollars and Sense: The Urgent Need for Lifelong Financial Literacy. TD Bank Group – Craig Alexander, Senior Vice-President and Chief Economist, James Marple, Senior Economist, TD Economics, 2010

Recognizing that schools play an important role in preparing our children for their financial futures, TD commissioned the Canadian Foundation for Economic Education (CFEE) to produce a report on the current “State of Financial Education in Canada.”

To complete this report, CFEE engaged the services of a network of 10 individuals across Canada – all of whom have backgrounds and experience in education. This network engaged in over 200 interviews and consultations with curriculum directors, others from departments and ministries of education, school board officials, teachers, resource providers, and other key stakeholders. An overview on the status of financial education in each of the ten provinces along with a summary of participants is included in the appendix of this report, available upon request.

...financial literacy poses some challenges that language literacy and numeracy does not. While it is relatively easy to establish whether an individual has sufficient reading, writing and numeracy skills, it is much more difficult to establish if they fully understand the true cost and benefit of their financial decisions. The assessment is complicated by the fact that financial decision-making is complex.

Source: Dollars and Sense: The Urgent Need for Lifelong Financial Literacy. TD Bank Group – Craig Alexander, Senior Vice-President and Chief Economist, James Marple, Senior Economist. TD Economics 2010.

The goal was to capture relevant information for a report on the status of financial education across Canada and summarize what those interviewed see as pathways to success in improving financial education. The “recommendations” provided are best regarded as “suggestions for consideration.” Many factors can, and will, affect what individuals and organizations can do to help improve financial education.

The timing of this study took into account a number of social and societal factors. Key considerations included the National Financial Literacy Strategy, released by the Financial Consumer Agency of Canada (FCAC); heightened interest in improving financial literacy following the 2008 financial crisis; and curriculum change that is underway or planned across the country. All of these factors signal a general spirit of openness and collaboration that appears to be prevalent across the country regarding.

In terms of what can be done to help move financial education forward in Canada, a number of factors stand out as particularly noteworthy and which were commonly expressed by those consulted and interviewed.

1. Teacher Professional Development

Nothing is regarded as more important – and nothing was mentioned more by those interviewed – than the need for effective teacher professional development.

2. Need to Clearly Demonstrate the Value of Financial Literacy and Education

There is a need to clearly demonstrate the value of financial literacy and education – to parents, education leaders, teachers, students, parents, and key stakeholders.

3. Need to Clarify What Financial Literacy Actually Means

There are many differing views and it would be helpful to have a consensus guide outlining the essential elements of financial literacy – the knowledge, skills, and behaviours.

4. Need for Teachers to Have Easy Access to Free/Low Cost Relevant Resources

Participants indicated there would be value in having the resources evaluated by a trusted source with expertise and experience to ensure quality and relevance for teachers.

5. Start Financial Education At a Younger Age

It is seen by many as important to start financial education at a younger age to enable behavioural development rather than starting at higher grades when the challenge becomes more one of behavioural modification.

Recent studies on the effectiveness of youth financial education programs also point to the risk of waiting until high school to deliver financial education and relying on voluntary financial courses. Financial education should begin early, and continue through to secondary school, so that the concepts and practices introduced earlier in life can be re-emphasized and expanded upon. It should also be stressed that motivating youth on the importance of financial education is as important as providing them with the factual information.

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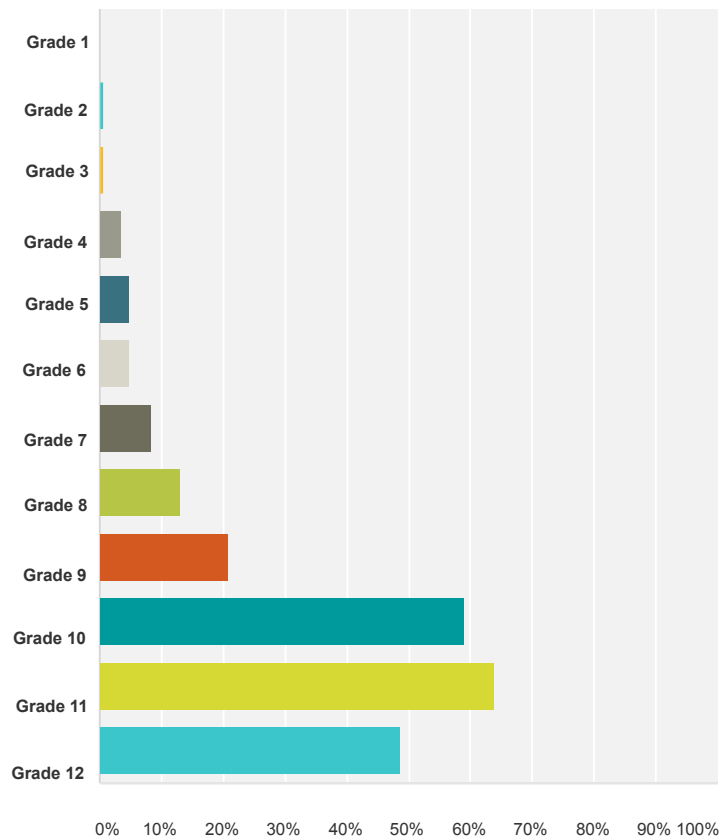
The remainder of this report highlights “Key Findings and Observations” that were gathered through the consultations and concludes with “Suggestions/Recommendations for Consideration” to help improve financial education in Canada. In the fuller version of this report, available upon request, an overview of the status of financial education in each province is provided along with some additional suggestions and recommendations to consider.

TD is optimistic this report will serve as a catalyst for discussion and action by those who are experts in the field of education and curriculum design, as well as financial education. The Report will also assist TD’s own efforts to help improve financial education in Canada.

Key Findings and Observations

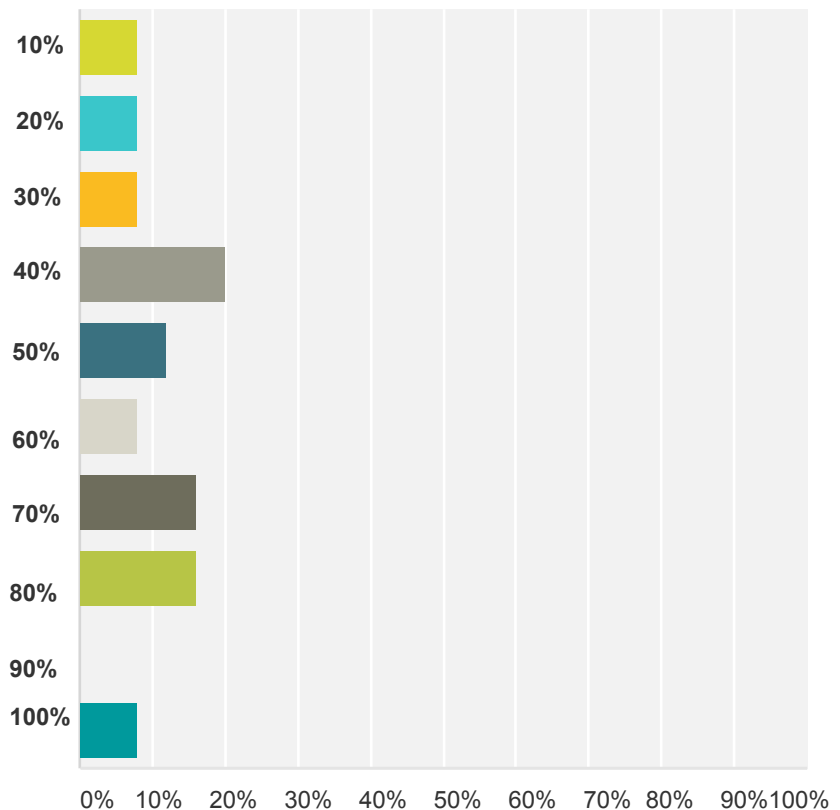
- ❖ Currently, financial education is inconsistent and sporadic in terms of its inclusion in provincial curriculum. Some components of financial education are integrated into a variety of courses in different subject areas at a range of grade levels. There is no commonality in terms of the financial education a student will receive in Canada. Depending on the courses selected, it is possible that many students will receive relatively little financial education. However, changes are occurring in many provinces to address this and it is likely things will improve going forward. At this time, though, there is no common approach or strategy.
- ❖ Financial education tends to be offered more at the high school level – grades 11, 10, and 12 – in that order. There is some financial education integrated at the grades 7-9 level – with very little at grades 6 and below. Considerable support, from those surveyed, was found for starting financial education at the younger grades. Curriculum change in British Columbia, for example, is integrating financial education into the new math curriculum from grades K to 9.

What grade level teachers are most involved in financial education currently?

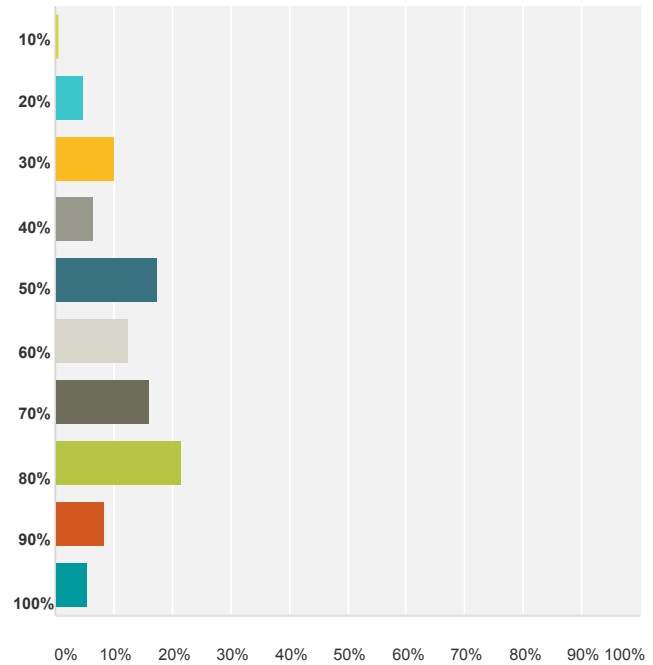


- ❖ Financial education is currently provided most commonly via integration into courses in math, business studies, career development, and social studies. In some provinces, there are unique “life skills” related courses (e.g. Career and Life Management – CALM – in Alberta). Some provinces, (e.g. Newfoundland and PEI) – are establishing compulsory financial education components at the grade 10 level in their career development programs.
- ❖ There are efforts underway in some provinces to develop entirely new curriculum rather than revising existing curriculum (e.g. Nova Scotia, New Brunswick, British Columbia, and Alberta). Most have, or will, assign significantly more attention to financial education in the new curriculum.
- ❖ Current trends in financial education curriculum appear to be more toward regarding financial education as a life skill with cross-curricular application. This fits well with provinces that are taking an “inquiry approach” to new curriculum development. Some provinces are also building curriculum around “big ideas” that provide the basis for student inquiry, critical thinking, and problem solving. Financial knowledge and skills are seen as important and relevant tools to support this approach to learning.
- ❖ There is also a trend to linking financial education to other education priorities such as sustainable development and responsible citizenship.
- ❖ Provinces differ regarding the level of responsibility that should be assumed by the education system for the financial education of children. Views range from the provinces assuming significant responsibility to believing that the primary responsibility lies with the home and parents/ guardians. Some provinces are committed to significantly increasing financial education for students via compulsory elements (e.g. Newfoundland, PEI, B.C.) at the same time as others, while supportive of financial education, have no current intention of implementing a compulsory element (e.g. Manitoba.)

What do you think is a reasonable percentage to target when it comes to the responsibilities of schools and the education system to provide a comprehensive financial education?
(Responses from those with departments and ministries of education)

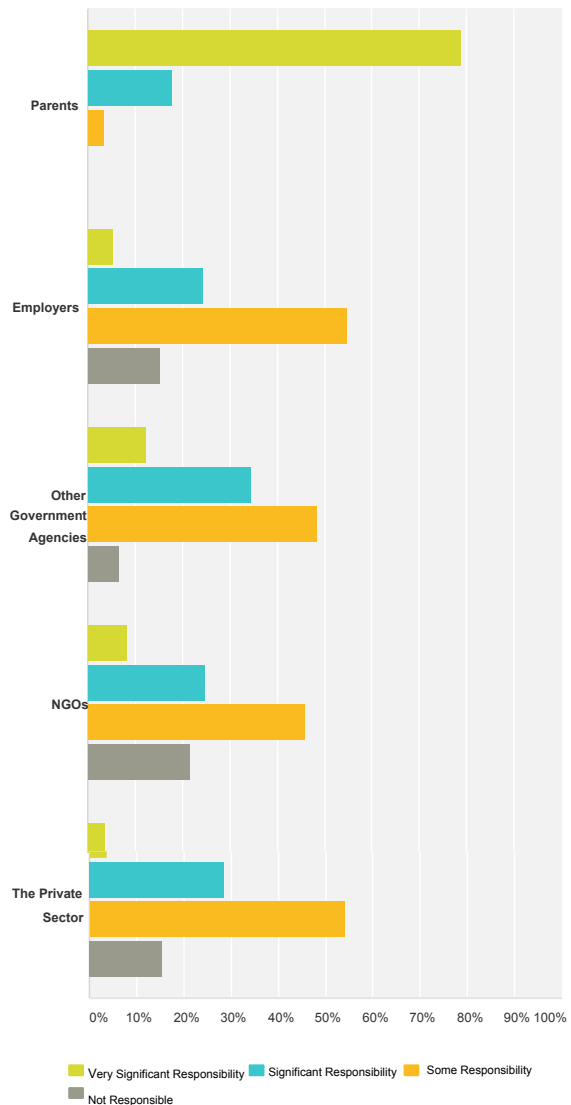


What do you think is a reasonable percentage to target when it comes to the responsibilities of schools and the education system to provide a comprehensive financial education?
 (Responses from those NOT with departments and ministries of education)



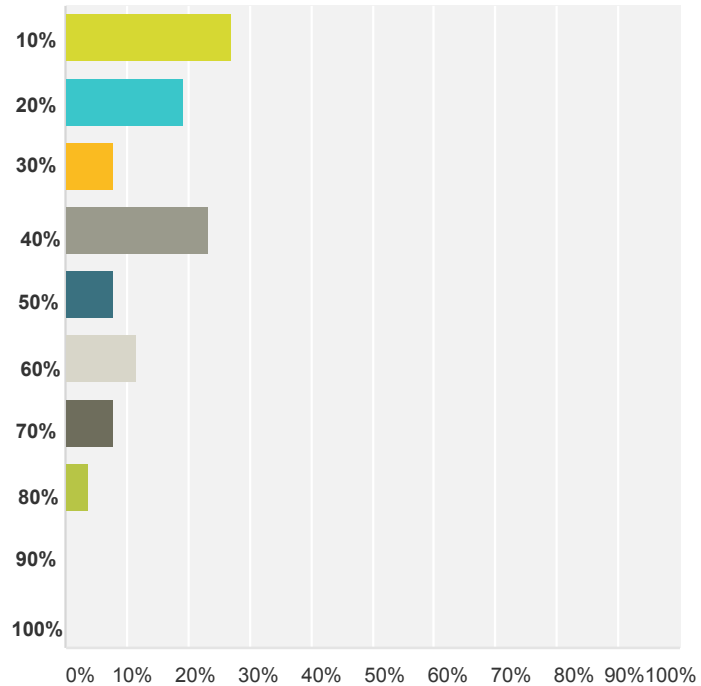
- ❖ Of those surveyed, approximately 95% believe parents have a “significant” or “very significant” level of responsibility for the financial education of their children.

Who else do you think holds some responsibility for improving the financial capability of our youth?



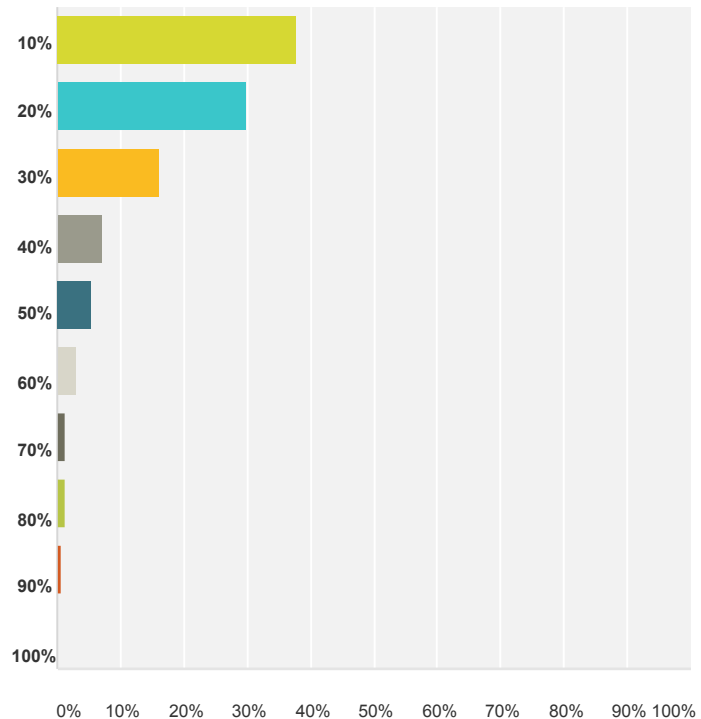
- ❖ Educators and parents were overwhelmingly seen as the two groups most responsible for the financial education of children. As noted, though, the proportion of responsibility assigned – between parents and educators – varied significantly.
- ❖ Of those surveyed at the ministries and departments of education, approximately 70% thought that students, in general, were receiving 40% or less of what could be considered a comprehensive financial education.

Based on what you would regard as a comprehensive financial education, what percentage of that financial education would you estimate the average student is currently receiving in your province by the time they finish high school?



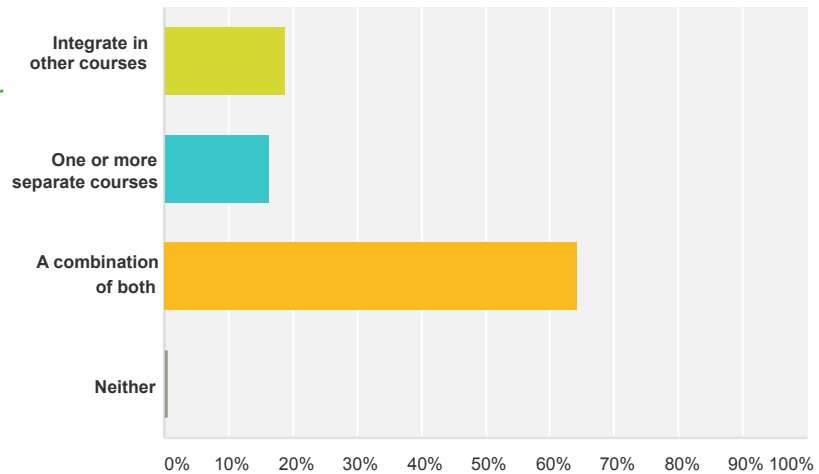
- ❖ Of those surveyed who were not with a ministry or department of education, about 86% believe that students are receiving 30% or less of what could be considered a comprehensive financial education.

Based on what you would regard as a comprehensive financial education, what percentage of that financial education would you estimate the average student is currently receiving in your province by the time they finish high school?



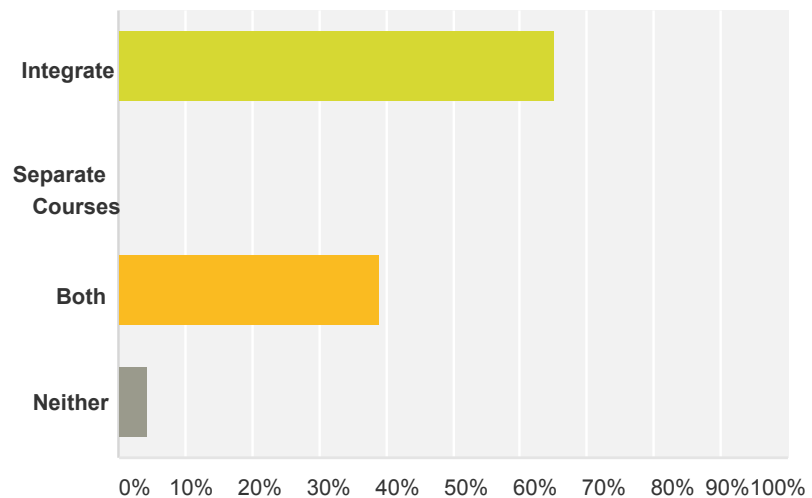
- ❖ The difference in views likely reflects differences that can occur between what is in the curriculum (the view of those at the departments of education) and what is actually taught in classrooms (the view of those outside the departments of education). Everything in the curriculum is not always covered in classes.
- ❖ Regardless of perspective, students are most likely receiving a relatively small proportion of what one would consider to be a comprehensive financial education.
- ❖ Of those surveyed, more indicated a preference for integrating financial education into curriculum over developing one or more specific courses. The majority, however, indicated a preference for a combination of both. There was support for integration at the earlier grade levels to build a foundation of financial knowledge and skills. Building on the foundation, one or more specific courses at the high school level would enable students to apply earlier learning to life events, decisions, and issues.

What model do you prefer for financial education in the province?



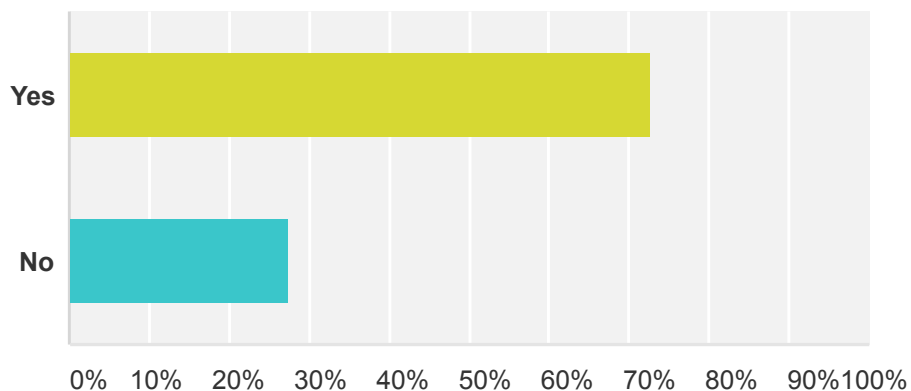
- ❖ Of those surveyed at the ministries and departments of education, there was no support for addressing financial education solely via specific courses. The preferences were for integration or a combination of integration and specific courses.

What model do you prefer for financial education in the province?



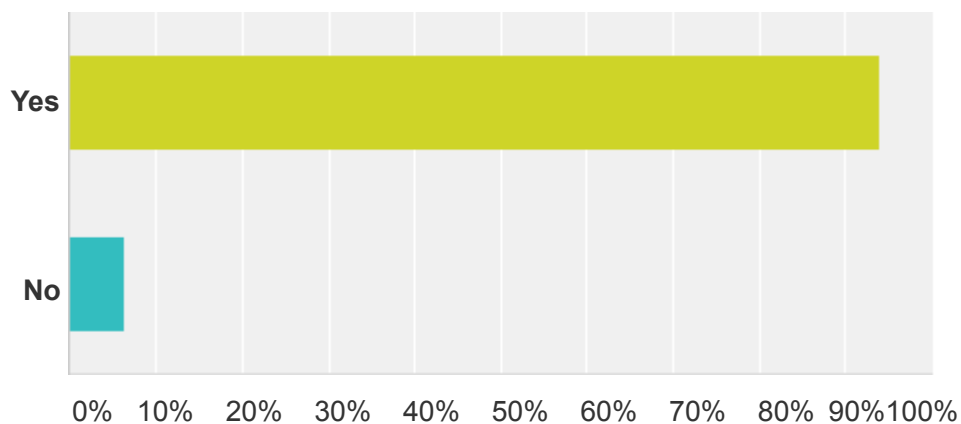
- ❖ Of those surveyed at the ministries and departments of education, over 70% were interested in the development of one or two model courses that could be reviewed, considered, implemented, or adapted at the provincial level.

Apart from what may be included/integrated at the younger grades, and if there is no course, or plans for such a course or courses already, would there be interest in developing and implementing such a course or courses at the high school level?



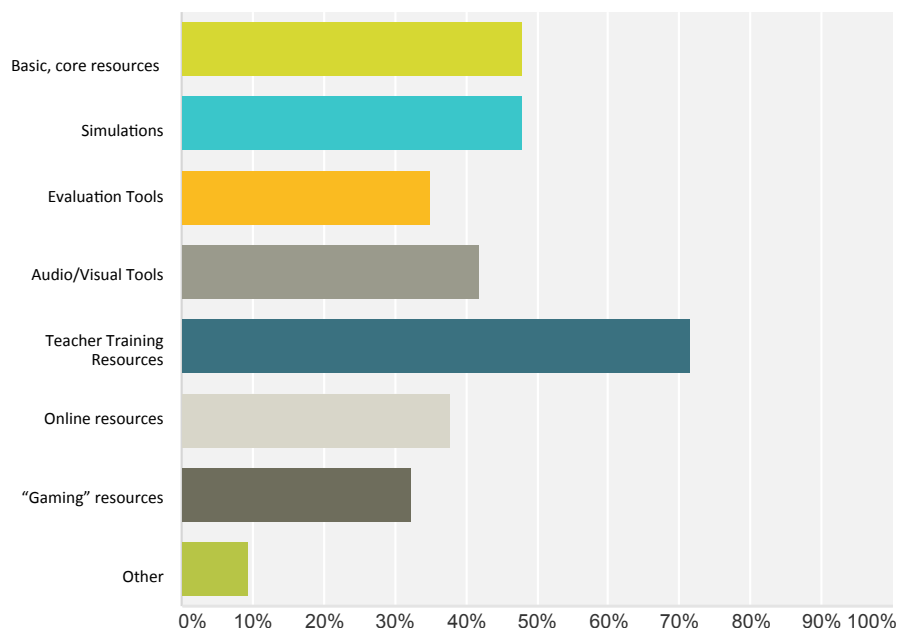
- ❖ If such a course, or courses, were to be developed, 93% indicated an interest in collaboration on the development.

If yes to the question above, would there be interest in collaborating with other provinces with the goal of developing one or more exemplary courses related to financial education at the high school level that provinces, once the course(s) are developed, could use or adapt at their discretion?



- ❖ Among those surveyed, the majority thought that resources and programs to support financial education were available. The problem, however, is that: (a) teachers were not aware of the resources or how to locate them, (b) when located, there is the challenge of evaluating the resources to know which are best and most suited, and (c) having the time for the evaluation of resources to make sure appropriate resources are used.
- ❖ Issues identified with some resources include:
 - (a) informational rather than instructional;
 - (b) not directly linked to curriculum outcomes/expectations;
 - (c) not ready-to-use or easily adaptable;
 - (d) not age appropriate; and
 - (e) not engaging and life-relevant to students.
- ❖ The most common resources available, according to those surveyed, are online resources. This likely reflects the low cost for producers to post resources rather than print them, the ease of access as teachers can easily search and find resources online, and the fact that many teachers still do not have Internet access in the classroom.

What do you think are the most significant gaps in terms of resources to support instruction? Select any that you believe to be needed?



- ❖ The most sought after resources are simulations, those entailing student projects, and resources that engage and involve students in hands-on learning experiences. Evaluation tools to assist teachers with evaluating outcomes were also in demand.

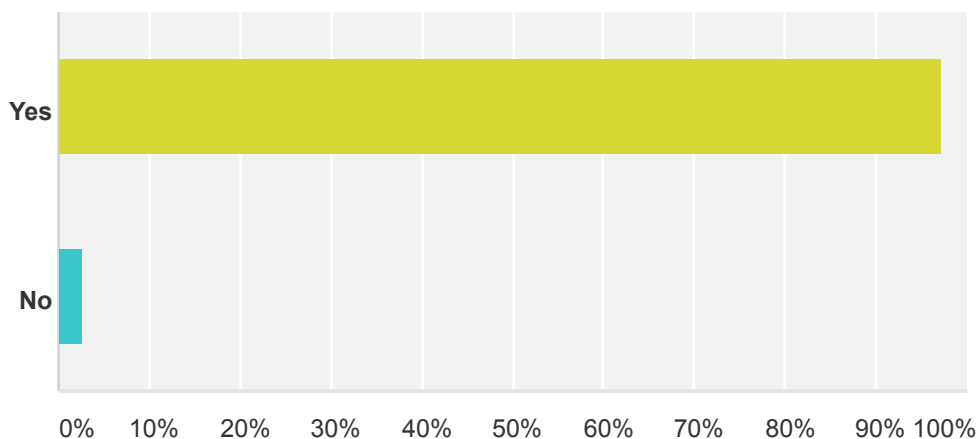
- ❖ Overall, those surveyed believe that there is a lack of confidence among teachers in teaching financial education. On a scale of 0 (no confidence) to 10 (very confident), the average level of confidence indicated was in the range of 4.5 to 5.

In general, on a scale of 1-10 (1 - Lack Confidence & 10 - Very Confident), how well prepared and confident do you think teachers are when it comes to providing financial education?

	Lack Confidence 1	2	3	4	5	6	7	8	9	Very Confident 10		Weighted Average
	3.97%	7.95%	15.89%	13.91%	20.53%	19.87%	11.26%	5.30%	0.66%	0.66%		4.79

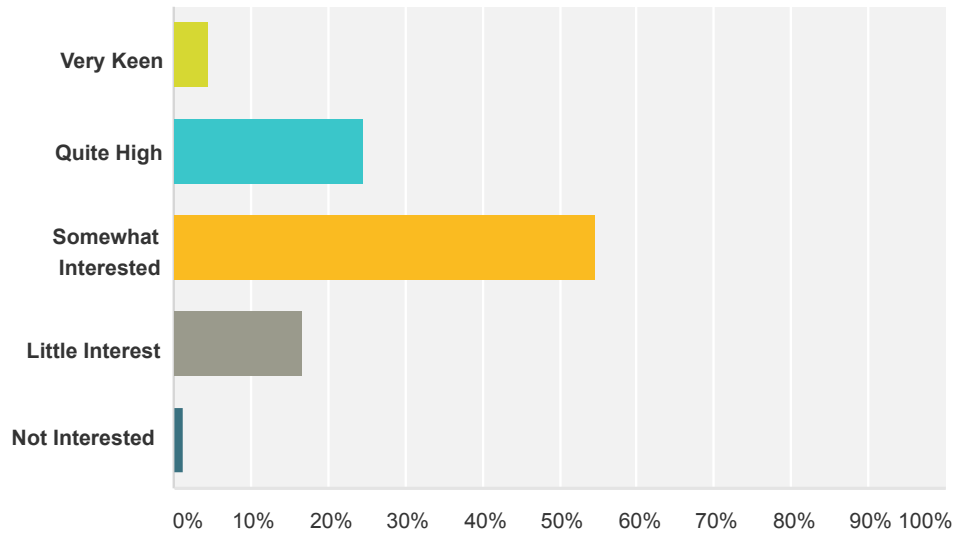
- ❖ Over 97% indicated that teacher professional development is needed and would be helpful.

Do you think it would be helpful, if time and resources permitted, to organize teacher training opportunities in your province, related to financial education?



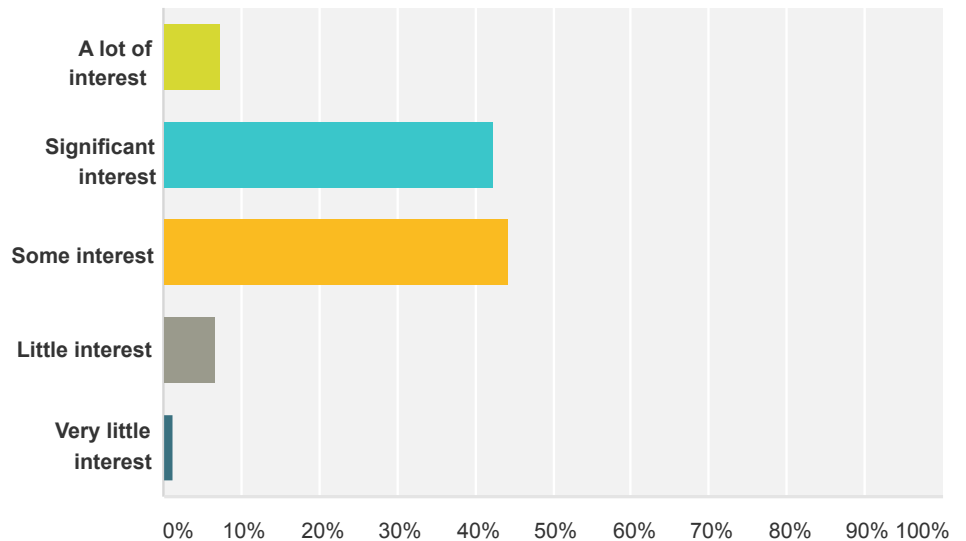
- ❖ 90% believe that teacher interest in financial education would be “somewhat high” to “very keen” with about 30% indicating they believe it would be quite high or very keen.

In general, what do you think is the general level of interest among teachers in being involved in financial education?



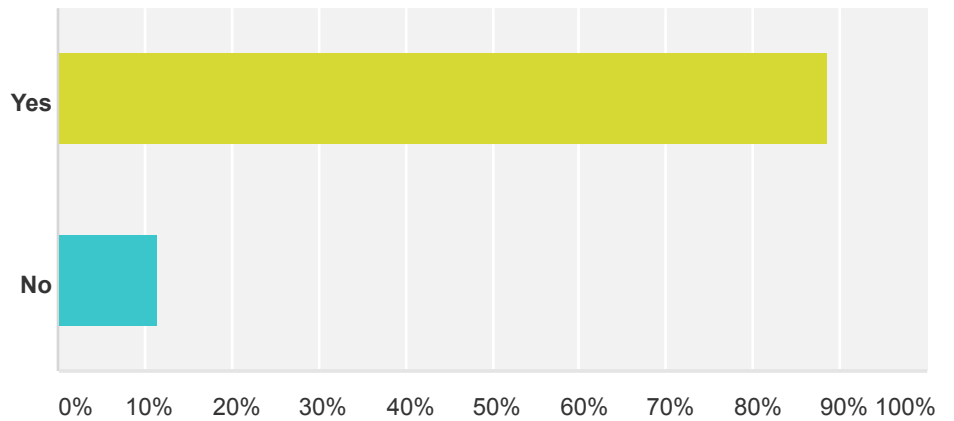
- ❖ Without question, the greatest need related to improving financial education, as indicated by those surveyed, is the need for quality teacher professional development. Those surveyed believe interest among teachers in this area of financial education would be quite high.

To what degree do you think there would be interest among teachers in participating in teacher training related to financial education?



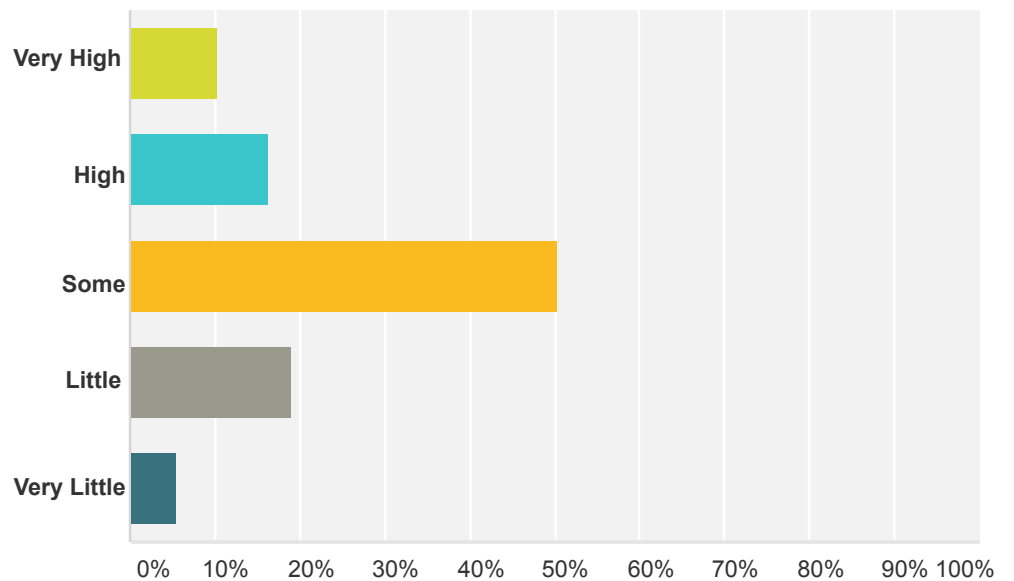
- ❖ Over 85% of those surveyed indicated that it would be helpful to have teacher mentors. That is, it would be valuable to have those with experience and knowledge (e.g. from the financial services industry – both working and retired) serve as a resource for teachers.

Do you think it would be helpful to establish a “Teacher Mentor” program where those from the private sector (working or retired) with financial expertise could be linked to teachers to provide support and an access point when they have questions, etc.?



- ❖ Approximately 75% of those surveyed indicated that they thought there was support in their province for financial education in schools with 55% believing support to be high or very high.

To what degree would you say there is support, in general, in the province for including financial education as part of a student’s basic education?



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- ❖ A number of barriers were cited as impeding or affecting the efforts to increase and improve financial education. These include:
 - “crowded” curriculum – there are currently so many required learning outcomes and expectations that there is little room for adding anything new;
 - a lack of time to integrate financial education or add additional courses;
 - low levels of teacher confidence in teaching money and finances;
 - lack of perceived relevance of financial education to the common student goal of selecting courses that prepare them for entering college and university;
 - no real “subject area home” in the current curriculum for financial education. This means that, in most cases, there is no subject area group of teachers assuming responsibility for financial education instruction;
 - the lack of funding to support new areas of instruction, to acquire resources, to pursue professional development, etc.;
 - the challenge resulting from the historical “image” of financial and business education – that is, such courses are not really for those pursuing a more “academic” path. This can limit the number of students choosing courses that provide financial education;
 - lack of clear evidence of the value of financial education in helping a person to achieve improved well-being;
 - lack of a clear definition of financial education; and
 - lack of a clear rationale for the responsibilities of the education system for financial education.

Recommendations for Consideration: Top Priorities

Based upon the consultations and surveys, the following are suggestions and recommendations to help improve financial education in Canada. The recommendations provided here are those seen as likely to make a significant impact in improving financial education in Canada.

1. Teacher Professional Development

Nothing is regarded as more important – and nothing was mentioned more by those interviewed – than the need for effective teacher professional development. Most teachers have had no training in this area. Many lack confidence in their ability to provide effective instruction. For financial education to increase and improve, professional development and support is essential. It was also noted that it is important for this, when possible, to precede curriculum change so that teachers are receptive, prepared, confident, and equipped. There is much that can be done to support teacher professional development. However, it will be costly to address this need. The departments of education are likely to welcome assistance so long as it is effective, well planned, and undertaken in consultation with educators. It will also be important to ensure that those providing training are educators and trained in financial education.

2. Need to Clearly Demonstrate the Value of Financial Literacy and Education

There is a need to clearly demonstrate the value of financial literacy and education – to parents, education leaders, teachers, students, parents, and key stakeholders. In general, there isn't a "supply" problem in financial education. There are organizations looking and willing to help. There are resources and programs available. In most cases, though, teachers are not aware of them – or, if they are not involved in providing financial education, there is no motivating force encouraging them to seek them out. Therefore, the much greater need is "demand" – a desire to seek out and use the programs and resources available. What will increase the "demand?" – evidence of the value and benefits to be derived from financial education. If clear evidence can be provided to show that financial education, and improved financial literacy, can improve the well-being of individuals, families, and communities, this will help generate interest, and demand, among parents, educators, and youth.

3. Need to Clarify What Financial Literacy Actually Means

There is a need to clarify what financial education should cover and entail. There are many differing views on what learning outcomes fit with financial education – where it should fit in the curriculum – who should teach it – and so on. It would be helpful to have a consensus guide outlining the essential elements of financial literacy – the knowledge, skills, and behaviours. It would be helpful to show how these learning outcomes can be achieved over the course of a student's time in school. Therefore, a possible learning or developmental curriculum pathway would be helpful as a reference for educators and serve as a tool that can be reviewed, considered, adapted, or implemented.

4. Need for Teachers to Have Easy Access to Free/Low Cost Relevant Resources

As noted, there are many programs and resources available to support financial education. However, there is a need to provide a means for teachers to easily identify them – easily access them – and have access to evaluations completed by those able to ensure quality. Over time, currency and accuracy must be sustained. Teachers do not have the time, or often the expertise, to identify the best resources available. Large databases can overwhelm and inhibit search efforts. It would be valuable to have a trusted intermediary who, being familiar with the resources available, be able to connect teachers quickly to the resources that would most likely be relevant to their needs.

5. Start Financial Education At a Younger Age

Many believe it is important to start financial education at a younger age. Doing so would enable teachers to engage more in “behavioural development” and help students develop skills, attitudes, and behaviours related to their money decisions. If financial education is provided only later in a student’s life, teachers then face the challenge of “behavioural modification” – which is a much greater challenge than behavioural development. Increasing, the goals set for financial education are more behavioural – equipping students with the knowledge and skills to make wise life choices and decisions. Such a goal is more likely to be achieved if efforts start at a younger age.

These recommendations provide a clear roadmap for work that needs to be done to help improve financial literacy in Canada. We hope that this report will be helpful to other organizations as they consider and plan for ways to improve the financial literacy and capability of Canadian youth.