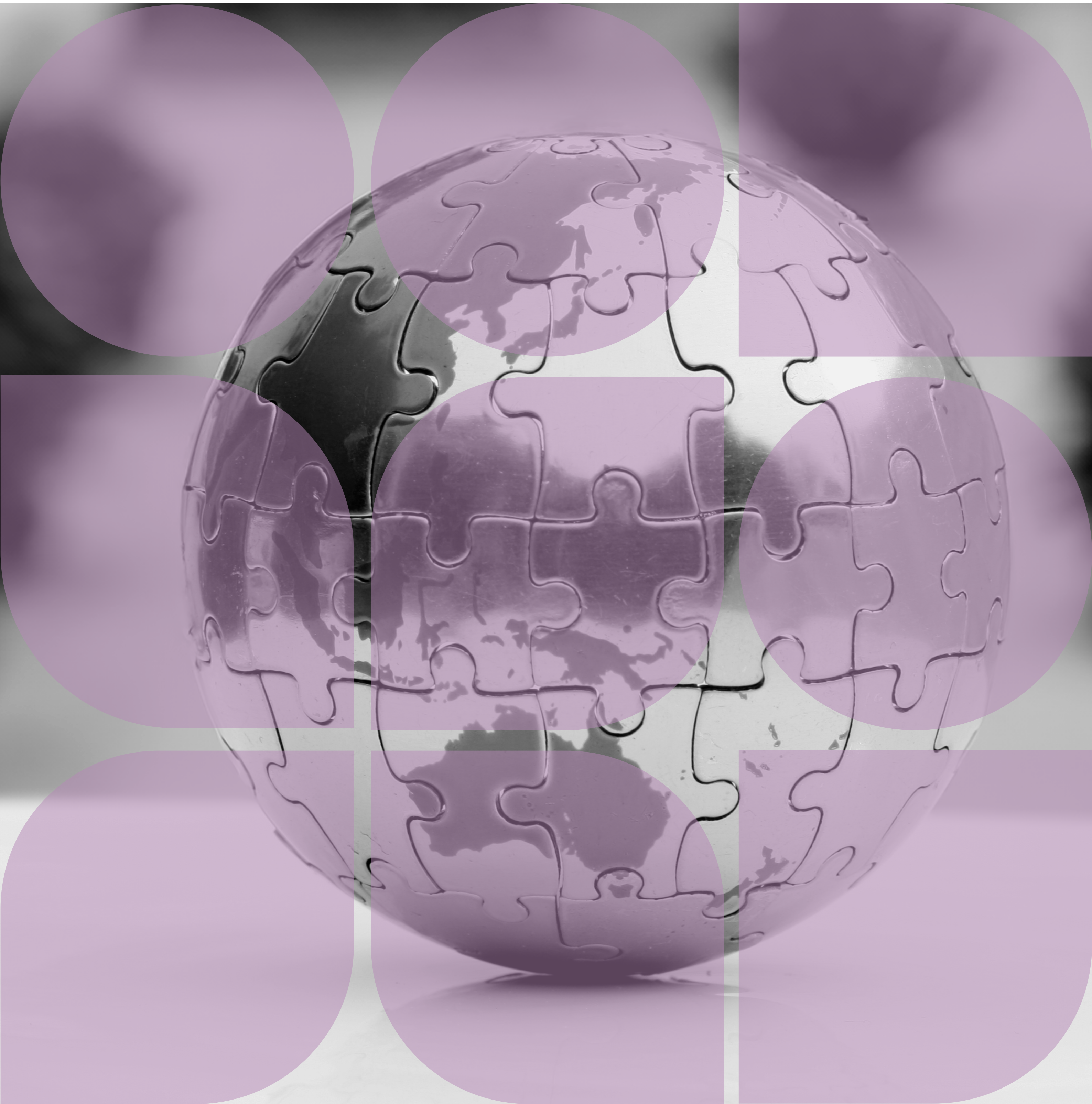
Ecstra Foundation
Policy priorities 2025



Investing in the financial wellbeing of all Australians

Financial wellbeing is essential for individuals, communities, and the broader economy. It directly influences everyday life including the overall mental, physical, and social health of Australians. It is a national issue that underpins economic participation, productivity and the long term strength of our economy.

Multiple factors are straining Australians' financial health, including cost of living pressures, inflation concerns, the increasing complexity of financial products and debt loads, at a time when Australia is experiencing declining financial literacy across the population.

Key challenges include:

- **High financial stress:** One in three Australians struggle to meet household expenses.[1]
- **Mental health impact:** Nearly half (46%) cite financial pressure as a leading cause of distress.[2] People experiencing financial issues are twice as likely to experience mental health challenges.[3]
- **Inequality in financial wellbeing:** Access to economic resources, care and support is important to maintaining good physical health. Those living in lower socio-economic areas face worse health outcomes across multiple measures.[4]
- **Declining financial literacy:** Rates have fallen across all age groups, with the sharpest drop among 15–24-year-olds[5]. Australia's OECD PISA financial literacy assessment scores for 15-year-olds have declined since 2012.[6]
- **Climate and financial strain:** Extreme weather and climate change exacerbate economic hardship, causing displacement, rising utility and insurance costs, and emotional stress.[7]
- **Growing digital divide:** An alarming 1 in 4 Australians face digital exclusion[8], with 1 in 10 highly excluded[9]. The rapid shift to a digital financial system has resulted in a growing access and skills gap.

In the current complex financial, economic and social landscape, a **national, comprehensive and coordinated approach** to financial wellbeing and capability is more critical than ever.

Equipping Australians with financial knowledge, skills, and protections to make informed decisions is essential to fostering long term personal and national economic resilience and wellbeing. This requires:

- Strong policy and regulatory frameworks to ensure financial safety and economic security
- Education and capability-building initiatives to improve financial literacy
- Support systems to assist those most at risk.

By taking decisive action, we can ensure all Australians have the opportunity to live financially secure, healthier and fulfilling lives.

To achieve this, Ecstra calls on the Federal Government to:

1. Develop, implement and lead a national financial capability strategy
2. Elevate financial literacy in the Australian school curriculum
3. Invest in evidence based independent resources, workshops, tools and training to help teachers and schools deliver financial education

RECOMMENDATION 1

DEVELOP, IMPLEMENT AND LEAD A NATIONAL FINANCIAL CAPABILITY STRATEGY

A coordinated, national financial capability strategy must:

- Address the significant gaps in consumer financial education, capability and wellbeing
- Target access to evidence based financial education, appropriate information and support pathways and ensure financial inclusion for all people and communities
- Intersect, support and align with wider economic and social policy, and regulatory and consumer protection frameworks
- Provide a clear action plan to lift financial literacy rates, build financial wellbeing and economic security for all
- Be adequately funded and resourced to ensure the development and delivery of the strategy to the benefit of all.

Why:

- A vast range of organisations in Australia are working to improve financial literacy, capability, and wellbeing. These efforts span government, industry, community organisations, educators, charities, universities, and private providers. Coordinating these efforts under a national strategy is crucial to ensure cohesive interventions, identify gaps, minimise duplication and drive measurable progress.[10]
- Despite these efforts, the financial wellbeing of Australians, including financial literacy rates, is falling[11]. Financial wellbeing is crucial for overall health, intersecting with mental and physical health.
- The OECD has recognised the vital role of financial literacy for long-term resilience and wellbeing[12], urging policymakers worldwide to prioritise improving financial and digital financial literacy to help citizens navigate the ever evolving financial landscape, including scams, digital services, and finfluencers[13]. This should be backed by strong consumer protection mechanisms to create stable financial systems and enhance financial wellbeing.
- National strategies are critical in setting a clear, unified vision and roadmap for change. Without a coordinated national strategy, Australia risks falling behind its global peers. Over 70 countries, including G20 and OECD members, are advancing national financial literacy strategies[14], placing Australia out of step with global best practices.
- Australia was previously an active and recognised global leader in financial literacy interventions. Australia's past commitment to a national strategy, research, and contribution to international financial capability initiatives over the last 20 years provides a strong foundation for a renewed national approach.

RECOMMENDATION 2

ELEVATE FINANCIAL LITERACY IN THE AUSTRALIAN CURRICULUM

- Elevate financial literacy as a core, stand-alone compulsory learning area of the Australian Curriculum to lift students' financial literacy and positively impact their long term economic and social wellbeing.

Why:

- Financial literacy is an essential life skill that empowers young people to navigate a complex and rapidly changing world, helping them tackle real-world challenges.
- Research shows that financial education improves both financial knowledge and behaviours, especially in key areas like budgeting, saving, and credit[15]. It is a cost-effective intervention[16], with long-term positive impacts on students' financial behaviours and outcomes.[17]
- In Australia, financial literacy has declined across all age groups, with the sharpest drop in the 15–24 age group. The HILDA Report notes a steepening "age gradient" in financial literacy.[18]
- Australia's performance in the OECD PISA financial literacy assessment for 15-year-olds has declined since 2012, with no significant improvement in recent assessment cycles in which it participated.[19]
- While financial literacy is part of the Australian Curriculum up to Year 10, it is not taught as a stand-alone subject. Schools vary in how financial literacy is delivered, meaning students can have limited or no exposure to financial literacy concepts in their later years.
- Despite these gaps, there is overwhelming consensus among parents, teachers and students about the importance of financial education, with 98% of teachers and 97% of parents agreeing that financial education should be taught in school.[20]
- Financial education can bridge equity and gender gaps, helping to reduce differences in future socio-economic status[21] and improve women's economic security.[22]
- Compulsory school financial education as a stand-alone requirement is an achievable and necessary goal. For example, in the USA many states now mandate personal finance classes as a graduating requirement.[23]

RECOMMENDATION 3

INCREASE SUPPORT FOR TEACHERS AND SCHOOLS TO DELIVER FINANCIAL EDUCATION

- Increase investment in evidence based, curriculum aligned, independent resources, workshops, tools, professional development and training to help teachers and schools deliver financial education.
- Resources must be tailored, relevant and reflective of the varied lives and experiences of students to ensure greater access, equity and impact.

Why:

- Teachers need more support to deliver financial education.
- In a crowded curriculum it is essential that schools and teachers have access to evidence based, curriculum aligned workshops, resources and tools to support effective learning in classrooms and at home.
- 41% of teachers report having taught financial education at school and nearly all teachers say further professional development in this critical area would be useful.[24]
- Ecstra's Talk Money financial education program supports schools in teaching relevant financial education and concepts. 89% of teachers say topics covered in the workshop would not have been covered or only partially covered if Talk Money had not come to their school.[25]
- These findings clearly highlight a significant opportunity—by equipping teachers with the right resources and professional development, we can enhance the delivery of effective financial education and ensure students are better prepared for their financial futures.

ABOUT ECSTRA FOUNDATION

Ecstra Foundation is committed to a future where people can achieve their best financial wellbeing.

We invest in partnerships, programs and people to provide effective financial education at key life stages and to improve community financial capability and wellbeing.

We also support a range of consumer organisations working to address the many structural barriers to greater financial inclusion and economic security.

Our flagship financial literacy program, Talk Money with Ecstra Foundation, ensures more Australian students have access to effective money lessons and guidance when they need it. Talk Money is the largest free, face-to-face financial education initiative offered in schools nationwide.

www.ecstra.org.au | www.talkmoney.org.au

ecstrafoundation

Talk Money with Ecstra Foundation

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ENDNOTES

1 ABC News (2025) 'A survey about how we see the future should worry politicians' 10 March 2025.

2 Australia's 2024 Mental Health and Wellbeing Check', undertaken by Australian National University's Social Research Centre on behalf of Beyond Blue, is a representative survey that gives a reliable pulse check on the current state of mental health and wellbeing in Australia.

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4 Australia Institute of Health and Wellbeing (2022), 'Health Across Socioeconomic Groups'.

5 Wilkins et al (2022) 'The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 20'. Melbourne Institute: Applied Economic & Social Research, University of Melbourne.

6 'PISA 2018: Financial Literacy in Australia' by Sue Thomson, Lisa De Bortoli, Catherine Underwood and Marina Schmid (Australian Council for Educational Research) under contract with the Commonwealth of Australia as represented by the Australian Securities and Investments Commission.

7 CHOICE (2023) 'Weathering the Storm: Insurance in a changing climate' in partnership with Climate Council, Financial Counselling Australia, Financial Rights Legal Centre and Tenants' Union.

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12 OECD (2020) 'Recommendation of the Council of Financial Literacy', OECD/LEGAL/0461.

13 OECD (2023) 'OECD/INFE 2023 International Survey of Adult Financial Literacy', OECD Business and Finance Policy Papers, No.39, OECD Publishing, Paris.

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17 Kaiser, T., Lusardi, A. (2024). Financial Literacy and Financial Education: An Overview. National Bureau of Economic Research. Working Paper 32355.

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19 'PISA 2018: Financial Literacy in Australia' by Sue Thomson, Lisa De Bortoli, Catherine Underwood and Marina Schmid (Australian Council for Educational Research) under contract with the Commonwealth of Australia as represented by the Australian Securities and Investments Commission.

20 Ecstra Foundation (2025), 'Financial Education in schools survey 2025: Key insights'. Research conducted by YouGov.

21 Thomson, Sue (2020), 'Equity issues in student financial literacy', Teacher, 27 August 2020., see also OECD (2024), 'PISA 2022 Results (Volume IV): How Financially Smart Are Students?', PISA, OECD Publishing, Paris.

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25 Ecstra Foundation (2025), Talk Money with Ecstra Foundation Impact report 2024.