To: The Treasury

2025-2026 Pre-Budget Submission

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Introduction

Ecstra Foundation welcomes the opportunity to make a submission for consideration regarding the 2025-2026 Federal Budget.

Ecstra urges the Federal Government to recommit to a nationally coordinated financial capability and education strategy to help address the pressing financial challenges facing many Australians. These include rising cost of living, deepening wealth inequality, digital exclusion, the surge in financial scams, and the decline in financial literacy.

This submission draws on our experience of funding and partnering with over 130 community organisations working to build the financial wellbeing and capability of people and communities. It is also informed by the learnings from our flagship program, Talk Money with Ecstra Foundation, the largest face to face financial literacy program offered in schools across Australia.

About Ecstra Foundation

Ecstra Foundation is an independent charitable foundation committed to building the financial wellbeing of Australians within a fair financial system. Our mission is for more Australians to be confident making money decisions today, and to be planning for the future.

Ecstra is relatively unique in Australia, with a dedicated focus on supporting financial education, capability and wellbeing initiatives. Ecstra has committed $33 million over four years in grant funding to partners across these domains.

We work with partners in communities, schools and other learning environments to map, design, deliver and measure financial education initiatives that help build individual financial literacy, capability and confidence. We also support consumer organisations in their work to address the many structural barriers to financial inclusion and economic security.

Our free national financial education program in primary and secondary schools, Talk Money with Ecstra Foundation, helps school students learn about money lessons for life, be confident talking about money and to make informed decisions. Since launching in 2022, Talk Money has expanded rapidly. It is now the largest face-to-face, free schools based financial education program offered in Australia, reaching almost 400,000 student bookings across 10,100 workshops in 1,377 schools, with face to face workshops delivered in all Australian states and territories.

Ecstra's initial funding was provided through the Australian Securities and Investment Commission's (ASIC) Enforceable Undertaking regime (namely community benefit payments), ensuring that consumers continue to be at the centre of our work.

Summary of recommendations

The Federal Government should:

Recommendation 1: Develop, implement and lead a national financial capability strategy. The strategy should address the current significant gaps in Australian consumer financial education, capability and wellbeing and ensure people and communities have access to evidence based financial capability programs, supports and information.
Recommendation 2: 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.
Recommendation 3: Increase support for teachers through further investment in evidence based, curriculum aligned, independent resources, workshops, tools, professional development and training to help teachers and schools deliver financial education.

Recommendation 1: Develop, implement and lead a national financial capability strategy

Improving economic and social outcomes for people and communities requires a national approach to building financial literacy, capability and wellbeing, led by Government. However, there is currently no active national financial capability strategy in place in Australia.

The drivers of financial wellbeing are diverse, complex and interconnected. Financial wellbeing intersects with many key wellbeing domains, including those featured in the Measuring What Matters framework.

Facilitating greater collaboration among organisations working across the ecosystem, and aligning efforts under a clear, coordinated financial capability strategy is needed to achieve better outcomes for all Australians.

To maximise impact and engagement, development of a new national strategy requires stakeholder sector consultation with government, educators, consumer advocates, community organisations, academics, and financial institutions engaged in financial capability work.

Australia's previous commitment and investment in a national strategy, research and contribution to international financial capability initiatives over the last 20 years provides a solid base of evidence of what works and an opportunity to apply those lessons/learnings to a renewed national approach.

Financial wellbeing is a critical component of overall wellbeing

- Financial wellbeing is important for individuals, communities and the wider economy. It impacts many areas of everyday life, and is intrinsically linked to individual overall physical, mental, environmental and social health.
- In the Australian context Muir et al define financial wellbeing as "when a person is able to meet expenses and has some money left over, is in control of their finances and feels financially secure, now and in the future"[1].
- However, year-on-year data shows that the financial wellbeing of Australians has fallen[2]. Further, more than half of Australians (around 56%) are reportedly only just making ends meet – or failing to do so[3]. Many, particularly young people and women, find dealing with money stressful and overwhelming[4].
- The on-going cost of living crisis, frequent natural disasters and a sustained period of high interest rates are having a major impact on people's financial wellbeing and health.
- People experiencing financial issues are twice as likely to experience mental health challenges[5].
- Financial pressure was the leading cause of distress for almost half of the people surveyed (46%) in Beyond Blue's 2024 mental health and wellbeing check[6].
- For the first time, cost of living was cited as the number one issue for young people in Mission Australia's annual youth survey which surveys over 17,400 young people aged 15-19[7], more than doubling in the last two years.
- Financial wellbeing also intersects with physical health, with access to economic resources, care and support being important to maintaining good physical health. Across almost all health measures, Australians living in the lowest socio-economic areas fare worse than those in higher socio-economic

[1] Muir, K., Hamilton, M., Noone, J.H., Marjolin, A, Salignac, F., & Saunders, P. (2017).' Exploring Financial Wellbeing in the Australian Context'. Centre for Social Impact & Social Policy Research Centre – University of New South Wales Sydney, for Financial Literacy Australia.
[2] ANZ (2024) 'The ANZ Roy Morgan Financial Wellbeing Indicator: Quarterly Update September 2024'.
[3] Dr Anna Gamara Rondinel, University of Melbourne (2023) 'More than half of Australians are only just making ends meet', featured in Pursuit.
[4] Filia, K., Teo, S.M., Gan, D., Browne, V., Baker, D., Menssink, J., Boon, B., Brennan, N., Di Nicola, K., and Gao, C.X. (2024). 'Counting the cost of living – the impact of financial stress on young people. Insights from the 2023 Mission Australia Youth Survey'. Orygen: Melbourne, VIC and Mission Australia: Sydney, NSW. See also Commonwealth of Australia (Department of The Treasury), 'National Financial Capability Survey 2021'.
[5] Heartward Strategic on behalf of ASIC and Beyond Blue (2022), 'Money and Mental Health. Social research report – executive summary'.
[6] '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.
[7] McHale, R., Brennan, N., Boon, B., Richardson, E., Rossetto, A. & Christie, R. (2024). 'Youth Survey Report 2024'. Sydney, NSW: Mission Australia.

areas.[8] Further, poor physical health can be both a cause and consequence of financial and mental health challenges[9].
- Extreme weather and climate change are straining financial wellbeing for many people, exacerbating economic hardship, displacement, and limited access to utilities and insurance as costs soar. The impacts of these strains are not just financial; many people also experience ongoing emotional stress and harm[10]. These effects can be compounding for young people who are more vulnerable to the direct impact of climate-related disasters such as housing and financial instability, physical ill-health, increasing stress, and interruptions to education[11].
- Given the complexity and intersection of these many health domains, understanding, measuring and improving financial wellbeing as part of a holistic approach is critical to prioritising and improving overall wellbeing outcomes for people and communities.

Financial literacy is a core life skill

- Financial education has long-term transformative effects for the financial outcomes of people and communities.
- Financial education interventions in schools have been shown to be beneficial by improving financial knowledge, increasing the use of budgets and lifting healthy spending habits in the short term, and reducing loan arrears in the long term[12].
- There is a correlation between low financial literacy[13] and poor financial outcomes later in life, and the OECD has recognised the critical importance of financial literacy on longer-term financial resilience and wellbeing[14].
- In an increasingly digital financial system, it is concerning that 1 in 4 Australians are facing digital exclusion[15], with 1 in 10 being highly digitally excluded[16]. Ensuring people and communities have digital access, skills and affordability is

[8] Australia Institute of Health and Wellbeing (2022), 'Health Across Socioeconomic Groups'.
[9] Heartward Strategic on behalf of ASIC and Beyond Blue (2022), 'Money and Mental Health. Social research report – executive summary'.
[10] 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.
[11] Gao, C.X., Boon, B., Ziou, M., Gan, D.Z.Q., Teo, S.M., Fava, N., Menssink, J., Brennan, N., and Filia, K. (2024) 'Impact of extreme weather events on young people: Findings from the 2023 Mission Australia Youth Survey'. Orygen: Melbourne, VIC and Mission Australia: Sydney, NSW.
[12] Frisancho, V. (2023) 'Is school-based financial education effective? Immediate and long-lasting impacts on high school students', The Economic Journal, 133(651), 1147-1180.
[13] The terms "financial literacy", "financial capability" and "financial education" are used interchangeably. While financial literacy is commonly used in relation to financial knowledge, financial capability encapsulates a broader set of factors that are associated with making good financial decisions, such as decision-making skills, positive attitudes to saving, and feeling confident.
[14] OECD (2022) 'Recommendation of the Council of Financial Literacy', OECD/LEGAL/0461.
[15] Good Things Australia, Good Things Foundation | Closing the digital divide accessed 23 December 2024.
[16] Hutley, N (2024). 'The Economic Benefits of Overcoming Digital Exclusion. Good Things Australia': Sydney, NSW.

crucial for economic and social inclusion. The OECD has emphasised the need for policymakers to improve digital financial literacy[17].

- People with higher levels of financial literacy are able to reach higher levels of wealth, not only because they have the skills to appropriately plan and save money, but also because they can make their savings work for them, even using basic financial instruments[18]. It is critical for navigating complex financial markets, scam avoidance and money management[19].
- Despite the efforts of a broad range of stakeholders focused on financial capability, financial literacy levels in Australia have fallen across all age demographics, with 15-24 year olds faring the worst[20].
- This is particularly concerning against a backdrop of cost-of living pressures, growing wealth disparities, the proliferation of financial scams and complex financial product choices.
- Financial wellbeing is aligned to the economic and social goals set out in the Measuring What Matters wellbeing framework. However, achieving outcomes across these domains may prove challenging if the worsening gap in financial literacy and capability across all age groups in Australia is not addressed.

CASE STUDY: Financial capability wrap around support

White Box Enterprises' financial wellbeing program was launched in February 2023 and funded by Ecstra Foundation. It aims to equip social enterprises to embed financial wellbeing education into their support models to help employees increase their confidence, skills and behaviours when it comes to money matters.

Jacob, a crew member at YMCA ReBuild, confronted a significant debt issue after undergoing financial wellbeing training. Initially overwhelmed, the looming debt exacerbated his anxiety. However, the program equipped him with the confidence and skills to tackle the problem.

Within a day, he established payment plans, and with assistance from his case worker, he discovered a prison program where time served can count towards some fines being waived. This helped reduce his debt from $9,000 to $200.

'*Having the confidence to open up and deal with my fines was a win*.'
Jacob, YMCA ReBuild

[17] OECD (2023) 'OECD/INFE 2023 International Survey of Adult Financial Literacy', OECD Business and Finance Policy Papers, No.39.
[18] Kaiser, T., Lusardi, A. (2024). Financial Literacy and Financial Education: An Overview. National Bureau of Economic Research. Working Paper 32355.
[19] Ibid.
[20] 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.

Australia's peers have or are developing national strategies for financial capability

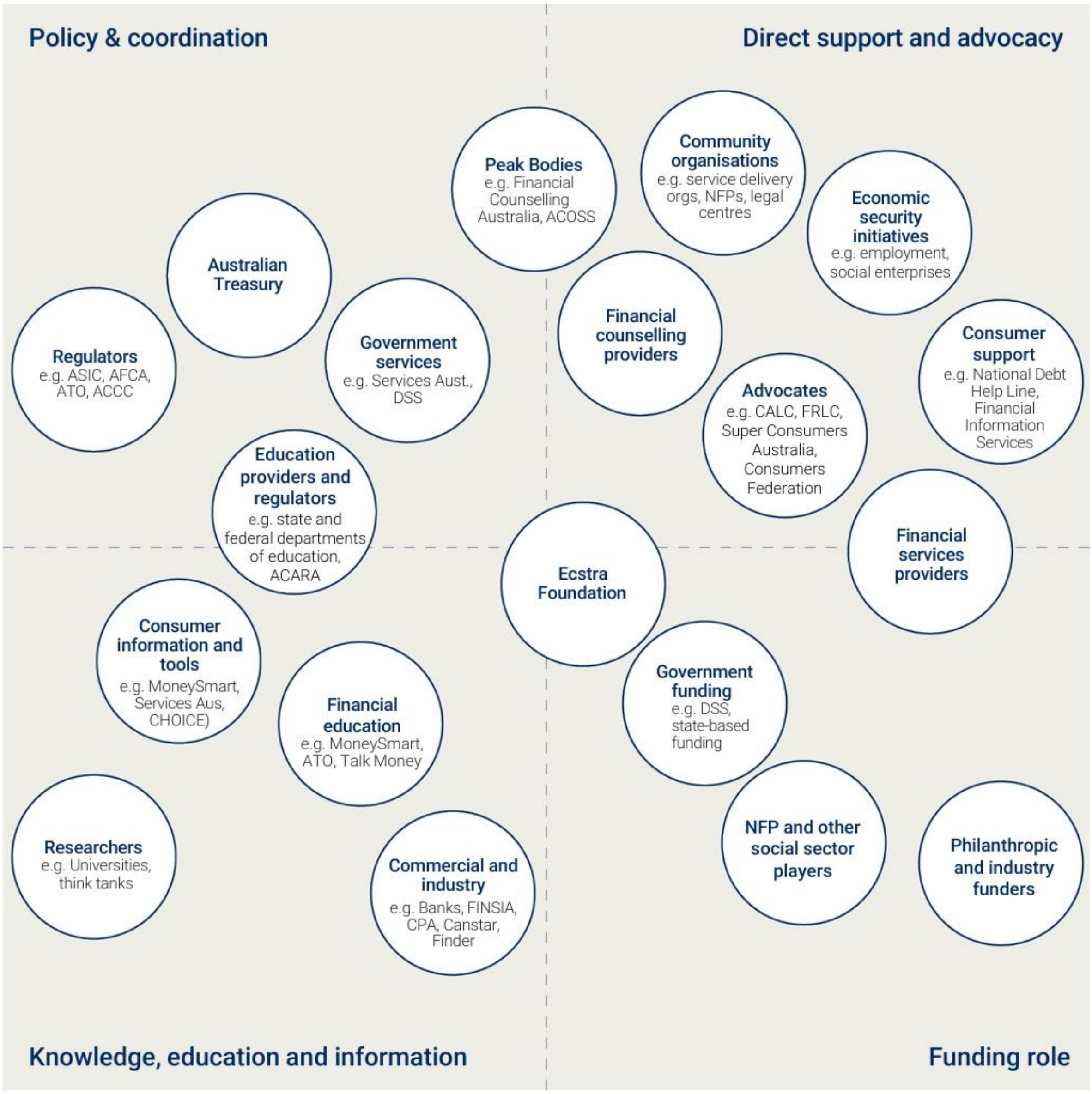
- The importance of financial capability is increasingly being acknowledged internationally with over 70 countries and economies having developed and implemented national strategies for financial literacy[21].
- Australia had previously committed to a coordinated national approach, with the inaugural National Financial Literacy Strategy[22] (the National Strategy) launched in 2011. Successive national strategies were in place across 2011 to 2021, with a fourth national strategy launched by Treasury in 2022.
- Treasury's National Financial Capability Evaluation and Monitoring Framework and National Financial Capability Survey were developed to support the 2022 Strategy. Consistent with international best practice, these initiatives were put in place to lift financial wellbeing outcomes, and to track and measure the impact of financial capability initiatives.
- However, the 2022 National Strategy and supporting evaluation frameworks and survey are not currently active. This contrasts starkly to international peers including G20 and OECD countries where national level strategies and initiatives continue to be prioritised[23].
- Australia is now an outlier, without a current coordinated national plan to address declining financial wellbeing and literacy rates across Australia.

National government leadership and coordination is needed to maximise impact and improve financial wellbeing outcomes

- National strategies for financial capability are complex, multi-year, multi-stakeholder, public policy projects[24].
- Given the many drivers of financial capability, the range of stakeholders involved and policy intersections, national strategies are critical in setting a clear, unified vision and roadmap for stakeholders[25].
- Financial capability, education and wellbeing activities are undertaken by a range of groups in Australia including government, service organisations, charities, schools, universities and other educators, researchers, private providers and industry. This work is often conducted in the context of other settings such as health, counselling, service delivery or education[26].
- The diagram below demonstrates the breadth of organisations and bodies involved in financial capability initiatives in Australia, either directly or as part of

[21] OECD, 'Recommendation of the Council on Financial Literacy', OECD/Legal/0461 p3.
[22] In 2018 the Strategy was renamed to the National Financial Capability Strategy.
[23] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[24] OECD (2022), 'Evaluation of National Strategies for Financial Literacy'.
[25] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[26] Social Ventures Australia (2020), 'National Financial Capability Strategy Research Report'.

their wider mission[27].



Note: The above diagram is not exhaustive, and the ecosystem continues to evolve

- During stakeholder interviews for Ecstra's commissioned research International approaches to progressing financial capability[28], the complexity of stakeholder coordination was raised as the greatest challenge across multiple jurisdictions. The critical role of a convening body to facilitate collaboration and a shared approach to improving financial wellbeing outcomes has also been reinforced at stakeholder roundtables hosted by Ecstra in 2024.
- It is essential to coordinate the activities of organisations working across the ecosystem to ensure interventions are working cohesively, to identify gaps and

[27] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[28] Ibid.

opportunities, minimise duplication, measure and share learnings[29].

- Oversight of the financial wellbeing ecosystem requires strong leadership and should be led by government, working under a national strategy.
- A national agency providing leadership would champion the strategy, coordinate activities and ensure the strategy aligns with other policy frameworks as part of a whole of systems approach[30].
- Stakeholder consultation on the development of a national strategy to maximise engagement and impact should include with Government, educators, consumer advocates, community organisations, academics, and financial institutions engaged in financial capability work.
- Without a holistic coordinated approach to financial capability and education, there will continue to be a decline in financial literacy in Australia. According to a recent HILDA report, "The unavoidable conclusion is that no progress has been made on improving the financial literacy of the Australian population since 2016 and in fact we have gone backwards" [31].

Structural barriers to financial wellbeing and capability must be acknowledged and addressed

- Many of the structural and systems barriers to financial wellbeing and capability are outside the control of individuals and communities.
- In a complex world with increasing cost of living pressures and financial stress for many households, no amount of financial education can act as a substitute for consumer protection mechanisms, backed by strong regulatory oversight.
- Learning about money is a lifelong journey. School and community initiatives including place-based approaches are a vital part of the solution, but stakeholders engaged in this work acknowledge it is not the whole solution.
- Whole of government policy settings should support national strategy priorities[32].
- The importance of strong consumer protection mechanisms to achieve improved outcomes has been consistently highlighted by stakeholders. This echoes findings from the World Bank and the OECD that financial consumer protection policies play a critical role alongside financial education in creating stable financial systems and increased financial wellbeing for consumers[33].
- A national strategy must intersect, support and align with regulatory and consumer protection frameworks. This includes financial services regulation and reform, income support policy, tax policy, and housing affordability and

[29] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[30] Ibid.
[31] 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.
[32] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[33] Ibid.

security. Investments and reforms in these areas are essential to improving financial wellbeing outcomes for communities and people.

Recommendation 1: Develop, implement and lead a national financial capability strategy to address the significant gaps in Australian consumer financial education, capability and wellbeing and ensure people and communities have access to evidence based financial capability programs, supports and information. This should:

- provide funding and resourcing to engage and implement the strategy to the benefit of all Australians
- intersect, support and align with wider economic and social policy, and regulatory and consumer protection frameworks
- target access to financial education and ensuring financial inclusion
- provide a clear action plan to lift financial literacy rates and build financial wellbeing and economic security for all.

Recommendation 2: Elevate financial literacy in the Australian curriculum

Financial literacy is a core life skill that young people should possess in an increasingly complex world to meet real-life challenges[34].

The financial literacy of young adults is particularly important as financial habits formed in early adulthood are likely to persist[35] and financial behaviour has been shown to have a major impact on financial wellbeing[36].

It is crucial that young people have access to financial education, starting at school.

Financial education positively impacts financial skills and behaviours

- In many countries, financial education is a key priority and a central component to national approaches to financial capacity[37].
- Significant research has been produced globally on financial education. There is strong evidence that financial education improves both financial knowledge and behaviours, especially when it comes to budgeting, savings and credit[38].

[34] Thomson (2014), 'Financing the future: Australian students' results in the PISA 2012 Financial Literacy assessment: Australian Council for Educational Research.
[35] Shim, Xiao, Barber, & Lyons (2009), 'Pathways to life success: A conceptual model of financial well-being for young adults'. Journal of Applied Developmental Psychology, 30(6), 708-723, see also Frisancho, V. (2023) 'Is school-based financial education effective? Immediate and long-lasting impacts on high school students', The Economic Journal, 133(651), 1147-1180.
[36] ANZ (2021), 'Financial Wellbeing – A Survey of Adults in Australia'.
[37] Social Ventures Australia for Ecstra Foundation (2024) 'International approaches to progressing financial capability: An overview'.
[38] Tim Kaiser, Annamaria Lusardi, Lukas Menkhoff and Carly Urban (2022) 'Financial Education Affects Financial Knowledge and Downstream Behavior', Journal of Financial Economics, Vol 145, Issue 2(A), August 2022, 255-272.

- Financial education has also been found to be a cost-effective intervention[39] and can make a lasting difference on financial behaviours and outcomes for students in their later life[40].
- The latest OECD Programme for International Student Assessment (PISA) financial literacy assessment results show that 15 year olds are actively using financial products and services, however gaps exist in their financial knowledge, with gender and equity gaps persisting (see also further below)[41]. The results underscore the importance of financial education on financial decision-making skills and behaviours:
    - better financial literacy is associated with good financial habits. High performers in financial literacy are 72% more likely than low performers to save money and 50% more likely to compare prices before making a purchase
    - financial education in school matters. Students who reported learning finance-related terms in school outperformed students who had not been exposed to financial literacy in school[42].

Financial literacy of young people in Australia is declining

- As highlighted above, financial literacy levels across all age groups in Australia have declined, with young people faring the worst[43]. This decline is largest for the 15 to 24 age group, followed by the 25 to 34 year olds. The HILDA Report notes 'as a consequence, the 'age gradient' in financial literacy has steepened.'[44]
- Australia's results in the OECD PISA financial literacy assessment of 15-year-olds have declined since 2012, with no significant improvement over the last two assessment cycles participated in, up to and including 2018[45].
- These concerning trends among young people should be addressed earlier through education and renewed awareness raising initiatives, as young people enter adulthood and navigate complex financial decision making.
- Australia did not participate in the PISA Financial Literacy Assessment module in 2022. The next PISA financial literacy assessment is not scheduled until at least the 2028 PISA assessment. This means there is likely to be no new comparative data on the financial literacy performance of Australian high school students for some ten years.

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[39] Ibid. See also Kaiser, T., Lusardi, A. (2024). Financial Literacy and Financial Education: An Overview. National Bureau of Economic Research. Working Paper 32355.
[40] Kaiser, T., Lusardi, A. (2024). Financial Literacy and Financial Education: An Overview. National Bureau of Economic Research. Working Paper 32355.
[41] OECD (2024), 'PISA 2022 Results (Volume IV): How Financially Smart Are Students?', PISA, OECD Publishing, Paris.
[42] Ibid.
[43] 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.
[44] Ibid., page 64
[45] '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.

Australian Curriculum approach should ensure all students access financial education

- Whilst financial (and consumer) literacy is featured in the Australian Curriculum up to year 10, it is not a stand-alone learning area.
- There is a lack of consistency across schools regarding how financial literacy is delivered in Year 9 and above. The current national curriculum requires high schools to deliver Economics and Business in Years 7 and 8, and thereafter, implementation is determined by each state and territory. This approach means that students can have limited or no exposure to financial literacy concepts beyond Year 8.
- The senior schooling years of 11 and 12 are particularly important in shaping the financial capability of young people, however financial literacy is required to be taught only in Essential and General mathematics streams[46].
- Relying on financial education to be delivered primarily through mathematics is problematic. Research on this approach raises issues on the too heavy a focus on formulae[47,] an absence of contextual application of content[48], and teachers that lack training and confidence[49].
- Some states have incorporated financial literacy components into courses designed to assist young people to transition to employment, training or study after school. This includes NSW, where the compulsory Life Ready course provided to year 11 and 12 students recommends Financial Independence as a content area, however there is flexibility to prioritise other content areas.
- The South Australian government has recently taken recent steps to add and elevate financial literacy, albeit in the mathematics curriculum. The financial literacy curriculum includes providing students with the skills to understand budgeting, make sound financial decisions, identify scams and understand consumer rights.

Teachers, parents and students believe financial education in school is important

- Ecstra's survey of over 2,000 Australians on financial education in schools found that many students report low levels of confidence in talking about finance and

[46] de Zwaan & West (2022), 'Many students don't know how to manage their money. Here are 6 ways to improve financial literacy education', The Conversation.
[47] Ibid.
[48] Ross & Marshman (2021), 'Aussie kids' financial knowledge is on the decline. The proposed national curriculum has downgraded it even further', The Conversation.
[49] Sawatzki & Brown (2022), 'Supporting teachers as financial educators', Teacher Bulletin.

money, and many are not learning about key concepts such as online scams despite being active consumers[50].

- Despite the challenges, teachers, parents and students overwhelmingly agree that learning about money in school is important.
- Ecstra's survey[51] of 2,049 Australians including teachers, parents and students found that financial education is highly valued:
    - 94% of parents and teachers and 89% of students say it is important to learn about money and finance.
    - 98% of parents agreed that financial education should be taught in school.
    - students reported they would like to learn more about how to save money and plan for the future (52%), buying property (44%), budgeting and managing household finances (43%) and investing (43%).

Teacher and student feedback on Talk Money with Ecstra Foundation demonstrates the value of financial education in schools:

"This is very helpful, especially to those students like me that don't have work experience, and don't have enough knowledge about how money works and tax" Student, Yr 9/10, Victoria.

"*The most important [thing] I learnt today was to plan about how we are going to save our money*" Year 7 student, Western Australia

"*I will start saving better, say no to something when I am uncomfortable and not spend too [sic] much money on games*." Year 6 Student, Victoria

"*I now have a deeper understanding of different banking concepts*." Year 10 Student, South Australia

"Young people really benefit from basic info about their rights regarding work and money" Secondary teacher, Yr 9/10, WA.

"Talking about money is important for children. It can develop their confidence, now and into the future" Primary teacher, Yr 5/6, NSW.

[50] Ecstra Foundation (2022), 'Financial Education in schools survey: Key insights' Research conducted by McNair yellowSquares.
[51] Ibid.

Financial education helps close equity and gender gaps

- The Australian Council for Educational Research notes that providing young people with financial education is essential to help bridge disparities in financial literacy due to differences in students' socio-economic status and will potentially reduce differences in their future socio-economic status[52].
- The latest OECD PISA results indicate that socio-economically advantaged students have higher financial literacy proficiency[53] that will continue to deliver economic benefits as they mature and make financial decisions. The difference in scores indicates an ability to plan for the future and consider features of financial documents that are significant but not immediately evident (such as transaction costs) versus applying basic numerical operations in contexts they are familiar with.
- Financial literacy has also been recognised as an important component of improving women's economic security[54]. Gender gaps persist in financial literacy and confidence, impacting women's financial decisions and wealth accumulation.
- Financial disadvantage also acts as a barrier to educational engagement. Surveys of university students, for example, show that a high proportion are worried about their finances.[55] Indigenous students are most likely to be worried about their finances (72%), followed by students from low socio-economic backgrounds (63%) and regional students (64%).
- The results reinforce the need for Government to invest in financial education to close equity and gender gaps.

Addressing the financial education gap in schools

- Ecstra's Talk Money program was created to address the financial education gap in schools. The program is evidence-based, curriculum aligned, age-appropriate and delivered by external facilitators, making it easy for teachers to incorporate into lesson planning. It covers foundational skills and concepts such as healthy saving habits, managing spending, setting goals, tax and super, and financial decision making.
- Talk Money evaluation results show that participation in dedicated workshops has an immediate positive effect on student's confidence, awareness and

[52] Thomson (2020), 'Equity issues in student financial literacy', Teacher, 27 August 2020.
[53] OECD (2024), 'PISA 2022 Results (Volume IV): How Financially Smart Are Students?', PISA, OECD Publishing, Paris.
[54] Women's Economic Equality Taskforce (2023), 'Women's Economic Equality 23-33: A 10-year plan to unleash the full capacity and contribution of women to the Australian Economy', see recommendation 6.2
[55] Universities Australia (2018), '2017 Universities Australia Student Finances Survey', August 2018.

knowledge of financial concepts and on teachers' confidence to deliver financial education[56]. After participating in workshops, students have:
  - 82% confidence to manage money
  - 80% an ability to talk about money
  - 95% learnt something they can use right away or in the future.
- As outlined above, while financial literacy is featured within the Australian Curriculum, more needs to be done to ensure it is taught as a priority learning area and that it is consistently delivered and available to all students.
- Compulsory school financial education is an achievable goal. For example, in the USA many states now mandate personal finance classes as a graduating requirement, with some introducing year-long courses.[57] The New Zealand government has also announced its intention to make financial literacy compulsory in schools from 2025[58].

Recommendation 2: The Federal Government should 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.

Recommendation 3: Increase support for teachers

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.

Teachers need more support to deliver financial education

- Ecstra's survey found that 52% of teachers reported not having taught financial education at school and nearly all teachers said they would find further professional development in the area useful[59].
- This indicates that there are opportunities to support teachers with resources to assist them in delivering effective financial education in the classroom. This

[56] Ecstra Foundation (2024), Talk Money Impact Report 2023
[57] Council for Economic Education (2024) 'Survey of the States: Economic and Personal Finance Education in our Nation's Schools'. See also, Ghlionn (2023), 'America's classrooms are finally embracing financial literacy', New York Post.
[58] NZ Herald (2023) Election 2023: Labour launches financial literacy in schools policy.
[59] Ecstra Foundation (2022), 'Financial Education in schools survey: Key insights' Research conducted by McNair yellowSquares.

could include through workshops, communities of practice and activities aligned with the Australian Curriculum requirements.

- Ecstra's Talk Money supports schools in teaching relevant financial education and concepts that would not otherwise be taught. It also helps build teacher confidence to teach financial education.
  - 86% 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
  - 95% of teachers it is useful to have a facilitator cover the workshop topics (including teachers who indicated their schools teach these concepts)
  - 63% of teachers reported improved confidence in teaching money management due to participating in the Talk Money workshops[60].
- The South Australian Government has developed new financial literacy resources for teachers, giving a greater focus to financial literacy education in the curriculum[61].
- Continued investment is needed at the national level to ensure that all schools and teachers are adequately resourced and supported to deliver evidence-based, effective financial education.

Recommendation 3: The Federal Government should continue to invest in evidence based, curriculum aligned, independent resources, workshops, tools, professional development and training to help teachers and schools deliver financial education.

Ecstra welcomes the opportunity to discuss the insights and recommendations in our submission.

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[60] Ecstra Foundation (2024), Talk Money Impact Report 2023.
[61] South Australia Department of Education. (2023) Delivering world-leading mathematics in South Australian public school.