

“Consumer Education in Schools Background Report”



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Published by Consumer Affairs Victoria,
452 Flinders Street, Melbourne, Victoria,
3000.

Authorised by the Victorian Government,
452 Flinders Street, Melbourne, Victoria,
3000.

Printed by Consumer Affairs Victoria and
Kwik Kopy Printing Centre, 45 William Street,
Melbourne Vic 3000

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“ *Section 1* *Executive Summary* ”

1

Background

Young Australians represent a \$4 billion a year commercial market¹. They are a generation captured by advertising and branding, with each young person watching an estimated 20,000 television advertisements a year.

At an age when they begin to enjoy increasing consumer freedom, young people are particularly vulnerable to consumer traps. They have a poor understanding of consumer rights and little consideration for any potentially negative consequences of spending.

Consumer Affairs Victoria (CAV) has initiated a Consumer Education in Schools (CEIS) program designed to improve financial literacy among teenagers and to broaden their awareness of consumer rights and laws and of the organisations that administer them.

The program will use media familiar to the target audience such as interactive website material, videos and CD-ROMS. Teaching resources will be made available across the middle to senior secondary curriculum in the areas of commerce, maths, English, health and physical education.

This report includes the results of focus groups, round table discussions and questionnaires conducted by CAV relating to the Victorian experience of existing consumer education in schools. It also outlines the findings of a widespread review of international and national literature detailing problems faced by young consumers and successes and failures in consumer education.

Purpose of study

This study has been conducted to inform the development of a consumer education in schools (CEIS) program. The aims were to:

- investigate how consumer education is taught nationally and internationally and identify current priorities and emerging trends
- identify gaps in the existing school curricula relating to consumer youth issues
- determine the level of awareness about CAV and consumer rights and responsibilities amongst students and young people

1. 'Consumer Issues and Youth', Colmar Brunton Social Research for Commonwealth Consumer Affairs Advisory Council, 2002

- ascertain best practice in terms of education methodology, information campaigns aimed at young people, and the teaching of consumer education.

Project strategy

To provide a thorough information base for the CEIS project, CAV:

- conducted a comprehensive review of literature detailing the international experience of consumer education programs
- sought feedback from Victorian commerce teachers via a questionnaire
- tested 111 Year 10 and 11 legal and business studies students on consumer issues
- visited eight schools to discuss consumer issues with Year 10 and 11 students
- conducted two youth round tables to assess the level of consumer awareness of early school leavers.

Key findings

- Consumer education in Victoria is taught at Years 9 and 10 in Business Studies classes. However, this subject is often an elective and many students do not receive any consumer education in the middle years of schooling.
- Middle school commerce teachers report that the length of time spent on consumer issues varies widely between schools: from a few lessons to a semester. The average would be around 3 lessons a week for 4-6 weeks.

- Consumer education resources are often outdated. The most widely used commerce textbooks provide only limited advice. Areas of growing concern such as m-commerce and various types of scams receive little attention.
- Teachers indicated that they would like CAV to provide resources that include 'real life' case studies involving young people dealing with key issues such as buying a mobile phone, a second hand car, as well as leaving home, money management, and consumer rights and responsibilities.
- Participants in the Youth Round Table discussions, particularly disadvantaged early school leavers, revealed that they lack essential life skills such as financial literacy and are not well-informed, confident consumers. They are often resigned to learning from their mistakes.
- Students spoken to in classroom discussions possessed only a limited awareness of their consumer rights and responsibilities. They were keen to learn basic rights (for example refunds and lay-bys) and improve their money management skills.
- Overseas research indicates that it is the quality of education that determines the success of consumer education programs. Students will be more engaged if different learning styles and preferences are acknowledged and catered for. Given the increasing pressures on young people to consume, they also need to develop skills in emotional intelligence, in order to develop a greater self-awareness about their spending habits.

- While research in the United States of America (US) shows that parents often overestimate their own financial skills and their ability to teach children how to manage money, other research in the United Kingdom (UK) indicates that parents can benefit indirectly from their children's consumer education.
- Where consumer education programs have failed, some key reasons are apparent:
 - o the resources do not reach the relevant teachers in schools
 - o the resources do not appeal to teachers because they:
 - are not clearly linked to curriculum outcomes
 - are not topical, relevant, or well-structured
 - do not cater for different learning styles and preferences
 - are produced without sufficient consultation with key stakeholders including young people
 - o the resources are not widely publicised at the time of release
 - o professional development is not provided for teachers
 - o there is no ongoing support or encouragement for teachers to use the material.
- pursue a policy of closer co-operation with equivalent agencies nationally and internationally on consumer education in schools programs.
- focus on improving young people's financial literacy skills in co-operation with stakeholders including parents.
- extend the project to primary and lower secondary students on successful completion of the initial project targeting middle secondary school students.
- produce a range of resources to meet different teacher needs. These resources should include printed material, video, CD-ROM and an interactive website. While traditional topics need to be addressed, the resources should also link in with citizenship education (the consumer as an active citizen) and enterprise education (financial, enterprise and life skills).
- organise a stakeholder forum in co-operation with the Office of Youth and the Department of Education and Training to encourage ongoing involvement of stakeholders such as teachers, parents, students, welfare agencies and teacher training institutions.
- encourage the involvement of young consumers in future consumer education projects.
- cater for different learning styles and preferences, while nurturing creative and critical thinking skills as well as emotional intelligence, in order to equip young people for lifelong learning.

Conclusions

To ensure the success of a program to educate young people on their consumer rights and responsibilities, the following conclusions should be considered by Consumer Affairs Victoria:

“ **Section 2** **Consumer education – the international experience** ”

2

Aim: To ascertain how consumer education is taught nationally and internationally, and identify current priorities and emerging trends.

A review of literature was carried out to determine the extent and type of consumer education undertaken nationally and internationally, and to examine research related to consumer education, particularly financial literacy.

Historical background

'..in a fast changing and complex marketplace, consumers need more than just information and advice; they need the skills to be able to analyse and use both'.²

Consumer education evolved from American president, John F Kennedy's 1963 proclamation of four basic consumer rights:

- the right to be heard
- the right to know
- the right to safety
- the right to choice.

2. 'Consuming Passions', J. Hayward, M. Coppack, *Teaching Citizenship*, Autumn 2001, p51

In 1980, the US Department of Education defined its goals for consumer education. It set out to:

- develop skills to make informed decisions about the purchase of goods and services
- assist consumers to become knowledgeable about the law and rights in order to participate effectively in the marketplace and be able to take action to seek consumer redress
- develop an understanding of the citizen's role in the social, economic and government systems and how to influence these systems to make them responsive to consumer needs.

In the same year, the Charter for Consumer Action, developed by the former International Organisation of Consumer Unions (now Consumers International) included the following guidelines for consumer education:

- critical awareness (to be able to distinguish between needs and wants, to be able to ask informed questions about the price, availability and the quality of goods and services)
- action and involvement (consumers should have the knowledge and awareness to act confidently to make their voices heard)
- rights and responsibilities (an understanding of both)
- environmental responsibility (an awareness of the environmental costs of consuming)
- consumers and the marketplace (students should have an understanding of how markets work, for example, advertising and marketing strategies).

In 1985 the United Nations adopted the US proclamation of consumer rights and added the following to the list:

- the right to be satisfied in basic needs
- the right to redress
- the right to consumer education
- the right to a healthy environment.

In relation to consumer education, the declaration noted that, 'consumer education, where appropriate, should become an integral part of the basic curriculum of the education system, preferably a component of existing subjects'.

In 1986 The European Council of Ministers urged authorities to ensure the introduction of consumer education into school curricula throughout the years of compulsory schooling (both primary and secondary).

This European commitment was reinforced in Article 153 of the 1997 Amsterdam Treaty, which gives European consumers the fundamental right to consumer education.

Trends in teaching consumer education

There have been some distinct trends in the teaching of consumer education and these are summarised briefly below:

- **1960's:** The main focus was on creating prudent consumers who could recognise 'value for money'. Consumer education was mainly taught in home economic classes and viewed as a relatively minor aspect of daily life.
- **1970's:** Consumer organisations emerged, acting as advocates for consumers, especially against large corporations. Consumers were encouraged to be more than just prudent - to be both active and critical. Reflecting this change, consumer education began to move beyond home economics classes and be taught as part of social education.
- **1990's:** Green consumerism and ethical consumerism emerged (for example, the 'fair trade' movement) and consumers were increasingly urged to 'consume less' and to be 'environmentally friendly' in their purchases. The internet and e-commerce brought new issues of concern into the subject area. Consumer education started to attract much more attention from researchers, journalists and educators.

Consumer education in the 21st century: Staying 'ahead of the game'

Questions that need to be considered by CAV and other consumer educators include:

- how is consumer education evolving this decade
- what do consumers need and want from consumer education
- what is the most appropriate and effective way to teach consumer education?

Historically, the challenge for consumer education has been the constantly changing knowledge and skills that consumers require to make effective decisions. Those involved in the teaching of consumer education are continually required to keep the subject up-to-date and interesting for the education to be effective.

In a rapidly changing and increasingly complex world, it is critically important that consumer education should not be a static subject, but a dynamic one reflecting changes in society from the viewpoint of the consumer. Dramatic changes in lifestyles have resulted in cultural, economic and technological transformations which require a broader understanding of the individual's role in their local communities and in the global society.

In the past, consumers had little choice about the products they bought and were well acquainted with those that were available. Now the range of choice and the power of advertising make it extremely difficult to be a prudent and informed consumer.

'Affluenza'

Consumers (including very young ones) are increasingly bombarded by a bewildering array of new products in fast changing markets. A new phenomena 'affluenza' has been identified whereby, 'the scaling-up of 'needs' often outpaces the growth of incomes so that many people who are wealthy by any historical or international standards actually feel poor'.³

A Newpoll survey commissioned by the Australian Institute in 2002 found that 56% of the participants believed they 'spent nearly all of their income on the bare necessities of life' and that '...almost half (46%) of the richest households with incomes over \$70 000 p.a. say they cannot afford to buy everything they really need'.⁴ This group is defined by the report's author, economist Clive Hamilton, as the 'suffering rich'. Apart from the 'constant inflation of desire', three major costs of overconsumption were identified by the author:

- the four fold increase in credit card debt in the past eight years, accompanied by a sharp rise in personal bankruptcies because consumers are unwilling to save for the items they desire - they want them now
- the growth in overwork driven by ambitious lifestyle goals makes working hours in Australia longer than almost anywhere else in the world
- the increased resource use, both renewable and non-renewable and the waste which is associated with higher consumption only adds to Australia's environmental problems.⁵

3. 'Overconsumption in Australia', C. Hamilton, The Australian Institute, Nov. 2002, Discussion Paper No. 49, p. v.

4. Ibid. p.v

5. Ibid. p. viii

The significance of 'pester power'

The influence of advertising and marketing begins at an early age. Children and adolescents are increasingly the target group for different forms of marketing practices and commercial pressures in order to stimulate and inflate their consumption.

These young consumers have never been more powerful – both in terms of their own spending power and the influence they can exert over their parents spending. It has been estimated that the 'tweens' (7-14 year olds) globally influence the spending of \$US1.88 trillion. Much of this spending is related to the power of various brand names which were, '...once a stamp of quality. Now they are an emotional tool vital for tweens to secure acceptance among their peers'.⁶

In other words, certain brands have the power to confer social status and help create both a personal and group identifier. Marketing professionals have recognised that young clients are potentially clients for life.

There are 1.9 million 'tweens' in Australia with a combined income of \$1.3 billion a year (pocket money, birthday gifts and so on) of which they spend \$471 million.⁷ Tweens are a highly desirable target for marketers and it has been estimated in the US that they watch up to 22,000 television commercials a year, and can recognise brands such as McDonald's and Coca Cola at 18 months old. Traditional toys are now left behind much earlier to be replaced by branded clothing and computer games and these trends are reflected in the new 'tween' magazines.

A *New Generation Survey* of 601 children and their parents released in April 2003 in the US by the Cartoon T.V. Network, showed that children were extremely successful at 'nagging' their parents into spending. Only 4% of parents said they were immune to continuous pressure. This phenomena has become known as 'pester power'. According to recent research conducted in 15 countries, close to 80% of all brands purchased by parents are controlled by their children as well as 67% of all car purchases.⁸

In depth interviews with parents of children aged 5 - 11 carried out in 2002 by Salford University for the Chartered Institute of Marketing (UK) found that pester power did indeed exist and had spread to all aspects of family life. It was also revealed that a majority of parents found peer pressure the biggest influence on young consumers.

'They ask for something and you say no. But all their friends have got it, everyone in the neighbourhood is playing with it, and your child is the only one without it. How can you resist that?' (a mother of three pre-teen children).⁹

The majority of parents also believed that the influence of advertising was very strong, especially the constant repetition of some advertisements during children's television programs. A fear that children would be bullied at school if they did not possess certain brands was also a factor influencing parents.

6. 'Twisting the Tweens', S.Brook, Media, The Australian, 15-21/05/03 p. 5

7. Ibid. p.4

8. 'How tweens are taking over', www.news.bbc.co.uk, 19/03/03. A report on the Brand Child Project, author Martin Linstrom, March 2003.

9. 'Pester power', Salford University survey for the Chartered Institute of Marketing, at www.cim.co.uk

Children are avid consumers of all media, including magazines, internet and TV. The Consumers Union in the US investigated commercial pressures on children and concluded that 'promotion campaigns and commercial messages permeate most waking hours of our children's lives' and that 'advertisements are attuned to kids development stages and to their needs for peer approval, status and independence'.¹⁰

The overwhelming message is that 'things' make the person; that what is important is what you are and what you have, not who you are. These pressures will no doubt influence children's development as citizens as well as consumers and the long-term consequences can only be speculated about.

Research by Mintel International in 2002, which involved interviewing 2000 children aged between 11 and 14 in the UK, concluded that children in that age group had outgrown early childhood and were, in reality, emerging adults who believed they needed to make their own purchasing decisions.¹¹

There is certainly a need for consumer educators to 'get ahead of the game' and focus on growing concerns such as brand power, pester power and the lack of financial literacy; and thereby help set the agenda for the future.

The need for greater financial literacy

Governments in the US and the UK have recently identified financial knowledge education as a key area lacking sufficient attention and resources in their education systems.

Financial literacy is a key consumer skill that can be defined as 'the ability to make informed judgements and to take effective decisions regarding the use and management of money'.¹² The first national survey of adult financial literacy in Australia, commissioned by the ANZ Bank, shows that some groups of consumers lack key financial skills and understanding about certain financial products and services. Amongst the groups with the lowest financial levels of literacy are 18-24 year olds, and early school leavers in particular.¹³

The financial environment is a fast changing one and increased choice has meant that consumers today require greater levels of financial knowledge than previously. Many people, however, have difficulty in understanding financial 'jargon' and this can discourage them from saving.

A survey in the UK found that 75% of people would take more interest in their finances if they understood the information sent to them, 36% said they would be more likely to shop around for a better deal if financial products were easier to understand, and 21% would probably save more.¹⁴ Lack of confidence, therefore, is a key inhibitor to effective money management by consumers.

10. 'Selling America's kids: commercial pressures on kids of the 90's', Jan.1998, Consumers Union website: www.consumersunion.org
11. Daily Research News Online at www.mrons.com/drno/news2038.htm
12. 'Financial literacy in schools', ASIC Discussion Paper, June, 2003, p. 7
13. 'ANZ Survey of adult financial literacy in Australia', Final Report, ANZ Bank, May, 2003, p.4
14. 'Financial jargon prevents saving', BBC News, 26/07/03 at www.bbc.co.uk

The costs of financial illiteracy can be immense, as illustrated by the \$800 million lost by Australian investors over the past three years in scams, according to estimates by the Australian Securities and Investment Commission (ASIC).¹⁵

Students are more likely to have part time jobs than their parents at a similar age and to work longer hours than their parents did, leading to what has been described as 'pre-mature affluence'. Young people have more money, more spending choices, and more financial products to choose from but not a corresponding increase in financial literacy.

Young people have always needed financial management skills but several factors make their acquisition in the 21st century particularly important, apart from the fact that they have more money at their disposal:

- The increasing 'casualisation' of the work force: only 61% of employees in Australia in 2002 had full time and permanent jobs compared to 74% in 1988.¹⁶ Many workers are employed for far fewer hours per week than they would like. Young people need to be prepared for this uncertain world and erratic income flows.
- The need to retrain several times during a working life both to update skills and change careers. Changes in the funding of post secondary education are leading to larger HECS debts for students.
- Increased life expectancy and a greater expectation that people will fund their own retirements.

- The decline in housing affordability making it increasingly difficult for young people to purchase their own home.

Financial knowledge is fundamental to being financially literate. An understanding of personal finance acts as 'the first line of defence against being taken advantage of in financial transactions'.¹⁷ Consumers don't need to become financial experts but they do need the skills to question and challenge the information and advice they are given.

The ASIC discussion paper on Financial Literacy in Schools found there was a need for new teacher resources and professional development for teachers. In particular, the researchers identified a need for good quality resources that were topical, stimulating and linked to real life experiences to which children could relate. The resources should include teachers' notes and lesson plans, be interactive and not contain large slabs of text. According to the research, the term 'financial literacy' is rarely used in curriculum documents and there is no systematic approach to teaching it, or any agreed elements or competencies across the states or territories.

Commonwealth Government research has indicated that young people have a clear knowledge gap in the area of financial services and this lack of understanding is an important issue to them. The research found that 'youth want to know about how to manage money and understand budgeting and financial planning better, but no-one has told them'.¹⁸

15. ASIC Financial Literacy in Schools Discussion Paper, June 2003, page 7.

16. 'The future of work', I. Watson, J. Buchanan, I. Campbell and C. Briggs, p.2 at www.actu.asn.au

17. 'Integrating financial education into school curricula', US Department of Treasury, Office of Financial Education, White Paper, Oct. 2002, p.2

18. Research for the Consumer Affairs division of the Department of Treasury in 2001, quoted in 'Consumer Issues and Youth', Colmar Brunton Social Research for the Commonwealth Consumer Affairs Advisory Council, July 2002.

Low levels of financial literacy are not unique to Australia. A range of innovative programs have recently been established in the United Kingdom, United States and New Zealand.

United Kingdom

The UK education system has recognised a potential problem arising from inadequate consumer knowledge and skills. For example, research has shown that 19% of adults cannot calculate the correct change from the purchase of three minor grocery items totalling less than the £2.00 and 7 million adults cannot use the alphabetical index of the Yellow Pages to locate a plumber.¹⁹

A personal financial education curriculum has been developed to improve knowledge at all ages of compulsory schooling. Aspects of personal finance are embedded as a statutory part of the national curriculum in England from Years 11-16 through the compulsory teaching of Citizenship.

Students are now taught how the economy functions, including the role of business and financial services. They are also taught the rights and responsibilities of consumers, employers and employees. Financial literacy is also included in a range of other subject areas.

The Personal Finance Education Group (pfeg) is a charity whose goal is to promote and facilitate the education of all UK school pupils about financial matters so that they can make independent and informed decisions about their personal finances and long term security.

Pfeg's Excellence and Access project is designed to increase the confidence and skills of teachers and the attainment of students in personal finance education. The four-year project involves pfeg school advisors working with teachers and covers 400 schools, 800 teachers and 128,000 students and will develop models of best practice that can then be used nationally.²⁰

The UK Department for Education and Employment has noted that, for young people, living with money in the 21st century is likely to be very different from the 20th century. In particular, they are more likely to be familiar with 'plastic' than cash. The experience of paying for the weekly groceries via EFTPOS is cashless while the experience of being given money by the checkout operator as 'cash back' inverts the more normal direction of cash exchanges.

In a paper entitled 'Financial capability through personal financial education', the Department argues that adults think about their money in increasingly complex ways but young people may not always be able to follow the financial planning of their parents and teachers.²¹ According to the paper, financial capability encompasses three interrelated themes. They are:

- financial knowledge and understanding (helping young people understand the concept of money)
- financial skills and competence (day to day money management and thinking about planning for the future)
- financial responsibility (the wider impact of money and personal financial decisions).²²

19. 'Consumer Education – beyond consumer information, NCC, p.2

20. Personal Finance Education Group, website: www.pfeg.org

21. Financial capability through personal financial education. Guidance for schools at Key Stages 3 & 4, Dept. for Education and Employment, July, 2000, p.5

22. Ibid. p.7

The paper also makes the important point that teaching financial literacy does not require an in depth knowledge of financial products and services, it is about understanding the concepts and developing skills and this approach is 'less threatening both for teachers and learners'.²³

Research carried out by the National Centre for Social Research at the University of Loughborough showed that teachers tended not to expect their students to save any money. It was assumed that children from lower income homes would have no money to save whilst those from higher income families would have no need to save. The research showed that children from poorer families were as likely to save as those from wealthier families and for these children saving was more likely to be planned with a specific aim in mind, and that they were replicating their parents' budgeting skills, whereas children from more affluent families were less able to say why they were saving.²⁴ However, children from poorer homes were less familiar with bank accounts and other financial services as their savings were more likely to be kept in a money box.

A financial awareness and consumer education tracking study in 2001 showed that 15-24 year olds were the most amenable to improving their financial awareness, but they also relied heavily on friends and family for advice. 23% wanted to know more about saving/investing, 87% wanted the information face to face and 31% chose their investments on the basis of recommendations from friends/family.²⁵

Research for the Joseph Rowntree Foundation showed that young people from low income families expected to develop their money management skills by learning from their mistakes.²⁶

United States

The US Department of Treasury established the Office of Financial Education in 2002 and is working to promote the integration of financial education in schools. Recent research has shown that four out of ten Americans admit they live beyond their means, primarily because of misuse and misunderstanding of credit, and that personal bankruptcies more than doubled between 1990 and 2000. American youth who spend roughly \$150 billion annually, display a similar lack of financial knowledge and skills: 'young people today have tremendous spending power but clearly lack the understanding and skills to properly wield it'.²⁷

Research exploring the effect on adults of receiving education on topics such as financial decision-making while in high school, found there was a discernable and positive effect on adult decisions regarding saving. The evidence indicated that school programs had significantly raised asset accumulation.²⁸

23. Financial capability through personal financial education. Guidance for schools at Key Stages 3 & 4, Dept. for Education and Employment, July, 2000, p. 12

24. 'A cycle of disadvantage?: financial exclusion in childhood' Financial Services Authority, Nov. 2000

25. The AUTIF Financial Awareness and Consumer Education Tracking Study, Market Minder, July, 2001, quoted in 'Financial Education and The Child Trust Fund, G. Hind, FSA seminar paper, Feb. 2002 p.3

26. Ibid. p. 4

27. 'Integrating financial education into school curricula', US Department of Treasury (Office of Financial Education) White Paper, Oct. 2002, p. 1

28. 'Education and saving: the long term effects of high school financial curriculum mandates', B.D. Bernheim, D.M. Garrett, & D.M. Maki, Cambridge, MA: National Bureau of Economic Research 1-30.

The America Savings Education Council (ASEC - a coalition of private and public sector institutions) conducted a survey in 1999 of 1000 16-22 year olds. The survey found that 94% of them turned to their parents for financial education and guidance. The follow up study 'Parents, Youth and Money' (2001) found that most parents believed they were effective in providing their children with financial guidance, however, the evidence suggested that their actions and behaviour contradicted their self-assessment to the extent that 'many were overly confident about the money management skills they exhibit on a day-to-day basis'.²⁹

Consequently, ASEC concluded that many parents 'were not adequately prepared to be teachers and role models to their children with respect to financial matters'.³⁰ An interesting finding was that when children approached their parents for financial guidance they were more likely to be taught to set financial goals (72%), as compared with 45% when children were approached by their parents to discuss this issue. It is obviously important to write curriculum material that can be taken home and discussed with parents.

The Jumpstart Coalition for Personal Financial Literacy was established in 1997 in the US with the mission to improve the personal financial literacy of young adults and promote the teaching of personal finance. Like pfe, it acts as a clearing house for resources to ensure they are high quality and of educational value. Jumpstart also conducts biennial surveys of financial literacy and its latest study, involving over 4000 students, has found a decline in literacy levels among high school seniors.

Jumpstart also found that existing classes in personal finance were not doing their job: 15% of students with a semester's experience of finance education fared worse on the exam than students who had not studied any finance topics. However, students who played an interactive stock market game were found to have higher levels of financial literacy than those who did not.³¹

In a speech to the National Council on Economic Education, 2002, Federal Reserve Board Vice Chairman, Roger W. Ferguson Jr. noted that despite the increased availability of financial literacy programs, there was a decline in the level of understanding of basic financial concepts amongst surveyed high school students and that 'such findings make the case for more research into desired competencies, learning styles and preferences, and program effectiveness'.³²

New Zealand

Financial education is not a compulsory subject but a Financial Literacy program has been developed by the Enterprise NZ Trust in co-operation with schools and business and is currently being trialed in over 70 secondary schools. Students completing the program receive a Personal Financial Learning Portfolio documenting their learning which creates a template for making future decisions. The NZ financial literacy program is a mix of knowledge, behaviour recognition, values, applications and decision-making.

29. 'Parents miss their mark as financial educators for their kids', 'Parents, Youth and Money survey, 2002, at: www.asec.org

30. Ibid. above

31. Information provided by the CEO of Jumpstart, Dara Duguay

32. speech by Vice Chairman, Roger W. Ferguson, The Federal Reserve Board to the National Council on Economic Education, on 13 May, 2002. www.federalreserve.gov/Boarddocs/speeches/2002

It covers income, budgeting, financial protection, credit and borrowing, taxation, banking, saving and investing, and financial planning.

As part of an investigation into the financial understanding of senior secondary students, a 30 item multiple choice questionnaire was completed by 804 senior students based on a survey conducted in the US and 52% failed to achieve a pass mark of 60% correct responses. No one area was answered particularly well and saving and investing and credit and borrowing questions were the poorest areas overall. The conclusion was that at least half of New Zealand senior students had a poor understanding of their personal financial management and knowledge levels.³³

How is consumer education taught in other countries?

Consumer education is taught in many countries in different forms and at all levels of education from kindergarten to Year 12. Consumer education is particularly well-established in Scandinavia where consumer organisations have a long history. In the rest of Europe, there are varying degrees of commitment, despite the urgings of the Council of Ministers. Some interesting initiatives have been included from a number of countries, and these can be adapted for the CEIS project. The findings of a number of research reports have also been included.

Much of the information on consumer education in Europe comes from Nice-mail publications, funded by the Nordic Board of Ministers, and published for the participants of the European Network of Consumer Educators.

The network exists to exchange experiences between consumer educators, further develop consumer education, and represent and lobby for consumer education at a European level.

The European Union

The European Commission Health and Consumer Protection Directorate-General provides financial support for an award winning website for young consumers, written exclusively by school students, www.yomag.net.

Currently, some 300 students from twelve European countries are involved in writing material for the interactive site (this includes articles and product-testing). The aim is to cover everything that affects young consumers in their everyday lives, and this includes the social and political consequences of consumer habits.

Youth consumer issues are grouped into the following categories: music; fashion; travel/mobility; pets/animals; food; body/beauty; media/internet; sports; money/economy; advertising; and the environment. Clicking on one of these icons will lead to a mix of articles, product testing and chat room discussion. For example, in the 'fashion' section there are articles on body piercing and the influence of the fashion industry on young people, a quality test on different brands of rucksacks, and a report on the poor quality of some well-known and expensive brands of jeans.

In addition, the Directorate-General organises the annual European Young Consumer competition, which has a different consumer theme each year, in order to increase consumer education.

33. 'An investigation into the financial knowledge levels of New Zealand senior school students', L. Morris, Dec. 2001

Norway

Extensive research was carried out in Norway by two professional consumer educators in 2000 into how best to upgrade consumer education in schools. Recommendations include:

- inclusion of global aspects of consumer education in courses
- up-to-date resources be provided for teacher trainers and student teachers
- connecting consumer education with efforts to develop entrepreneurial skills
- developing a website for exchanging information between teachers about consumer education
- an advisory office be created to provide more information about current issues, especially as regards responses to media debates and articles
- guidelines be developed for an in-service training course for primary teachers - including ideas on how to teach consumer education through interdisciplinary approaches and qualify teachers to work with consumer related topics. ³⁴

There is no doubt the focus of consumer education should be on the life skills necessary for functioning in a global consumer society. This not only recognises the reality of globalisation, but makes consumer education a more interesting subject for young students.

Finland

In Finland, consumer education is taught across all subject areas. Research carried out in 2000 by the Finnish Consumer Agency, and based on questionnaires sent to 55 schools, found that students had a good understanding of basic consumer rights but few knew about their responsibilities (such as commitments to a contract) and only 4% wanted more information. The conclusion drawn from this research was that there was a need to make consumer topics more interesting and relevant and develop practical teaching material that involves the students solving real cases. ³⁵ This conclusion was also reached by ASIC researchers in Australia.

Denmark

The Danish Consumer Information Centre has a dedicated website for the 12-16 age group. Students can get consumer information and test results, and also discuss consumer issues online. Current topics being discussed are: fast food, energy drinks, roller skates, SMS, branded clothes. The Centre, does not intervene in the discussion, instead it tracks the emerging consumer/youth issues.

34. 'Focusing on consumer education', Prof. S.H. Steffers & V.W. Thoresen, NICE-Mail, 13/2000, p.9

35. 'How much do young people know about consumer issues?', J.Koponen, NICE-Mail, 14/2000, p.9

Sweden

The Swedish Consumers Association (SCA) and the Swedish Competition Authority have a 'smartshopper' website aimed at young people featuring a 'haggling school' and exercises to develop 'good buying muscles'. A SCA consumer survey in 2002 involving 1918 students with 25 questions on consumer issues found that students acquire most of their consumer knowledge from school (36%), the media (33%) and then their parents (19%).³⁶

An excellent example of how consumer education can be taught across the curriculum is provided by a project on genetically modified foods. A total of 120 Year 9 students at one school worked for four weeks on a project in science, social studies, language and home economic classes. Twenty of the students became involved in developing a website, the rest collected data and interviewed farmers, retailers and other interested parties.

The students presented their findings in a two-hour seminar using posters, songs, drama and other methods in the local town hall. A popular television personality led the discussion (involving representatives from a range of industries) which was attended by the media.³⁷

Spain

The Department of Health, Consumerism and Social Welfare has had a series of four-year plans for consumer education. Each year teachers are invited to submit teaching ideas on consumer topics and a committee then chooses the best projects, awarding the teachers some money to develop the material further with their students. Diplomas and prizes are also offered for outstanding projects. Recent topics selected: mobile phones, electronic games and 'body worship'.³⁸

Travelling consumerism workshops run by the Department of Industry, Trade and Tourism of the Basque Government have been running since 1990 and involve students, teachers and parents. Teachers are given prior training and parents are involved in selecting topics for discussion. The workshops are kept quite small (between 12-20 students) and last up to 2 hours with the emphasis on 'hands on' activities for the participants.³⁹

This would seem to be an excellent idea as research suggests that educational programs supported by parents are more likely to be successful. And, as research in Northern Ireland suggests, parents will also improve their consumer skills as well.

36. 'Gymnasium students and consumer skills', M. Oberg, NICE-Mail, 18/2002, p.4

37. 'Gene Technology Project', L. Jonsson, NICE-Mail 13/2000, p. 14

38. 'Consumer education four year plan', N.A. Martin, NICE-Mail, 14/2000 p. 24

39. 'Travelling consumerism workshops', A.de Guerenu, NICE-Mail, 14/2000, pp. 27-28

Northern Ireland

A recent research report 'Consumer skills for all' by the General Consumer Council for Northern Ireland details a survey which included four samples of school teachers: primary, secondary business studies, secondary home economics and secondary (variety of subjects). 271 teachers were surveyed for the research (65 primary and 206 secondary).

The aim was to produce an education program that would 'shift public attitudes from reticence to a freer culture of informed purchasing and justified and effective 'complaining''. The 'pester power' of primary school students was recognised as a significant educational and purchasing influence in the home and community by 75% of primary teachers in the study.⁴⁰

Secondary school teachers felt their students had a powerful potential to influence and educate their parents, but it required the students being interested and motivated enough themselves in such matters. The main leverage for consumer education was thought to be the internet as, 'children now have more knowledge on issues and adults tend to listen to statements which begin 'I found it on the internet...''⁴¹

Business studies teachers believed the most popular teaching methods were the use of case studies (67%) followed by role play of consumer complaints (55%) and consumer problem solving. A key to success was enabling students to apply the theory practically. Also frequently mentioned was young enterprise/mini business schemes and guest speakers from consumer agencies.

Two consumer issues were considered to be of high priority for all students - financial planning for life after school, and consumer rights and responsibilities. The main problem facing young consumers was considered to be the availability of easy credit combined with the naivety of young people in the face of exploitative sales ploys, and their lack of awareness of the dangers of credit.

The report recommends that: 'Consumer education be firmly integrated into the school curriculum as an important and underpinning strategy which will realise the potential of schoolchildren as 'vectors' of family and community education and change.'⁴²

Consumer Education in Australia

CAV reviewed a range of dedicated consumer education web sites and print material produced by domestic consumer agencies. A list of those agencies appears in Appendix D.

New South Wales (NSW), South Australia (SA) and Queensland (QLD) are the only jurisdictions which have specific youth consumer education websites. The key topics covered by these sites include: shopping (rights and responsibilities), mobile phones, renting, buying on credit, buying a car, and managing money. Queensland has separate sections for 'Youth' and 'Teachers' at the Office of Fair Trading site and conducts an annual 'Buy Smart in the Smart State' competition. South Australia has two sites relating to consumer education: 'Spendwell' for 11-16 year olds and a 'B4 You Splash Cash' youth website for 16-20 year olds. A range of case studies, projects and other classroom activities are available to be used online or downloaded.

40. 'Consumer skills for all', General Consumer Council for Northern Ireland, Dec. 2001 p.6

41. Ibid. p.43

42. Ibid. p.16

The NSW and SA sites are interactive with online calculators and quizzes to engage the students.

The NSW 'Money Stuff' web site, aimed at young people aged 16 – 24, also includes a teacher channel where video segments and workbook activities are combined to provide learning sequences for teachers.

How Victoria (VIC) is working closely with NSW and adapting the Money Stuff resources for VIC relevance is described in more detail in the section 'A joint project with NSW' on page 23.

Conclusions

On the basis of the experience of other international and domestic consumer agencies, CAV reached the following conclusions:

1. CAV should pursue a policy of closer co-operation with equivalent agencies on Consumer Education in Schools (CEIS) programs nationally and internationally.

Research into how consumer education is taught nationally and internationally has revealed some exemplary curriculum material as well as excellent ideas to promote consumer education. The advantages of sharing ideas, costs and resources are obvious, especially in Australia, where there is much duplication of material. Young consumers can only benefit from consumer agencies taking a more co-operative and global approach to consumer education and protection.

2. The CEIS program needs to particularly focus on improving young people's literacy skills and it should be delivered in co-operation with other stakeholders including parents.

Two major reports published in Australia in 2003 have demonstrated a lack of financial literacy in Australia, especially amongst some groups, including 18 - 24 year olds, early school leavers, and school children.

Overseas research shows this problem is not unique to Australia and it is of particular concern in a world where labour markets are much more flexible and global, and there is little job security. There is a growing national interest in this issue, providing CAV with an opportunity to take a leadership role in this area.

3. On successful completion of the initial program, CAV should extend the program to reach primary and lower secondary students.

International research has confirmed the existence of 'pester power'. Young children (including the pre-teens) have significantly more spending power and influence over their parents' spending than previous generations. They, in turn, have become a major target of advertisers and marketers.

Anecdotal evidence suggests it is common for children as young as two to be able to identify brands, so it is essential that consumer education starts at a much younger age, for instance, primary school years 2 - 6. A best practice example of teaching financial literacy in Kindergarten to Grade 2 (K-2) is described in Appendix F.

“ **Section 3** **Victorian consumer** **education** **curriculum** ”

3

Aim: To identify gaps in the existing school curricula relating to consumer youth issues, conduct an audit of existing resources and discover what consumer education teachers want/expect from Consumer Affairs Victoria (CAV).

The Victorian Experience

The Victorian Curriculum and Standards Framework 11 (CSF) describes what students should know and be able to do in eight Key Learning Areas (KLA's) at different levels from Preparatory to Year 10. The learning areas are:

- the Arts
- English (including English as a second language)
- health and Physical Education (HPE)
- languages other than English (LOTE)
- mathematics
- science
- studies of Society and Environment (SOSE)
- technology.

Within each KLA, there are strands and outcomes. The outcomes answer the question: 'What should students know and be able to do as an outcome of their learning at this level?'

For each strand, the CSF sets six levels for student achievement over the years of schooling.

Level 6 (Years 9 and 10) is designed to provide for the transition between the end of the compulsory years of schooling and the requirements of the Victorian Certificate of Education and other post-compulsory forms of education.

Curriculum and Standards Framework

Studies of Society and Environment

In the SOSE KLA there are three strands for Years 7-10: History, Geography and Economy and Society. The best opportunities to teach financial literacy and other aspects of consumer education can be found in the Economy and Society strand which introduces students to the world of work and business, enterprise education and managing the economy. For example, Level 6 Outcome 6.4 states that students should be able to: 'Demonstrate an understanding of personal and business financial management, and identify and apply enterprise skills and attributes.'

SOSE is compulsory in Years 7-10 but not individual strands, so not all students will study the Economy and Society strand, as a CAV teacher questionnaire demonstrated. Refer to 'Commerce Teachers Questionnaire' on page 21.

Mathematics

Learning outcome 6.2 (Measurement strand) states that students should be able to 'solve problems involving rates, ratios and percentages'.

Learning outcome 6.1 (Chance and data strand) states that students should be able to 'interpret and evaluate information collected from published data or extracted from prepared databases.'

Therefore, there are many opportunities to incorporate material on (for example) budgeting, saving and investing, into the maths curriculum.

International research suggests that students who leave the early years of schooling without achieving success in mathematics are unlikely to make further gains in later years.⁴³

English

Many opportunities exist to incorporate consumer education into the three English CSF strands: Speaking and Listening, Reading, and Writing. The aim is to enable students to 'speak in a variety of formal and informal situations, exploring different perspectives on complex ideas and issues' and to learn to be 'critical and independent users of texts appropriate to situations in school, in their daily lives and in workplace situations'.

All consumers benefit from excellent communication and critical thinking skills.

Health and Physical Education

Opportunities exist in two strands of this KLA:

- health of individuals and populations
- self and relationships.

In 'Health of individuals and populations', students identify the major causes of illness, injury and death in Australia. The impact and consequences of financial stress on people's mental and physical well-being can be explored here.

It should be noted that opportunities exist to incorporate consumer education topics across the curriculum but the ones outlined above are the usual starting points.

43. 'Middle Years Numeracy' Department of Education and Training website: www.sofweb.vic.edu.au/mys/Num

Civics and citizenship education

The Victorian CSF aims to help students become active and informed citizens. This requires them to develop an understanding about key elements of Australia's legal, economic and political systems. Though much of the knowledge is found in the SOSE KLA, there are opportunities to explore elements of the attitudes and values associated with citizenship across all key learning areas. Being an empowered consumer is part of being an active citizen.

Enterprise education

The development of enterprise skills is another educational priority and in some schools there is a strong relationship between enterprise education and financial literacy, especially when students spend time setting up and running their own small businesses. However, other consumer topics may not be covered. This is unfortunate, for as the UK National Consumer Council points out: 'it is important that students see both sides of the business and enterprise story. By this we mean that, if students are to leave school equipped with the skills required by business and involvement in successful enterprises, they need to be consumer savvy as well as business savvy'.⁴⁴

With more young people choosing to be self-employed and run their own small businesses, it makes sense to move beyond the traditional boundaries of consumer education.

Other courses

Curriculum mapping suggests that financial literacy can be taught as part of the existing curriculum or part of the transition skills from school, and/or part of Vocational Education and Training (VET) and Victorian Certificate of Applied Learning (VCAL) courses.

A wide range of VET courses lead to nationally recognised vocational qualifications. Opportunities exist in a number of programs including one of the popular subjects areas, Business Administration.

VCAL is a new 'hands on' option for years 11 and 12 offering 'practical work-related experience, as well as literacy and numeracy skills and the opportunity to build personal skills that are important for life and work

Other opportunities that need to be explored are apprenticeships and traineeships as well as the various programs offered by the Local Learning and Employment Networks for early school leavers to help them overcome obstacles facing them in their transition to post compulsory education and training or employment.

Audit of existing teacher resources in Victoria

An audit of current commerce textbooks designed for middle school Victorian students found only a limited focus on consumer issues. The topics covered include advertising and marketing, contract law, buying a car, and using credit, but there is little mention of consumer redress or CAV. Money management topics (saving, budgeting and so on) are usually considered in more detail.

The Victorian Commercial Teachers' Association (VCTA) in partnership with the Communications Law Centre, published a student resource on mobile phones 'Don't get rung out' in 2000, and consumer issues are covered from time to time in 'Compak', the VCTA's quarterly magazine for commerce teachers.

44. 'Schools achieving success', National Consumer Council, p.7

There is other useful material on budgeting, the pitfalls of credit, and smart shopping at the VCTA website and in its 'Curriculum that Works' publication (2000).

A well-used resource (identified by commerce teachers in the CAV questionnaire and subsequent telephone discussions) is the Australian Stock Exchange (ASX) 'Schools Sharemarket Game' for Years 7-12, where students invest a hypothetical \$50 000 in the share market with the aim of making the most amount of money over a given period of time.

Another 'hands on' resource is 'The Real Game' which was originally developed in Canada and has become an international success. There are now different versions for various age groups; the middle school version incorporates a series of career and life skills programmes which aim to help students make the connection between school and working life. The emphasis is on role play activities with students learning to budget and set financial goals, as well as how to develop a range of transferable skills.

The 'Megabucks' board game is another resource which received teacher endorsement to teach the students a range of financial and economic concepts.

The Commonwealth Bank's 'Money and Sense' website rates highly with teachers for its comprehensive coverage of financial topics, as well as the range of activities. The Australian Bankers' Association produces a range of popular resources for primary and secondary students. The Centre for Economic Education provides a range of downloadable booklets for students, with worksheets and teacher notes, on a number of consumer issues including Managing Money and People and Banks.

Victoria's 'Stuff' magazine is produced by CAV and mailed to every Year 12 coordinator in Victoria for distribution to their students.

'Stuff', developed as a school leavers' guide, contains consumer protection advice and other information about issues facing young people when they leave school and can be used as a teacher resource. The content of the magazine is updated annually to meet the changing information requirements of the target audience (16 – 20 year olds).

CAV's 'Shopsafe' CD-ROM has proved popular with teachers and the recent 'Dollarsmart' CD-ROM workbook (Financial Planners Association) aimed at teenagers is well-planned and also likely to be regularly used in the classroom.

There is a range of other material available, which can be adapted for student use, particularly in the area of consumer credit, for example, 'Money Matters' produced by the Australian Credit Union Network. However, there is a definite need for new resources and this will be discussed in more detail later in the report.

Commerce teachers' questionnaire

To gain an insight into how consumer education is delivered in Victorian secondary schools, a questionnaire was mailed to all members of the Victorian Commercial Teachers Association (VCTA) as an insert in the May issue of 'Compak': VCTA's quarterly journal. While not all members teach middle school commerce, the questionnaire had the added benefit of promoting the Consumer Education in Schools (CEIS) program and CAV to all business studies teachers, including those who may be teaching middle school commerce in 2004 (teaching allotments change from year to year).

A copy of the questionnaire can be found at Appendix A of this report.

From the sixty responses, thirty-four respondents expressed an interest in joining a teacher's focus group. Eleven of those teachers (and one student teacher) attended a half-day session for a more in-depth discussion of the consumer topics they taught, the resources they used, and to consider what additional resources CAV could provide them with.

The questionnaire responses provided valuable feedback from a cross-section of middle school commerce teachers and an insight into the amount of class time they actually spend on consumer education in years 9 and 10.

Year 9 Students

Thirty-nine of the teachers who responded to the questionnaire taught Year 9 business studies. Twenty schools offered the subject as an elective for one semester, nine had a core subject (compulsory) for the whole year, seven had a core subject for one semester, and three had a year long elective. Thirty-six of the 39 schools taught consumer education topics as part of their courses. The amount of time spent on consumer issues varied widely, with three periods a week for 4-6 weeks the average figure.

When asked about preferred resources, respondents indicated a teacher handbook as their first choice followed by a student workbook. Electronic resources (video/CD-ROM) and website were the least favoured due to lack of accessibility to computers and downloading time required.

The main consumer topics taught by the year nine teachers are:

- personal money management (36 schools)
- buying a car (36)
- consumer rights and responsibilities (30)
- using credit (26)
- advertising, selling and marketing (24)
- leaving home (22).

Year 10 Students

Fifty-seven of the 60 teachers taught commerce at Year 10. Twenty-seven schools offered the subject as a semester length elective, 13 as a core all year subject, 10 as a core for a semester and seven as a year long elective. Fifty of the 57 schools taught consumer topics as part of their courses.

The amount of time spent on consumer issues varied widely: three teachers spent a semester, ten a term, but the rest varied from 'a few hours' to a few weeks. Class time was usually 3-4 periods of commerce a week.

The main consumer topics taught at Year 10 are:

- personal money management (51 schools)
- consumer rights and responsibilities (44)
- using credit (41)
- buying a car (37)
- advertising, selling and buying (35)
- leaving home (30).

In terms of preferred resources, a teacher handbook was their first choice, followed by a website. A student workbook and electronic resources were less favoured.

The teacher focus group identified also that country teachers prefer printed material, or a CD-ROM that can be put on the schools intranet, due to problems with internet access and slow downloads.

What teachers want

The information gained from the teacher questionnaire and the focus group discussions, demonstrates that teachers want the following:

- a range of formats: teacher handbook, internet site, video, CD-ROM
- up-to-date resources tackling current issues, e.g. m-commerce and internet scams
- relevant 'real life' case studies with opportunities for hands-on role play activities
- worksheets and a wide range of student activities, including excursions
- lesson plans
- interactive games such as 'The Real Game' and 'Megabucks'
- quizzes or other activities to test students' understanding when a topic has been completed.

A joint project with New South Wales (NSW)

As well as working with commerce teachers, Consumer Affairs Victoria (CAV) has been working closely with the Office of Trading (OFT) in NSW.

Targeting teachers and young people between 16 and 24, the Office of Fair Trading in NSW provides a range of resources under the Money Stuff banner including teacher handbooks, a website, a video and an annual young consumer competition.

CAV has assessed, reviewed and is in the process of adapting the Money Stuff resources for Victorian relevance: combining resources on a state basis is cost and time effective. The long term goal however, is to create a 'state of the art', national website where all States can draw from a repository of generic consumer content while maintaining their respective interfaces and state specific information.

The printed Money Stuff teacher resources, formerly in hard copy, will combine with segments of the video to provide useful learning sequences on a newly created teacher channel. CAV will have access to those activities while simultaneously writing new material for hard copy handbooks to be distributed to Victorian teachers of maths, English, commerce and health and physical education.

NSW also conducts an annual young consumer competition which raises awareness of consumer issues and the OFT. NSW and Victoria propose to expand this program to create a National competition in which all States may participate.

Developing consumer education resources

Victoria has the opportunity to provide excellent and effective consumer education resources for secondary schools students and early school leavers. Adapting NSW's Moneystuff content for Victorian relevance, using the information received from commerce teachers, international and national research findings and, networking with consumer education stakeholders nationally, will assist in creating an effective education program.

The following suggestions for individual products, based on CAV background exploration, will be considered when developing new resources for young Victorians.

Teacher Handbooks

When developing handbooks or other resource activities for teacher use, it is important to:

- ensure enterprise and citizenship topics are incorporated into commerce activities. Being an empowered consumer is part of being an active citizen
- include material for Health and Personal Development. The physical and mental 'wellness' of individuals and populations depends on being debt and stress free
- provide learning outcomes to assist teachers in lesson planning. This will also promote 'take up' of resource by teachers
- include contemporary case studies, adapted from real examples, with lesson plans and quizzes to test understanding
- incorporate current newspaper/magazine articles to make the lesson/activity relevant and stimulating
- include a wide range of activities that cater for different learning styles and preferences, and encourage the development of thinking skills and emotional intelligence
- provide a reference to additional worksheets and at least one excursion activity
- include links to related internet sites for research and extended tasks
- provide homework activities that will involve the parents.

Website

When planning an interactive consumer youth website it would be useful to:

- include a case study based on enterprise skills and setting up a small business in addition to case studies on buying a car or a mobile phone and renting
- provide a teachers' section with advice and suggestions, tips on planning a unit of work, suggested timeline and even lesson plans
- include a parents' section with advice and suggestions for improving their children's financial literacy skills. For instance, worksheets to take on shopping trips can be a shared parent/child activity
- update website material on a regular basis to encourage students and other young people return to the site
- encourage student interest and involvement in the website with student articles, a possible chat room and an advice section with responses to frequently asked questions
- use stimulating colours and graphics.

E-mail

CAV will also investigate the creation of a database of interested teachers to provide responses to consumer issues. For example, if a dangerous toy is banned, teachers could be sent a copy of the press release plus some suggested student activities/questions. Teachers could similarly be alerted to the appearance of a consumer spokesperson on current affairs programs, so they will know to record them, and some suggested activities/questions could be included in the email.

'Giveaways'

Whether developing giveaways such as a 'Z card' (a credit card sized fold out publication), a flyer or a brochure, it needs to reflect the priorities of young consumers by providing advice on:

- consumer rights e.g. refunds, lay-by, and bag searches
- buying on credit
- signing a contract
- internet shopping
- buying a mobile
- buying a car.

Consumer agency contact details need to be clearly identified.

Video

A video is a useful alternative resource when access to the internet is unavailable. To add value to the product it would be useful to:

- develop worksheets with varied activities
- create short video/s with student involvement. For instance, have a script-writing competition based on a chosen theme
- explore possibility of working with Office of Youth and early school leavers if the video is dealing with a range of consumer issues such as credit card debt and renting.

CD-ROM

A number of teachers expressed a reluctance to use the internet due to slow downloads, the internet room being unavailable and other problems. They have a preference for a CD-ROM that can be put on to a school's intranet with material from the website, even though it will lack some features (updates, feedback and so on).

Adding value to a consumer education program

In addition to developing effective teacher and student resources, there are other important activities which will enhance a consumer education program.

Parent/teacher/student workshops

Research suggests that educational initiatives require the support of parents to be successful.

Other research shows that many parents may be overestimating their own money management skills, and would, therefore, benefit from working with their children on project material. They may also improve their consumer awareness on other topics too, through assisting with homework and so on.

Therefore a number of models could be considered, such as:

- workshops at school to which parents are invited, in particular, primary or junior secondary students
- family seminars run by consumer jurisdictions (perhaps during the summer holiday period) to cover a range of consumer issues as well as advice on budgeting and saving and how to draw-up a family budget.

Professional development for teachers and student teachers

Consumer resources are more likely to be used (and used effectively) if professional development (PD) is provided with the co-operation of the relevant subject association. For example, in Victoria, the Victorian Commercial Teachers' Association or the Victorian Association for Teachers of English.

Countries with well-established consumer education programs in their schools provide PD for student teachers, so they are well-prepared before they start teaching. A start could be made with future commerce teachers, but opportunities also exist to work with future primary school teachers.

Competitions/Awards

Competitions appeal to students, and teachers generally encourage their participation. They raise the profile of the consumer agency and encourage interest in consumer issues.

NSW and QLD hold annual consumer competitions for young people. However, NSW and Victoria share a vision to develop a national competition where state winners compete for a National title. A wide variety of categories appealing to all intelligences would attract many students.

In order to maintain teacher interest and ensure that new material is produced on emerging issues, awards can be offered to teachers who want to develop a unit of work with a consumer theme. For example, teachers could be invited to submit an idea for a unit on contracts. The teachers judged to have the best ideas would be given a small award to develop the material with their student's assistance. The results could then be published on the website as examples of best practice.

Conclusion

As the responses from the teacher questionnaire and teacher focus group identified a range of needs, CAV concludes that:

CAV should produce a range of resources to meet different needs. These resources need to include printed material, a video, a CD-ROM and an interactive website. While traditional topics need to be addressed, the resources should also link with citizenship education (consumers as active citizens) and enterprise education (financial, enterprise and life skills).

“ **Section 4** **The student** **perspective** ”

4

Aim: To discover from students and other young people the extent to which they are aware of Consumer Affairs Victoria (CAV) and their rights and responsibilities, as well as their level of interest in consumer issues.

To meet this aim CAV visited schools, tested students using a questionnaire and facilitated youth round table discussions.

School visits

CAV visited eight schools (listed in Appendix B) involving a total of 240 students. Informal classroom discussions assessed students understanding of, and interest in, consumer issues. Six of the classes were Year 10 Business Studies, one was a Year 11 Business Management class and the other was a Year 11 Industry and Enterprise class. The selection of schools provided a mix of government and non-government, metropolitan and country schools and one school had a high representation of Indigenous students.

Student questionnaire

One hundred and eleven (111) Year 10 students agreed to complete a questionnaire to test their understanding of, and interest in, consumer issues. A copy of the student questionnaire and the rationale behind each of the questions can also be found in Appendix B of this report.

Youth round tables

Local education and youth networks assisted with the two Youth Round Table (YRT) to elicit the perceptions and experiences of early school leavers. The first YRT was held in Frankston and the second in Bendigo. Informal discussions were guided by questions similar to those used by Colmar Brunton Social Research for the Commonwealth Consumer Affairs Advisory Council report on Consumer and Youth Issues (see Appendix C of this report).

Young consumers have their say

Students and early school leavers who participated in the school discussion groups and the Youth Round Tables (YRT) were presented with a variety of scenarios and questions to test their consumer literacy.

For instance, as an opening exercise at the YRT, all participants were asked to complete and sign a fictitious consent form allowing CAV to record their comments. All trustingly signed the form disregarding a misleading clause in small print. The objective of this exercise was to test their awareness of the importance of reading the fine print on all contracts and, if they don't understand the terms, ask someone to explain them.

Students in the school discussion groups and the Youth Round Table participants were asked the following questions either verbally or via a questionnaire.

1. *How do you budget or plan your spending?*

Students' answers to this question showed that while most work on the 'earn now and spend it' theory, they understand the principles of budgeting. Most had part time work consisting of a few hours a week. One exception was a university student who works four jobs which are categorised for tax, savings, entertainment and living.

Parents were quoted as the main source of income for those still at school.

2. *What do we mean by 'consumer issues'?*

For this question, many students had difficulty explaining the concept, or could go beyond the basic issue of returning faulty goods. Their answers included:

- 'consumer issues are about people buying goods and service'
- 'consumer issues are about difficulties that consumers have to deal with'.

A few students were more specific and stated that:

- 'consumer issues are about prices, dangerous goods, safety, information on goods'.

3. *What are some consumer issues that young people have to deal with?*

In answer to this question, mobile phones were cited as a major issue followed by the belief that they (young people) were being treated differently to adults.

Some of their personal comments included:

- 'sales people don't think we are important'
- 'it's hard to return faulty goods without your parents help'
- 'stores never believe you or what you say happened'
- 'I always feel pressured into buying things I don't really need (either by friends or sales staff)'
- 'I often get overcharged'
- 'I am always being asked to empty my pockets and bag.'

The following case studies were provided by young people as examples of unfair treatment:

- When buying a second-hand car, a young consumer had to insist on his right to get a mechanical check. The trader later tried to add the cost of making the car roadworthy to the original price of the car.
- A two week '*cooling off*' period was applicable with the purchase of stage lighting but this information was not provided to the student. When the lighting failed, he had to argue to have the defects rectified.
- When another student had problems with a stereo system still under warranty, the store told him to take the unit to the manufacturer in Melbourne for repair even though the store was responsible.

4. *What are your options when things go wrong?*

For this question many school students were aware of what could go wrong, such as finding out a product they had bought was faulty, but their answers showed they were not well-informed about what to do next and were often unrealistic in their expectations.

While a reasonable number were able to say: 'take it back', 'speak to the manager' (if the problem was a faulty product), other responses included:

- 'sue the company'
- 'write a letter of complaint to the state government'
- 'contact 'A Current Affair'' (Channel 9 program)

- 'go to the police'
- 'not go back but spread the word about the issue'
- 'throw it out'
- 'try to fix it'.

Most of the young people in the Youth Round Tables also indicated a limited awareness of Consumer Affairs Victoria and its consumer protection role. All had encountered consumer problems and managed to satisfactorily resolve some of them. Those that weren't resolved were written off as a learning experience.

5. *What marketing pressures or influences are used to persuade you to buy?*

Students spoke openly about sales tactics and what influences their choices when they go shopping. They felt they were often:

- 'being ripped off'
- 'getting fooled or pressured into buying'

One student described how he was enticed by a salesperson into buying a \$600 leather jacket he had no intention of buying. Another student signed a mobile phone contract on the promise of 'free chat time' only to find that function ceased six days after purchase.

Students were also well aware of special deals (but mainly as they related to takeaway food), peer pressure, the use of celebrities and 'cool people' to promote products.

6. *What are some questions to ask before buying a high priced product?*

Students were given the choice of working on scenarios relating to the purchase of a mobile phone, second hand car, or computer.

Those students who chose to simulate a mobile phone purchase suggested some appropriate questions such as the types of payment plan and specific features of the phone, but these were limited in number.

Questions relating to buying a car were mainly restricted to the condition of the car with only one question being asked about the transfer of ownership. The questions also tended to be closed ones i.e. inviting a 'yes' or 'no' answer such as: 'Is it safe?', 'How old is it?' 'Is it roadworthy?' (only 1 student asked this last question).

For students simulating a computer purchase, their questions tended to be more specific and designed to elicit detailed and relevant information.

In summary, the responses to the informal discussions and the student questionnaire, indicated that young people are generally unaware of their consumer rights and responsibilities

A few YRT participants had received some consumer education at school but this was only for short periods, for example, one week of money management, two weeks of consumer rights and responsibilities, and they had difficulty recalling any details or key concepts.

It was also evident from the discussions that there was little knowledge of CAV and its role in consumer protection, or how and where to seek appropriate redress.

CAV will use these findings and continuing consultations with young people and other stakeholders to develop the CEIS program which is aimed at increasing the level of consumer awareness as well as the skills needed to be confident and empowered consumers.

Other findings

Formal research by Colmar Brunton Social Research supports CAV findings that there is a general lack of awareness of basic consumer rights and little understanding of how to find and access available consumer services.⁴⁵

Issues of particular concern for young people were found to be:

- financial services - including savings, credit and insurance
- mobile phones
- buying a car
- accommodation.

Financial services (including savings, credit and insurance) was identified as an important issue for youth with evidence of a clear knowledge gap.⁴⁶

Qualitative research in the report identified a range of 'bad things' associated with being a young consumer. These included:

- the inability to get a refund or exchange
- wasting money trying to stay in fashion
- lack of control, the need to borrow and beg for funds
- vulnerability to 'rip offs'
- interest rates on loans and access to credit.⁴⁷

45. 'Consumer Issues and Youth. A research report into best practice in consumer education targeting young Australians', Colmar Brunton Social Research, July, 2002

46. Ibid. p.7

47. Ibid. p.30

Although young people often approach consumer purchases irresponsibly, they dislike the consequences, especially wasting money or spending it unwisely. The research found that many young people were very reluctant to engage in responsible consumer behaviour for a range of reasons:

- it wouldn't be 'cool'
- the desire for immediate gratification
- the time and effort involved
- a lack of motivation. ⁴⁸

The research also revealed that the term 'consumer issues' meant little to young people, and that they rarely complained.

Young people tended to rely on parents for help when needed and there was only limited awareness of dispute resolution mechanisms. Participants in the research did, however, express a preference to solve their own problems. ⁴⁹

The young people generally felt they were not getting enough consumer information, especially information directly relating to youth. Some of the issues they wanted more information about were:

- what to do if something goes wrong
- guarantees and limitations of guarantees
- lists of contacts and links
- consumers' rights and responsibilities. ⁵⁰

Conclusion

On the basis of the CAV findings which indicate that young people are unaware of their consumer rights and often lack the skills needed to be confident and empowered consumers, CAV reached the following conclusions:

- 1. CAV should continue to consult with young people when developing products and invite their participation in the CEIS program where possible.**
- 2. CAV should also invite students to be part of a stakeholder forum in partnership with the Department of Education and Training and the Office of Youth along with teachers and parents.**

48. 'Consumer Issues and Youth. A research report into best practice in consumer education targeting young Australians', Colmar Brunton Social Research, July, 2002 p.44

49. Ibid. p.32

50. Ibid. pp.33-34

“ **Section 5** **Best practice in** **teaching consumer** **education** ”

5

Aim: To ascertain best practice in terms of teaching methodology, information campaigns aimed at young people, and the teaching of consumer education.

The need for best practice

In Europe, despite numerous costly initiatives and the encouragement of the Council of Ministers for many years, regular Eurobarometer surveys have found no evidence of an increased interest by Europeans in consumer issues. A three year research project was started in 1997 involving four European tertiary institutions with the aim of promoting the teaching of consumer education in European schools. The report includes examples of best practice and offers an educational strategy for teachers and educationalists to apply with primary, secondary and adult consumers.

The researchers identified three main concepts which can contribute to educating and empowering consumers: choice, participation and information.

Choice

Consumers should be able to make informed choices and explain the reasons for their choices.

Participation

Consumers need to know they have rights and responsibilities and how to communicate dissatisfaction and satisfaction (be a confident consumer), and be able to resolve disputes.

Information

Consumers should know how to access the information needed for informed decision-making.

The important factor, according to the Euromodule report, is the skills required to be an effective consumer in the 21st century. These skills and attitudes are the 'building blocks' which enable people to be effective consumers.⁵¹

These skills include having the ability to search for, interpret and evaluate information, shop critically, appreciate the consequences of consumer behaviour, be reflective (e.g. aware of the reasons for consumption), and have the skills to separate fact from advertising hype.

The need for 'new learning'

A report by the Australian Council of Deans of Education, 'New learning: A charter for Australian education', on the type of education needed in the 21st century, concluded that new learning will be about creating a new kind of person, 'someone who knows what they don't know, knows how to learn what they need to know, knows how to create knowledge through problem-solving and knows how to create knowledge by drawing on informational and human resources around them.'⁵²

Students will need 'to be able to navigate change and diversity, learn-as-they-go, solve problems, collaborate, and be flexible and creative.'

According to the report, the key question is 'what kind of learning will be durable?'⁵³

The focus of learning, therefore should not just be on what you know but what you can do as well. The knowledge has to be relevant to the doing. Students need to be able to select relevant knowledge; selectivity or relevance is as important as the knowledge itself. There is also a need for transferable skills - from classroom to workplace, from one workplace to another, from one cultural or country setting to another.

'Now what I want is Facts. Teach these girls and boys nothing but Facts. Facts alone are wanted in life...Stick to Facts, Sir!' Charles Dickens, *Hard Times*, 1854⁵⁴

However times have changed and the report makes the point that education in the 21st century needs to involve much more than just the facts.

Catering for different learning styles and preferences

As well as recognising the importance of skills, there is also the need to recognise that students have different learning styles and preferences. Both the Department of Education and Training and the Victorian and Curriculum Assessment Authority encourage teachers to use the multiple intelligences model developed by Professor Howard Gardner of Harvard University. This model recognises eight intelligences and provides teachers with eight different ways of presenting curriculum material.⁵⁵

These intelligences, with some possible consumer education applications, are listed on the next page.

51. 'Euromodule in consumer education', final report, June, 2001, An EU & ERASMUS funded project.

52. 'New Learning: A Charter for Australian Education', Australian Council of Deans of Education, 2001, p. 61

53. Ibid. p.86

54. Ibid. p.29

55. 'The middle years of schooling: differentiating the curriculum: what is multiple intelligences?', Department of Education and Training website: www.sofweb.vic.edu.au/mys/myonline1pd/2/21/resources/2141.htm

Verbal/linguistic

Stories, letters, word searches, debates, drama.

Letters of complaint, role play activities, interviews with consumers and traders, interpreting complex contracts (for example, mobile phones), analysing and interpreting advertising and marketing techniques, articles and debates on consumer issues.

Logical/mathematical

Problem-solving, survey grids, interpreting statistics.

Calculating rates of interest (for example, the cost of bank loans, credit cards, and store credit), preparing budgets, designing consumer surveys.

Visual/spatial

Maps, cartoons, board games, graphs.

Design website material on consumer issues, create cartoons, posters and e-cards on consumer topics.

Bodily/kinaesthetic

Excursions, role play activities.

Role play activities based on consumer issues.

Excursions to various markets to better understand the roles of consumers and traders.

Musical

Songs, jingles.

Analyse and write advertising jingles, write songs on consumer themes.

Interpersonal

Co-operative group work, campaigns, discussions, interviews.

Group investigations and consumer awareness campaigns.

Intrapersonal

Reflective journals, self-assessment.

Set personal goals, write a reflective journal on their own consumer habits.

Naturalist

Experiments, investigations.

Investigate the impact of 'affluenza' on the environment, e.g. toxic waste in landfills left by batteries, develop recycling ideas, research the impact of genetically modified crops on the environment.

As well as the multiple intelligences, there is a need to recognise the four key learning styles.

These are shown here with suitable activities to encourage learning:

- Thinking and doing - field trips, hands-on work, and 'how to' projects
- Feeling and watching - group work, reading and then discussion, role play, and interviewing
- Thinking and watching - writing reports, conducting research, logic puzzles
- Feeling and doing - brainstorming, simulation games, problem solving and investigations.⁵⁶

56. 'Learning styles and learning outcomes', C.Perry, Faculty of Education, Deakin University:
www.vcaa.vic.edu.au/csf/Generalinfo/midyears/mylearn.htm

Allowing students to experiment with different learning tasks and ways of learning by providing a wide range of activities is more likely to keep students engaged and interested in what is being taught.⁵⁷ One of the reasons for student disaffection in the middle years may be that more and more students find school a place where their strengths are not valued.

The Victorian Department of Education and Training, through its Middle Years Strategy Team, is also encouraging schools to 'focus on ways to effectively develop students' thinking skills'.⁵⁸

The Department believes that thinking skills will provide students with the capacity and motivation to:

- be community-builders, with strong social competencies, resilience and self-esteem
- be problem-solvers and be able to think creatively and critically
- be independent of mind, self-regulating and reflective
- know how to learn and to continue to learn throughout life.⁵⁹

These thinking skills will help to produce confident and empowered consumers and therefore will need to be a key component of any consumer curriculum material.

Best practice in communicating with youth

Youth communication pitfalls according to the 'Consumer Issues and Youth' research report include:

- treating youth as a homogeneous group
- failure to get key stakeholders involved
- failure to involve youth in the development of material
- using patronising images and language
- using dictatorial language
- overestimating the level of understanding and literacy
- having unrealistic expectations and/or failing to have clear objectives.⁶⁰

The National Consumer Council in the UK provides similar advice:

- go to where the young people are
- ask them for their views
- show that you are listening
- act on their views
- provide feedback on what you have done.⁶¹

Young people often feel they have only been invited to participate as a token. They can feel intimidated by adults and not understand the jargon used in meetings. They feel they are excluded from involvement in major decision making.

57. 'the MI model – using the CSF in the middle years', Dr. H. McGrath, Faculty of Education, University of Melbourne, Victorian Curriculum and Assessment Authority website: www.vcaa.vic.edu.au/csf/Generalinfo/midyears/multint/htm

58. 'Thinking oriented curriculum', Department of Education and Training website: www.sofweb.vic.edu.au/mys/Thinking/index.htm

59. Ibid. above

60. 'Consumer Issues and Youth', Colmar Brunton Social Research for Commonwealth Consumer Affairs Advisory Council, 2002, p. 7

61. 'Involving consumers: everyone benefits', National Consumer Council, p.38

There is a need to provide simple, entertaining and positive messages that build on current knowledge and behaviour and are seen as being in the interests of, and relevant to, the target market.

Messages need to empower youth, provide 'open ended' discussions, and be delivered by peers not authority figures. Clear, simple, basic and colourful imagery are vital.

Conclusions

On the basis of overseas consumer education initiatives and government priorities for Victorian youth, CAV reached the following conclusions:

1. CAV should encourage the active involvement of young consumers in future consumer education projects.

This action is partly in response to overseas initiatives involving young people in consumer education projects, for example, the award winning 'yomag' website. The resources produced in partnership with young people will be more relevant and engaging, and the interest of young consumers will increase. This conclusion also reflects the Victorian Government's goals for young people as outlined in 'Respect - the government's vision for young people', 2002, ⁶² in particular its priority efforts in the future:

'The Government is committed to valuing the contributions of young people, listening to their views and providing them with genuine opportunities for involvement'. ⁶³

'Involving more young people in community-building activities and developing their leadership skills through participation initiatives'. ⁶⁴

2. Teaching resources produced by CAV should cater for different learning styles and preferences, as well as nurturing creative and critical thinking skills and emotional intelligence, in order to equip young people for lifelong learning.

As the research shows, spending a lot of money on consumer education projects is no guarantee of success. The resources must engage the students and this is best done by recognising different learning styles and preferences. There is also a need to go beyond simply providing information and advice; consumers need skills they can rely on in a rapidly changing and complex world, as well as the emotional intelligence to reflect thoughtfully on their consumer behaviour.

62. Victorian Office of Youth Affairs: 'Respect - the government's vision for young people', 2002

63. Ibid. p.6

64. Ibid. p.8

“ **Section 6** **Report summary** ”

6

Why is there the need for Consumer Affairs Victoria (CAV) to develop a consumer education program for schools?

In a fast changing world and a global marketplace, consumers need more than just information and advice (traditional consumer education), they need the skills to be able to analyse and use both.

CAV understands that to achieve best practice in consumer education it needs to address the problems facing young consumers in the 21st century. For instance, it acknowledges that young people are an increasing target group for different forms of marketing practices and commercial pressures and that they have easy access to credit.

The proposed Victorian Consumer Education in Schools (CEIS) program aims to provide students with the skills and knowledge to be well-informed and confident consumers. These include skills in money management, communication, problem-solving and critical and creative thinking, and emotional intelligence.

A variety of activities will be incorporated into commerce, English, maths and health and physical education handbooks for teachers to ensure that each skill is addressed. Although the initial program is designed for Year 10 students, it is acknowledged that consumer education should start in primary schools and extend to young people post secondary school, for instance, early school leavers.

CAV must continue to encourage young people to participate in youth planning and decision making. Once engaged, they are more likely to increase their consumer and financial literacy and therefore more able to pass on that knowledge to peers and their parents. Resources need to be interactive, contain up-to-date information and include case studies based on common youth consumer issues.

Aligning teaching resources with curriculum frameworks, providing professional development programs (and the funds to release teachers to attend them), and providing 'ready made' lesson plans are just some of the ways CAV and other consumer educators can increase the confidence of teachers to actually teach the consumer topics effectively.

The resources must be well presented, cater for different learning styles and be current if we expect teachers to use them.

Domestic consumer agencies need to work together collaboratively to present a united front and lobby for the development of a mandatory consumer curriculum or at least, recognition that consumer issues can be incorporated across key learning areas. Working in partnership with other States will enhance literacy programs, whether financial or general consumer issues based. CAV will encourage the development of shared resources and the partnership with New South Wales will set a precedence for consumer education nationally. ASIC has also taken a lead with its 'Financial Literacy Discussion Paper'. Input from teachers, education authorities, parents, students and government is vital and should be encouraged through stakeholder forums to create ownership and wider promotion.

Confident and demanding consumers are good for Australia's economy: they raise business standards, encourage innovation, and increase Australia's international competitiveness. Consumer education should therefore start at an early age to ensure that each individual has a level of consumer and financial literacy to be able to interact confidently in the global marketplace of the 21st century.

“ Appendix A Teacher questionnaire ”

A

Teacher questions

Questions 1 - 4

At what levels are middle school commerce taught? Is it a core or elective subject? Are consumer education topics part of the Years 9 and 10 curriculum?

Question 5

Which consumer education topics are being taught?

Question 6

Approximately how many students in your school receive some consumer education?

Question 7

Approximately how much time is spent on consumer issues?

Question 8

Please indicate which of the following consumer topics students find useful and relevant (examples given included money management and consumer rights and responsibilities)

Question 9

Please indicate which of the following resources you would find most practical in your school environment by ranking them from most useful to least useful. The choices were: teacher handbook, student workbook, video/CD Rom, website

Question 10

Would you be interested in becoming part of our teacher focus group?

Question 11

If you have any other suggestions regarding our consumer education program, we would love to hear them! This could include additional topics to the ones already mentioned, or ideas on the best way to present consumer information to young people.

Question 12

Request for contact details

Rationale for each question. The aim was to:

Questions 1 - 4

Identify the extent to which consumer education was being taught in the target years (9 and 10) and to what extent they form part of business studies courses.

Question 5

Discover which specific consumer education topics are being taught.

Question 6

Find out how many students in the school receive some consumer education

Question 7

Ascertain how much time is spent on consumer topics.

Question 8

Identify the consumer topics that students find most relevant and interesting.

Question 9

Discover teacher preferences in terms of resources to be produced CAV

Question 10

Invite teachers to join a focus group to evaluate curriculum material produced by CAV.

Question 11

Seek suggestions and ideas to incorporate into the project

Question 12

Establish a database of commerce teachers.

“ **Appendix B** **List of** **participating** **schools and** **student questions** ”

B

List of participating schools

Bendigo Secondary College, Frankston Secondary College, Maribyrnong Secondary College, Methodist Ladies College, Mount Waverley Secondary College, Northland Secondary College, Sebastopol Secondary College, Xavier College

Student questions

Question 1

What is meant by the expression 'consumer issues'?

Question 2

What are some consumer issues that young people have to deal with?

Question 3

What are some things that can go wrong for consumers?

Question 4

What are your options when things go wrong?

Question 5

5-10 questions to ask yourself before buying one of the following products (choice of items such as a mobile phone)

Question 6

What strategies are used to persuade consumers to spend their money?

Rationale for each question. The aim was to:

Question 1

Test students' understanding of the concept.

Question 2

Find out the main areas of concern for young consumers.

Question 3

Discover their knowledge of particular problems, for example, experiences of members of their family, or their own experiences if not revealed in question 2.

Question 4

Find out their understanding of means of redress.

Question 5

Discover how prepared and informed young people are when making a major purchase.

Question 6

Test young people's awareness of advertising and marketing pressures.

“ *Appendix C* *Youth round* *table questions* ”

C

Questions

Question 1

What do consumer issues mean to you?

Question 2

What are some good things about being a young consumer?

Question 3

What are the bad things about being a young consumer?

Question 4

What factors do you consider before making a major purchase?

Question 5

How do you budget or plan your spending?

Question 6

Were you taught money management or consumer issues at school? If so, what do you remember?

Question 7

When you read a contract or bank document, do you have problems understanding them?

Question 8

What would you do if you had a consumer problem, for example a faulty product? Where would you go for help?

Question 9

What other information would you like to have, that could help you resolve consumer problems yourself?

Question 10

What factors would encourage you to use CAV resources?

Rationale for each question. The aim was to:

Question 1

Test understanding of the concept.

Question 2

Identify attitudes to consuming and what they enjoy about it.

Question 3

Identify the negative aspects, such as discrimination.

Question 4

Discover the factors influencing young consumers such as peer pressure, and the extent to which choices are rational ones.

Question 5

Discover the extent of their money management skills

Question 6

Discover what (if anything) they have been taught at school about consumer issues and what they can remember.

Question 7

Identify concerns about the jargon in contracts.

Question 8

Discover where they would go for help.

Question 9

Discover what information could help to empower young consumers

Question 10

Find out what sort of information attracts their attention and interest.

“ *Appendix D Consumer protection agencies in Australia* ”

D

Government

Australian Capital Territory (ACT)
Office of Fair Trading

New South Wales (NSW)
Office of Fair Trading

Northern Territory (NT)
Consumer and Business Affairs

Queensland (QLD)
Office of Fair Trading

South Australia (SA)
Office of Consumer and Business Affairs

Tasmania (TAS)
Office of Consumer Affairs and Fair Trading

Western Australia (WA)
Department of Consumer and Employment
Protection

Victoria (VIC)
Consumer Affairs Victoria

Commonwealth of Australia
Department of the Treasury

Independent Government bodies

Australian Securities and Investments Commission
(ASIC)

Statutory Authorities

Australian Competition and Consumer Commission
(ACCC)

“ *Appendix E* *Teacher focus* *group* ”

E

Teacher focus group participants:

Ian Outhred
Traralgon Secondary College

Lorraine Schwartz
Mount Scopus School

Dianne Fabiyanic
Taylor's College

Sally Davis
The MacRobertson Girls' High School

Neil Mitchell
Kealba College

Maxine Crapper
Mt. Eliza Secondary College

Terry O'Brien
Mt. Clear Secondary College

Margaret Sinclair
Northcote High School

Lexie Walker
University High School

Odette Kerry
University High School (student teacher)

Krishn Lal
Lyndale Secondary College

Angela Molloy
Golden Square Secondary College

Wendy Smith
Curriculum Advisor, CAV

The following teachers were unable to attend the focus group but have offered to provide feedback when required:

Geoff Preston
Orbost Secondary College

Russell Ives
Korowa Anglican Girls' School

David Bradshaw
Catholic Ladies' College

David Brisset
Firbank Grammar School.

“ *Appendix F* *A best practice* *activity for primary* *school students* ”

F

The following maths (money management) activity for Grades K-2, is adapted from one that was developed by the National Institute for Consumer Education (US) in 2002.

How much is that guinea pig in the Window?

In this activity, young primary students are required to make a consumer choice: What would be a suitable pet for the classroom?

Through exploration and research, the students will learn that choosing and buying a pet requires money, and that future costs are just as important as current costs. They will also learn how to apply a cost/benefit analysis when comparing the needs of the classroom as well as the pet.

The first step is to encourage students to think about the factors that need to be considered before buying a class pet. For instance, the students could evaluate the advantages and disadvantages of different pet options such as a:

- guinea pig
- brown snake
- turtle
- rabbit
- goldfish
- kitten
- galah
- kangaroo



A table could be constructed to compare each pet in terms of purchase price, friendliness, cuddliness, size, noise level, food and maintenance costs and then a rating system of one to five stars applied.

Older students could do a cost/benefit analysis on two possibilities e.g. guinea pig and a snake. Feeding rosters and weekend care need to be considered.

When the final choice is made, follow-up activities can be planned, for instance, fund-raising to pay for the upkeep of the pet.

This activity is an excellent way to teach a number of financial concepts:

- choice (comparisons)
- benefits
- cost
- decision-making
- wants versus needs
- income streams
- goal setting.

Students could be encouraged to extend this exercise to choosing a pet for their home. It is also a very good example of how parents can be involved at this early stage of financial education.

Consumer Affairs Victoria

Consumer Helpline

1300 55 81 81 (local call charge)

Website

www.consumer.vic.gov.au