Chapter 5

FINANCIAL EDUCATION FOR CHILD AND YOUTH

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ABSTRACT

Although financial education consists of individuals of all ages, education of young people in the field of finance is more important. Young generation faces more financial risks and more complicated financial products than their parents. Besides, young people are introduced to financial services at very early ages owing to cell phones, bank accounts, credit cards. Therefore, it is important that individuals are educated in finance as early as possible.

Keywords: finance, child & youth, financial literacy, financial education, financial well-being, financial activities, financial products.

INTRODUCTION

Today's financial world is highly complex when compared with that of a generation ago (Suwanaphan, 2013). The ability to manage personal finances has become increasingly important in today's world. People must plan for long-term investments for their retirement and children's education (Volpe & Chen, 1998). They must also decide on short term savings and borrowing for a vacation, a down payment for a house, a car loan, and other big ticket items. Additionally, they must manage their own medical and life insurance needs (Chen &Volpe, 1998). Families and schools have continually constructed a shared reality in preparing teens for their financial future (Danes & Haberman, 2007).

Young people are in transition from childhood to adulthood, from financial dependency to independence. Their role in society is changing and they have new economic responsibilities (Shim et al., 2009, Shim et al., 2010). They often find themselves carrying large amounts of student loans or credit card debt, and such early entanglements can hinder their ability to accumulate wealth (Lusardi, Mitchell & Curto, 2010). The capacity to manage personal finances has become increasingly important, particularly for college students (Gutter, Copur & Blanco, 2013).

According to the UN, more than 18% (1.2 billion) of the world's population is comprised of youth, and the combined group of youth and children (those under age 15) makes up fully 40% of the world's population today (Reinsch, 2012). Children and youth are both current and future social and economic actors, whose decisions will influence development of their societies. The recent financial crisis has highlighted the importance of promoting social responsibility and developing skills in financial management for all persons. This is especially true for children and youth, who are particularly vulnerable. Important values of citizenship and skills in managing financial resources at an early age can lessen social and financial vulnerability, thereby reducing the risk of poverty caused by debt (UNICEF, 2012).

In today's age of consumerism and knowledge explosion, young adults seem to be the most highly targeted group by professional marketers and big organizations. Financial prudence paves the way into a bright and safe future among the youth, generating wealth, and avoiding debt and wasteful spending ultimately leading to financial soundness. Financial literacy also helps in building up the skills and confidence of the youth to become more aware of financial opportunities and risks, improve their knowledge of financial markets, concepts and products and assist them in making informed decisions how to generate and maintain a steady balance between their cash inflows and outflows (Pillai, Carlo & D'souza, 2010). Managing money well allows them to distinguish between wants and needs, learn how to save and budget, and make wise spending decisions (Pankow & Brotherson, 2009).

1. FINANCIAL LITERACY

Vitt et al. (2000) defined financial literacy as; the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy. Mason & Wilson (2000) defined it as an individual's ability to obtain, understand and evaluate the relevant information necessary to make decisions with an awareness of the likely financial consequences. Hogarth (2002) defined financial literacy as 1) knowledgeable, educated and informed on the issues of managing money and assets; 2) understand the basic concepts underlying the management of money and assets; and 3) use that knowledge and understanding to plan and implement their financial decisions.

Many experts observed the phenomena above and prescribed the same remedy: increased financial literacy and financial education. It is a solution that appeals to all political persuasions and to all geographies. For example, the Second Annual Child and Youth Finance Summit in Istanbul in May of 2013 brought together experts describing initiatives by the US, UK, Turkey, the Philippines, Chile, Nigeria, Egypt, Ghana, Nepal, Macedonia, Spain, and the United Nations to provide financial education to millions. Worldwide, employers, non-profits, and governments are creating educational interventions that have real costs and create much larger opportunity costs by supplanting some other activities, such as required high school courses that replace other electives (Fernandes, Lynch & Netemeyer, 2014).

Financial literacy defines as the ability to use knowledge and skills to manage financial resources effectively for a life time of financial well-being. The Presidents Advisory Council on Financial Literacy (PACFL) (2008) convened to "improve financial literacy among all Americans," defines financial literacy and financial education as follows;

- **Financial literacy**: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being (Jump$tart, 1997).
- **Financial education**: the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being (OECD, 2005a).

Table. 1 illustrates the breadth of conceptual definitions, drawn from a number of studies and placed in chronological order (Hung, Parker & Yoong, 2009).

Source	Conceptual Definitiona
Hilgert, Hogarth & Beverley (2003)	Financial knowledge
FINRA (2003)	"The understanding ordinary investors have of market principles, instruments, organizations and regulations" (p. 2).
Moore (2003)	"Individuals are considered financially literate if they are competent and can demonstrate they have used knowledge they have learned. Financial literacy cannot be measured directly so proxies must be used. Literacy is obtained through practical experience and active integration of knowledge. As people become more literate they become increasingly more financially sophisticated and it is conjectured that this may also mean that an individual may be more competent" (p.29).
National Council on Economic Education (NCEE) (2005) b	"Familiarity with basic economic principles, knowledge about the U.S. economy, and understanding of some key economic terms" (p. 3).
Mandell (2007)	"The ability to evaluate the new and complex financial instruments and make informed judgments in both choice of instruments and extent of use that would be in their own best long-run interests" (pp. 163-164).
Lusardi & Mitchell (2007c)	[Familiarity] with "the most basic economic concepts needed to make sensible saving and investment decisions" (p. 36).
Lusardi & Tufano (2008)	Focus on debt literacy, a component of financial literacy, defining it as "the ability to make simple decisions regarding debt contracts, in particular how one applies basic knowledge about interest compounding, measured in the context of everyday financial choices" (p. 1).
ANZ Bank (2008), drawn from Schagen (2007)	"The ability to make informed judgements and to take effective decisions regarding the use and management of money" (p. 1).
Lusardi (2008a, 2008b)	"Knowledge of basic financial concepts, such as the working of interest compounding, the difference between nominal and real values, and the basics of risk diversification" (p. 2).

Table 1. Conceptual definitions of financial literacy (Hung, Parker & Yoong, 2009).

Financial literacy definition largely rests on the ability to use knowledge and skills towards achieving financial well-being, and is hence quite behaviorally based. While practically relevant, such a focus limits insight into mechanisms for impacting financial literacy. Financial knowledge, skills, and behavior, as well as their mutual relationships, should all be considered in an overarching conceptualization of financial literacy. In particular, financial knowledge represents a particularly basic form of financial literacy. Financial knowledge, in turn, is reflected in perceived financial knowledge and influences financial skills that depend on knowledge. Actual financial behavior, in turn, depends on all three (actual knowledge, perceived knowledge, and skills). **Figure1.** presents these logical relationships among financial literacy components (Hung, Parker&Yoong, 2009).

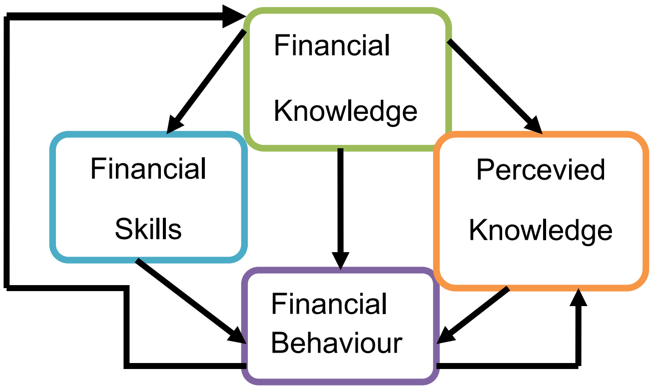

Figure1. Conceptual Model of Financial Literacy (Hung, Parker & Yoong, 2009).

Although studying the financial knowledge of teens is not a new phenomenon in the academic literature, it has received increasing attention recently in the public arena, especially in the mass media (Consumer Federation of America, 1991; National Coalition for Consumer Education Inc., 1991; Wang, 1993; Mandell, 1997). Whether the studies evolve from the academic or the public arena or they are historic or recent, they all conclude that teens lack knowledge about personal finance (Bachman, 1983; Danes, Huddleston Casas & Boyce, 1999; Roberts & Jones, 2001; Kasser & Ahuvia, 2002; Bowen, 2002; Anthes, 2004, Godfrey, 2006).

In the 1997-98 school year, the Jump$tart Coalition for Personal Financial Literacy conducted its first Personal Financial Survey, a nationwide survey of 12th grade students to determine the ability of our young people to survive in today's complex economy. The results of this initial "baseline" survey in 1997-98 were not reassuring. Just 10. 2 % of the 1,532 high school seniors were able to answer at least three quarters of the basic, age-relevant questions correctly. In fact, the average "grade" on the "exam" was a failing 57. 3 % (Mandell, 2008).

Prior studies of high school students consistently find that they are not receiving a good education in personal financial fundamentals and have poor knowledge and they are leaving schools without the ability to make critical decisions affecting their lives (Bakken, 1967; Langrehr, 1979; NAEP, 1979; CFAJAMEX, 1991; HSR, 1993; Chen & Volpe, 1998). According to Danes & Hira (1987) the college students lack knowledge in spesifics. For example, they know credict cards can be used as identification and they know the various costs involved in using credit cards. However they dont know what to do if there are billing errors. In a study of 1,509 high school seniors from 63 schools, Mandell (1997) reports an average correct score of 57 % in the areas of income, money management, savings and investment, and spending. His conclusion is that students are not knowledgeable about personal finance.

Concerns about financial preparedness are documented in the past studies demonstrating that both young and older adults lack the basic knowledge needed to make good financial choices (Volpe, Chen & Pavlicko, 1996; Chen & Volpe, 1998; Bianco & Bosco, 2001). These concerns were heightened in a 2005 report by the Organization for Economic Co-operation and Development (OECD) indicating that financial illiteracy is widespread across age groups and geographical areas. (Mandell & Klein, 2009). There is growing concern, across a wide range of countries, about the levels of financial capability of consumers. A large number of initiatives are therefore being developed to address this issue; and countries are increasingly rolling out national strategies on financial capability. To do this effectively requires evidence on the areas where financial capability in the population is low and an identification of the extent to which these should be addressed by financial education and/or consumer protection measures (Kempson, 2011).

Financial literacy is related to education and experience related factors (Chen & Volpe, 2002). A survey done by Shaari et al. (2013) it shows that five factors including age, spending habit, gender, faculty and year of study are significantly affect the financial literacy level. According to Varcoe, et al., (2002) who suggested that "during school" is the first choice for learning about money topics. Magazines and newsletters delivered to home were the second choice, followed by organizations outside of school and web pages (2002).

2. FINANCIAL EDUCATION

Financial education has always been important for consumers in helping them budget and manage their income, save and invest efficiently. Member countries promote financial education and awareness and in this respect that governments and relevant public and private institutions take due account of and implement the principles and good practices for financial education and awareness (OECD, 2005b).

Financial education programs aim to develop financially literacy and financially capability amongst individuals (Child & Youth Finance International, 2012). According to the Center for Financial Inclusion (2008) financial capability allows for the combination of knowledge, skills, attitudes, and especially behaviors that people need to make sound personal finance decisions, suited to their social and financial circumstances.

Financial education deals with information and learning. It is undeniably essential to help citizens of any country to better manage their financial life and hopefully make favourable choices that will contribute to increasing their well-being too. At the same time, it aims to changing behaviour in the sense that information on financial issues ought to be incorporated into daily life if we mean financial education to be effective (Ferreira, 2011).

Financial education introduces concepts of money and ways to manage it well. It promotes wise spending, regular savings and ways to make the most of one's resources. These skills serve as a foundation for young people as they are in transition from dependent to independent roles in financial management. Youth also need access to affordable and sustainable financial services including credit, savings, and insurance to help them to achieve these goals. Importantly, they need to know how to use these financial services and be able to make informed choices about saving and increasing saving capacity, about borrowing, about protecting themselves against risks.

Financial education can play a role to help young people to:

- Make a plan to achieve short and long term financial goals
- Improve saving capacity by using a budget
- Use financial products and services with confidence
- Develop risk management strategies

These are skills that young people need now and every day of their adult lives. An investment in financial literacy for young people sets the stage for the many changes that are coming. It will increase their ability to manage money, their confidence and their readiness for the challenges and opportunities in their life. Developing positive financial behaviors during the college years increases an individual's chances of attaining a better financial well-being later in life and a better understanding of how college students develop desirable and undesirable financial behaviors, and how these behaviors affect their financial well-being aid those interested in improving their quality of life (Gutter & Copur, 2011).

Financial education supports and enhances the use of behaviourally-motivated products and regulations. Increasing the effectiveness of financial education thus remains a priority for policy makers and practitioners, and integrating future developments in behavioural economics into financial education is a key part of continuing to do so (Yoong, 2011). Research based curricula in personal finance yields positive results. Because teens in general require a different teaching approach, it is important to develop the appropriate pedagogy and settings to ensure learning (Varcoe et al., 2005).

Financial knowledge can open up new opportunities to work, build assets, and save. Access to and control over savings can help to protect against, mitigate, and cope with many risks associated with adolescence by providing resources to draw upon in times of need (International Labour Organization, 2011). A number of theoretical frameworks from a wide range of academic disciplines are currently being used to explain how financial education might be applied so as to facilitate behavior change (Bowen et al., 2008).

2.1.THE PRINCIPLES AND GOOD PRACTICES FOR FINANCIAL EDUCATION

The Principles and Good Practices provide solid, but flexible and non-mandatory guidance on strengthening and promoting financial education. The principles and good practices are addressed to governments and all relevant public and private institutions in OECD and non-OECD countries. The Principles are applicable to OECD and non-OECD countries and are used in the context of the International Network on Financial Education (OECD, 2005b).

2.1.1. Principles

1. Financial education can be defined as "the process by which financial consumers / investors improve their understanding of financial products, concepts and risks and, through information, instruction and / or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being." Financial education thus goes beyond the provision of financial information and advice, which should be regulated, as is already often the case, in particular for the protection of financial clients (i.e. consumers in contractual relationships).

2. This financial capacity building, based on proper financial information and instruction, should be promoted. Financial education should be provided in a fair and unbiased manner. Programmes should be co-ordinated and developed with efficiency.

3. Financial education programmes should focus on high priority issues, which, depending on national circumstances, may include important aspects of financial life planning such as basic savings, private debt management or insurance as well as pre-requisites for financial awareness such as elementary financial mathematics and economics. The awareness of future retirees about the need to assess the financial adequacy of their current public or private pensions schemes and to take appropriate action when needed should be encouraged.

4. Financial education should be taken into account in the regulatory and administrative framework and considered as a tool to promote economic growth, confidence and stability, together with regulation of financial institutions and consumer protection (including the regulation of financial information and advice). The promotion of financial education should not be substituted for financial regulation, which is essential to protect consumers (for instance against fraud) and which financial education is expected to complement.

5. Appropriate measures should be taken when financial capacity is essential but deficiencies are observed. Other policy tools to consider are consumer protection and financial institution regulation. Without limiting the freedom to contract, default mechanisms, which take into consideration inadequate financial education or passive/inert behaviour, should be considered.

6. The role of financial institutions in financial education should be promoted and become part of their good governance with respect to their financial clients. Financial institutions' accountability and responsibility should be encouraged not only in providing information and advice on financial issues, but also in promoting financial awareness clients, especially for long-term commitments and commitments which represent a substantial proportion of current and future income.

7. Financial education programmes should be designed to meet the needs and the financial literacy level of their target audience, as well as reflect how their target audience prefers to receive financial information. Financial education should be regarded as a life-time, on-going and continuous process, in particular in order to take account of the increased complexity of markets, varying needs at different life stages, and increasingly complex information.

2.1.2. Good Practices

a-Public action for financial education

8. National campaigns should be encouraged to raise awareness of the population about the need to improve their understanding of financial risks and ways to protect against financial risks through adequate savings, insurance and financial education.

9. Financial education should start at school. People should be educated about financial matters as early as possible in their lives.

10. Consideration should be given to making financial education a part of state welfare assistance programmes.

11. Appropriate specialised structures (possibly embedded within existing authorities) in charge of promoting and coordinating financial education should be encouraged at the national level and regional and local public and private initiatives as close to the population as possible should also be promoted.

12. Specific websites should be promoted to provide relevant, user-friendly financial information to the public. Free information services should be developed. Warning systems by consumer, professional or other organisation on high-risk issues that may be detrimental to the interests of the financial consumers (including cases of fraud) should be promoted.

13. International co-operation on financial education should be promoted, including the use of the OECD as an international forum to exchange information on recent national experiences in financial education.

b-Role of financial institutions in financial education

14. Requirements to specify the types of information (including where to find information and the provision of general comparative and objective information on the risks and returns of different kinds of products) that financial institutions need to provide to clients on financial products and services, should be encouraged.

15. Financial institutions should be encouraged to clearly distinguish between financial education and financial information and "commercial" financial advice. Any financial advice for business purposes should be transparent and disclose clearly any commercial nature where it is also being promoted as a financial education initiative. For those financial services that entail long-term commitment or have potentially significant financial consequences, financial institutions should be encouraged to check that the information provided to their clients is read and understood.

16. Financial institutions should be encouraged to provide information at several different levels in order to best meet the needs of consumers. Small print, abstruse documentation should be discouraged.

17. Financial education provided by financial institutions should be regularly assessed to ensure it meets consumer needs. This may be achieved through partnerships with independent, not for profit financial advisory bodies that may have better connection with consumers, particularly those facing disadvantage in their participation in financial markets.

18. Financial institutions should be encouraged to train their staff on financial education and develop codes of conduct for the provision of general advice about investment and borrowing, not linked to the supply of a specific product.

c-Financial education for retirement savings

19. For individuals in private personal pension plans, the provision by financial institutions of the appropriate financial information and education required for the management of their future retirement savings and income should be promoted.

20. Concerning occupational schemes, (for which the related information and education should be provided in a consistent way across the schemes) financial education and awareness of employees and related policy tools should be further promoted, both for defined contributions and defined benefits schemes.

(**Financial education programmes)**

21. Financial education programmes that help financial consumers find the facts and understand the pros and cons as well as the risks of different types of financial products and services should be promoted. Further research on behavioural economics should be promoted.

22. The development of methodologies to assess existing financial education programmes should be promoted. Official recognition of financial education programmes which fulfil relevant criteria should be considered.

23. Financial education programmes that develop guidelines on study content and accomplishment level for each financial education programme and for each population sub group should be promoted.

24. In order to achieve a wider coverage and exposure, the use of all available media for the dissemination of education messages should be promoted.

25. In order to take into account the diverse backgrounds of investors/consumers, financial education that creates different programmes for specific sub-groups of investors/consumers (i.e. young people, the less educated, disadvantaged groups) should be promoted. Financial education should be related to the individual circumstance, through financial education seminars and personalised financial counselling programmes.

26. For those programmes which favour use of classrooms, proper education and competence of the educators should be promoted. In this respect, the development of programmes to “train the trainers” and the provision of specific information material and tools for these trainers should be encouraged (OECD, 2005b).

3. SOME APPLICATIONS FOR FINANCIAL EDUCATION

3.1. GLOBAL MONEY WEEK

Global Money Week is held, as the name implies, one week in March every year. Global Money Week encourages children around the world unite their voices, take action and expand their knowledge and engagement in the financial issues that matter to them most. Through national and global events, youngsters learn about creating livelihoods, gaining employment and even starting their own businesses. Central Banks, Ministries of Finance and Education, NGOs, schools, corporations, professional bodies, the media, all were involved in organizing national Global Money Week events, and participating in the celebrations.

Global Money Week celebrations took place in 80 countries, including Albania, Azerbaijan, Bangladesh, Belarus, Belgium, Bhutan, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Cambodia, Canada, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Czech Republic, Dominican Republic, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Gambia, Ghana, Guatemala, Honduras, Hungary, India, Indonesia, Italy, Kazakhstan, Kenya, Kenya, Kuwait, Latvia, Libya, Lithuania, Macedonia, Malaysia, Mexico, Moldova, Mongolia, Montenegro, Morocco, Namibia, Nepal, Nigeria, Pakistan, Palestine, Paraguay, Peru, Philippines, Portugal, Romania, Saudi Arabia, Serbia, South Africa, Sudan, Switzerland, Tanzania, Thailand, The Netherlands, Togo, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, Yemen, Zambia, and Zimbabwe. Over 1 million children participated in Global Money Week celebrations. Global Money Week was globally coordinated by Child and Youth Finance International (Child & Youth Finance International, 2013).

a-National Activities

Visits to the stock Exchange: Children and youth visited stock exchanges, where some had the opportunity to ring the opening bell to signal the beginning of trade.
Visits to banks: Children and youth visited banks and other financial institutions to learn about how they work.
Workshops and lessons: Young people enjoyed financial education lessons in community centers, schools, and universities.
***Talking to central bank governors:** Many children shared their recommendations with the governors of their central banks.
Debates: Debates on financial education, employment issues, and entrepreneurship took place in schools.
Visit to money museums: Money museums opened their doors to youngsters to teach them about money and its history.
Publications: Resources to educate children about financial issues were made available through libraries and schools.
***Contests and competitions*:** From poster-making contests to "financial football" competitions, children engaged in fun financial education and financial inclusion contests.
Theatre: Youngsters expressed themselves through theater and the arts.
Financial education games: Games were held as a fun way to learn about finance.
Radio talk shows: Broadcast media helped spread the Movement's message.
Book bank: Special book banks were set up to spread financial knowledge to children.
***Folk stories*:** Storytelling was used to impart financial literacy.
Exhibitions: Youngsters had the opportunity to display their artwork and projects in interactive exhibitions.
Cartoons: Cartoons and comic books helped to engage youngsters.
Youth budget to parliament: Children and youth presented their input on the youth budgets of their countries.
Learning from the market: Young entrepreneurs presented their efforts to central bank governors.

Pledge: Children unified their voices by signing pledge forms showing their commitment to child and youth friendly banking policies.
Research and Petition: Children researched the policies of the banks in their own countries to evaluate the child friendliness of their banking policies. Banks that did not meet the criteria were petitioned to remove the barriers that hinder minors from opening savings accounts.

b-Global Activities: The Global Activities for Global Money Week are aimed at engaging children, youth and stakeholders at a global level. With the help of video conferencing, webinars, live streaming, the Global Money Week website and social media channels as well as media the activities are elevated to a global level and cross borders to take the celebrations around he globe.

Global Theme: The global theme aims to inspire the celebrations and activities during Global Money Week. The theme of 2014 is the Post 2015 Agenda: What do children and youth want for their future?
Connecting the World: Via online live streaming of the events that are taking place all over the world the national event are able to be shared on a global level to all that are celebrating.
Global Web Chat Café: In the Global Web Chat Café youngsters from different parts of the world are able to connect with one another via web chats and share their stories. It is an opportunity for kids to connect with their peers, share stories, learn about other parts of the world and inspire each other to save, learn about earning a living and much more.
VIP Talks: During the week we will organize live streamed talks by inspiring persons and invite kids to ask questions to them. This is a great opportunity for the youngsters all over the world to be able to connect with the persons that inspire them and ask the questions they care about.
Youth and Policy Makers Global Dialogue: Online chats between youth and policymakers such as govern of central banks and ministers of finance and education.
Youth Talks: Youth talking to youth or inspiring academics talk to youth about entrepreneurship, financial education or financial inclusion at their schools and universities around the world.
***Global Savings Calculator**:* The online calculatoris a fun way for children to share how much they are saving. Children entered how much they saved, converted their currencies, and learned savings rates worldwide.
Showcasing and Sharing: The activities that take place during the celebrations of Global Money Week will be showcased and shared all over the world.

Global Money Week is important because children and youth are the focus of change. They are tomorrow’s business leaders, politicians, parents, and teachers. They can unlock their potential when they believe in themselves. They can change lives, their own and others’, when they have the right financial tools. They can learn about saving - money and resources. They can learn how to earn a livelihood and gain employment and most of all, Global Money Week provides children and youth with a voice: a voice that can help reshape the future of finance (Child & Youth Finance International, 2013).

3.2. CHILD SOCIAL AND FINANCIAL EDUCATION (CSFE)

Child Social and Financial Education (CSFE) aims to inspire children to be socially and economically empowered citizens by equipping them with the skills and knowledge to become active agents capable of transforming their communities and societies. CSFE provides children with a holistic learning experience that embraces knowledge and skills harnessed from both inside and outside the classroom. Promoting financial education and a positive financial culture in children and youth is essential to ensuring a financially literate population capable of making informed decisions. It offers a design through which children in child-friendly schools can explore their rights and responsibilities in classes or club sessions, take part in saving activities and apply entrepreneurial skills to address social issues that are important to them. The CSFE module allows for maximum flexibility for adaptation to a country’s needs.

The CSFE in Schools module is a result of the global partnership between UNICEF and two organizations Aflatoun and Child Savings International that was established to advocate for CSFE through UNICEF education programmes. Much of the material was created in collaboration with Aflatoun and Child and Youth Finance International, an organization that coordinates global efforts to ensure that the human rights (especially economic rights) of children and youth are respected at all times. CSFE comprises three core components: life skills, financial and livelihoods education. Together, the components aim to build life skills, change financial behaviours, stimulate business activity and increase financial literacy and capability. The (CSFE) framework provides a detailed description of the essential attitudes, skills and behaviours at different levels of a child's development. The different levels of the framework are not strictly defined by age parameter, as this might hinder its flexibility, especially with the lack of uniformity of children's ages at different levels of the formal and informal education ladder (UNICEF, 2012).

Financial Literacy Framework: (money and use, planning and budgeting, risk and reward and financial landscape)

➢ **"Money And Use"**

Working definitions: Focuses on a broad spectrum of personal financial topics, such as everyday payments, spending, value for money, bank cards, cheques, bank accounts and currencies.

Overall outcomes by theme:
1. Able to appreciate the value of resources, services and products, and how prices can reflect relative value.
2. Recognizes the financial services that are most appropriate for the situation and determines the best option from among options.
3. Able to access and use financial services responsibly to help address needs and wants, while understanding basic symbols and terminology from leading financial service providers.
4. Recognizes how their spending decisions have an impact on their lives, their household, the lives of others and their community.
5. Demonstrates confidence in asking questions before making decisions, in their ability to engage in financial negotiations and in their ability to make smart consumer choices.

	Social/life skills education	**Financial education**	**Livelihoods education**
Level 1: **0–5 years**	Emotions, consequences, health/safety, compassion	Value of money, prices, savings, belongings	Career interests, professions, entrepreneurship, goals, initiative, problem-solving skills, teamwork, taking advice, avoiding hazards
Level 2: **6–9 years**	Children's rights, responsibilities, respect for others, rules, listening skills	Needs and wants, savings plan, rewards, recognize banks and financial services	
Level 3: **10–14 years**	Express opinions, teamwork, research skills, appreciation for life-long learning	Informed consumer, short vs. long term planning, financial risks, effects of advertising	Vocations,opportunities, action plan, selfdiscipline, perseverance, communication
Level 4: **15+ years**	Social justice, time management, relationships, leadership	Negotiation skills, purchasing power, interest rates, financial crimes	Wages, capital needs, marketing, employability, coping with change, management skills

Table.2 Child and Youth Finance International Education Framework (UNICEF, 2012).

➢ **"Planning And Budgeting"**

Working definitions: Income and wealth planning and management over the short and long term.

Overall outcomes by theme:
1.Plan and use acquired resources to obtain products and services they need and want today and in the future.
2. Differentiate between needs and wants that will require savings to satisfy. Establish priorities and recognize the need for trade-offs.
3. Able to set clear financial understands how to track income and expenditures and why this is an important part of being financially responsible.
5. Understands how to make adjustments in personal budgeting in response to financial challenges, opportunities or unplanned expenditures goals and establish a plan in order to achieve them.

- **"Risk And Reward"**

Working definitions: Incorporates an understanding of the potential for financial gains or losses across a range of financial contexts, and the ability to identify opportunities for achieving rewards and benefits, as well as ways of managing, balancing and covering risks. Two risks are important: 1) financial losses an individual may have to face (loss of income, catastrophic events) and 2) risk inherent in financial products.

Overall outcomes by theme:
1. Compares costs, benefits, and trade-offs before deciding how to use money and resources.
2. Evaluates information about products and services to make informed decisions about spending, saving, borrowing and investing.
3. Invests savings appropriately (considering needs, confronting risk, ability to contend with loss) to help achieve longerterm goals.
4. Understands the risks and opportunities associated with different methods of acquiring money and how different interest, tax and exchange rates have an impact on financial decision-making.
5. Understands the value of diversifying risk and the options for doing so.

- **"Financial Landscape"**

Working definitions:
Relates to the character and features of the financial and economic world, it covers knowing the rights and responsibilities of consumers in the financial marketplace and within the general financial environment, as well as the main implications of financial contracts. It also includes a basic understanding of the economic environment and realities within which financial decisions are made.

Overall outcomes by theme:
1. Able to recognize appropriate financial service providers.
2. Understands basic symbols and terminology from leading financial service providers, as well as ways in which others may try to influence their financial decisions.
3. Appreciates the basic functions of international markets and commodity chains.
4. Recognizes the role of governments in regulating the financial services industry.
5. Able to identify appropriate, reputable and reliable products and services, able to compare them and make decisions, and knows where they can turn for information on financial services, personal budgeting and smart consumerism.

The learning outcomes described in Levels 1 through 4 of the Child and Youth Finance Education Learning Framework (**Table.3 – Table. 6**)

	Level 1 (5 years old and under) Learning outcomes
Money & Use	Understands the concept and the value of money
	Able to collect and save things that they find precious or useful.
	Understands where they get money from and what they need it for.
	Appreciates the importance of sharing resources with others.
	Understands the things they can buy and the things they need their parents or caregivers to buy.

Planning & Budgeting	Understands the difference between spending, saving, borrowing and sharing money.
	Understands the different ways in which they can acquire money
	Knows and compares the prices of things that they want to buy
	Understands that choices need to be made regarding things that they can use now and things they want to use, or acquire later.
	Knows how to count their money, buy an item they want and count the change that they may receive.
Risk &Reward	Practices the habit of saving for special things.
	Understands the consequences of being careless with possessions
	Understands the benefits of saving.
	Understands the benefits of sharing.
	Demonstrates appreciation when receiving money or other gifts.
Financial Landscape	Understands how people use money in their community.
	Recognizes that some people have more money and possessions than others.
	Able to differentiate between what belongs to them, what belongs to others and what belongs to the group or community.
	Understands where certain items are sold in their community
	Able and willing to speak with their family about money.

Table. 3 Level 1. (5 years old and under) Learning outcomes (UNICEF,2012).

	Level 2 (6-9 years old) Learning outcomes
Money& Use	Understands the relative value of their possessions and uses them responsibly.
	Understands how prices reflect value of goods in the market.
	Able to use numeracy skills in a practical way with money.
	Sees the importance of donating money to others in need.
	Able to recognize basic symbols and terminology as they relate to money and banks.
Plan& Budgeting	Appreciates the value of resources and uses them responsibly.
	Understands the importance of savings and establishing a savings plan.
	Understands the difference between needs and wants.
	Able to classify spending priorities.
	Understands the challenges of saving money.
Risk &Reward	Understands the concept of living within one's means.
	Understands how to save for something and why saving may be necessary.
	Appreciates the importance of keeping money and other resources safe.
	Understands how people can experience difficulties if they do not have any savings.
	Appreciates the rewards of sharing or giving resources to others.
Financial Landscape	Understands that individuals have choices in how they use their money.
	Able to recognize and identify different financial institutions in their community and what products and services they provide.
	Understands basic 'product trails' and commodity/value chains.
	Understands the different roles of money.
	Understands why people work to earn money.

Table. 4 Level 2. (6-9 years old) Learning outcomes (UNICEF,2012).

	Level 3 (10-14 years old) Learning outcomes
Money &Use	Able to recognize the value of money and the value of different denominations.
	Understands the importance of being an informed consumer
	Able to evaluate the results of a financial decision.
	Understands how one's resources and spending decisions can affect their lifestyle and vice versa.
	Knows how money can be used to help others.

Plan& Budgeting	Able to format a personal budget with personal/ household income and expenditures.
	Understands how budgeting can help in making better spending and savings decisions.
	Understands why you might decide to buy one product over another
	Recognizes that families' household budgets change as circumstances change and that a budget should be reviewed from time to time.
	Understands that each money decision made involves a trade-off (giving up something to gain something else) with impact over the short and long term.
Risk &Reward	Able to identify different financial products and recognizes the risks and rewards of each: credit, savings, insurance, etc.
	Appreciates how families and communities cope or prepare themselves against shocks or emergencies.
	Understands the positive and negative consequences of spending decisions
	Understands the rewards of financial responsibility and the risks of financial illiteracy.
	Understands the effects of their spending decisions on others and the environment
Financial Landscape	Understands the different factors that can influence spending decisions.
	Understands that countries have different types, quantities and qualities of resources.
	Understands that the production and delivery of products and services have to abide by regulations and laws protecting consumers
	Knows where to get accurate information to help with financial decisions.
	Understands how advertising tries to influence how consumers spend money.

Table. 5 Level 3. (10 -14 years old) Learning outcomes (UNICEF,2012).

	Level 4 (15 +years old) Learning outcomes
Money&Use	Able to conduct financial negotiations with confidence.
	Understands factors that affect the purchasing power of money.
	Able to file complaints about particular products and services.
	Understands how to calculate 'after-purchase' costs into the price of a desired item.
	Discovers ways to live an economically and ecologically responsible lifestyle.
Plan& Budgeting	Knows how to manage debt and budgets effectively.
	Knows how to calculate their spending capacity.
	Able to compare income to necessary costs of living.
	Understands when it would be appropriate to borrow or invest money.
	Able to consider financial goals over the short, medium and long term and recognize how they may change over time.
Risk & Reward	Knows the risks of defaulting on payments/ credit commitments.
	Understands the impact of interest rates, Exchange rates, market volatility, taxes and inflation on financial decisions.
	Understands ways to redesign budgets to address changing needs, circumstances or problems.
	Able to distinguish investments with different levels of risk.
	Understands the risks of indulging in gambling or illicit activity to try to get more money
Financial Landscape	Is aware of financial crimes, such as identity theft, frauds and scams, and knows how to take appropriate precautions.
	Able to identify which financial service providers are trustworthy and which products and services are protected through regulation or consumer protection laws.
	Able to recognize factors leading to conditions of poverty and income inequality.
	Able to perform basic financial tasks through Internet or mobile banking safely.
	Understands how governments obtain revenues to provide public goods and services and why taxes are paid.

Table. 6 Level 4. (15 +years old) Learning outcomes (UNICEF, 2012).

A strong monitoring and evaluation system can draw lessons that can help to create a sustainable model that can be rolled out nationally. It can further serve as a replicable approach across countries where child friendly schools are operational. The success of CSFE programming is measured against its core principles and its ability to make a change in children's lives (UNICEF, 2012).

3.3. MONEY AS YOU GROW

Money As You Grow, developed by Beth Kobliner and the Youth Subcommittee of the President's Advisory Council on Financial Capability, provides 20 essential, age-appropriate financial lessons that kids need to know as they grow. Written in down-to-earth language for children and their families, the lessons in Money as You Grow are based on more than a year of research, drawn from dozens of standards, curricula, and academic studies.

	20 Things Kids Need To Know To Live Financially Smart Lives
3-5 years old	1. you need money to buy things
	2. you earn money by working
	3. you may have to wait before you can buy something you want.
	4. there's a difference between things you want and things you need.
6-10 years old	**5.** you need to make choices about how to spend your money
	6. ıt's good to shop around and compare prices before you buy
	7. it can be costly and dangerous to share information online
	8. there's a difference between things you want and things you need.
11-13 years old	**9.** you should save at least a dime for every dollar you receive.
	10. entering a credit card number online is risky because someone could steal your information.
	11. the earlier you start to save, the faster you'll benefit from compound interest, which means your money earns interest on your interest.
	12. a credit card is a type of loan; if you don't pay your bill in full every month, you'll be charged interest and owe more than you originally spent.
14-18 years old	**13.** it's important to know what a college will cost you before choosing it.
	14. you should avoid using credit cards to buy things you can't afford to pay for with cash
	15. your first paycheck may seem smaller than expected since money is taken out for taxes.
	16. a great place to save and invest money you earn is in a roth ıra.
18+ yrs old	**17.** you should use a credit card only if you can pay off the money owed in full each month.
	18. You need health insurance.
	19. Putting all your eggs in one basket can be a risky way to invest; consider a diverse mix of stocks, bonds, and cash.
	20. always consider two factors before investing: the risks and the annual expenses.

Table . 7 “20 Things Kids Need to Know to Live Financially Smart Lives” (Kobliner, 2010).

The President’s Advisory Council on Financial Capability has developed Money as You Grow, a website creatively highlighting the 20 essential lessons kids need to learn about money. There are four milestones divided in five age groups (3-5, 6-10, 11-13, 14-18, and 18+) with age appropriate activities. It divides up the lessons per age group and includes a downloadable poster (**Table. 7**).

3.3. FINANCIAL DRIVER’S LICENCE (FLDL) “FIT FOR MONEY”

Financial driver’s licence “Fit for Money” is financed by local banks and operates solely in the region of Vorarlberg. The basic aim is debt prevention. Depending on their ages, children and young adults have different approaches towards money issues. Hence three workshop curricula have been developed within the programme: “S” for 10-/11-year olds, “M” for 14-/15-year olds and “L” for adolescents from 16 to 18.

The workshops enable kids, adolescents and young adults to get better insight into different topics interlinked to money and private finance. Issues discussed in the workshops are for instance: needs, consumption, credit and debt, risks deriving from the thoughtless handling of financial matters, mobile phones, car, living, spare time, the right use of cash cards, cost of living, debt and possible consequences.

In order to better meet the demands of the specific age groups, the Financial Driver Licence Vorarlberg comprises three different curricula:

The S (small) curriculum for the 11-12 year olds, covering issues like the following: Were does money come from?, wishes and needs, financial resources are limited, pocket money,

The M (medium) curriculum for the 14-15 year olds, highlighting topics such as: Managing on limited money, saving, current accounts and cash cards, apprenticeship or school and…

The L (large) curriculum for those who are 16-18 years old with a special emphasis on e.g. majority age, becoming self-employed, life-planning, overindebtedness, credit-institutes (cards, current accounts and credits).

This target group was chosen for the following reasons:

1. According to statistics young people in Austria make their first contact with debt at a very early stage. Many young people don’t see the exhaustive use of the overdraft facility of their current accounts as a debt – being not aware that living on credit often has the negative effect that one gets used to a lifestyle which is not affordable with the current income. This often leads to an unbalanced financial situation.

2.The providers of the scheme have also accounted for many young people not having any financial plans for the future. Without substantive savings the purchase of a new car or the first own flat often leads to debt inducing decisions.

3. Labour-market considerations lead to the assumption that young people having to deal with debt are likely to interrupt their studies and earn money at a job that demands only low qualifications and therefore worsens their future perspectives.

The evaluation has also shown that it is crucial for the success of a financial literacy programme that all relevant bodies for financial literacy are both actively involved and support the programme. The content of the Financial driver’s licence is adaptable to various target groups due to its comprehensive approach. The content is applicable to students ranging from a low-educational back ground up to better situated groups (Habschick, Seidl & Evers, 2007).

3.4. I CAN MANAGE MY MONEY

The project conducted with the partnership of Turkish Ministry of Development United Nations Development Program (UNDP) Habitat Center for Development and Governance, Visa Europe and member banks, aims to provide trainings to 20.000 young people, and reach 200,00 people in total since 2009.

The outcome of the project and the results of the impact analysis will be provided to the government as a policy recommendation on financial awareness. The project will serve for the socio - economic empowerment of youth and will significantly contribute to the implementation and realization of UN Youth Policies as well as UN Millennium Development Goals. Members from the Training and Coordination Group of the National Youth Parliament and two representatives of each local youth council will receive trainers' trainings on budgeting; financial-planning and management; personalizing credit cards; loans; good credit standing; the effects of financial awareness on sustainable development. Hence, the project will establish a task force composed of 320 young volunteers in 64 cities from 7 geographical regions. The know-how of Visa and its member banks will be utilized at those trainings (UNDP, 2014a).

This program targets young people aged 15 to 30 and focuses particularly on financial literacy and budget management, through peer education model based on volunteering. The project trainings aim to enable young people to: prepare a payment schedule by focusing on cash flow and budgeting, savings and debt; develop a budget; differentiate between compulsory and luxury consumption; compare fixed income with compulsory expenditure; prepare a debt repayment schedule; understand the economic role and functioning of finance industry and its products; understand the regulations concerning consumer financial rights and obligations; develop principles for healthy financial behavior for self and family and strengthening financial consumer protection. The program also aims to implement financial awareness courses in the national secondary education curriculum (Child & Youth Finance International, 2014).

A recent research study commissioned by Visa Europe in Turkey came up with some interesting findings. According to this study, 97% of young people make important financial decisions without consulting an expert. 87% of them are not saving for near term financial needs such as education, transportation and housing. And, among those who do save, only a very small minority keep their money in the banking system. This suggests that the level of financial awareness among the youth is very low. "Before the training, 56% of the participants considered themselves to be knowledgeable about personal finances. But, after the training, this figure increased to 84%, which is a good indicator of the programme's positive impact on the perception of its participants (VISA, 2011).

During Global Money Week, an international event between 10 – 17 March, that was initiated by World Economic Forum in 2008 to increase financial literacy, 24 trainings were held where 1287 new young participants met with the 'I can Manage my Money' Project from 14 different cities attended to. 84 % of young people who have attended the trainings are conscious of their monthly spending, 75% of attendees stated that they have adopted a regular budgeting discipline, 87% of these stick to their budgets, 62% list their spending habits regularly. 75% of attendees noted an improvement in their banking transaction knowledge, 84% can now differentiate between luxury and necessities and 74% now understand savings and financial instruments. In this training, illiterate girls were attended to financial literacy course and made a budget work shop which they are now using to manage their households (Child & Youth Finance International, 2014; UNDP, 2014b). According to the 2013 Impact Analysis; 85% percent of young people know how to manage debt and budgets effectively (Paramıyönetebiliyorum, 2014).

CONCLUSION

Financial education is a concept that individuals need to know at every step of their lives and at every aspect of their daily lives. Especially, in today's financial markets, stunningly developing products and services, increasing consumer debts, low financial literacy and changing socio-demographical conditions increase the importance of this education and necessitate the continuity of it.

Therefore, designing and applying a national strategy for financial education seems like a qualified solution suggestion. However, it is impossible to define a single strategy that is suitable for every country. In these circumstances, best results should be expected from solutions that are designed for each country specifically through analyzing examples of countries and international studies.

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KEYWORDS DEFINITION

- **Financial education:** is the process for the consumers and investors (ie person, family, community) to be developed, informed and taught about financial products and concepts through the financial risks and opportunities. This education aims to help them to be aware and informed about choices that they make and help them to improve their confidence and ability to develop processes for the financial topics.

- **Financial literacy:** is the information for financial consumers (ie person, family, community) increase their awarness about the risks and opportunities within financial products and concepts in order to increase their level of welfare respectively.

- **Financial knowledge:** is the capability how to manage the money in different usage, including the monitoring of day to day financial matters in the market and make the right choices for "financial literate" people's needs.

- **Financial socialization:** is the capability to obtain all relevant technical, commercial, behavioral and emotional information that contribute to one's financial knowledge and skills. The source of financial socialization in the most of the cases is the surrounding social environment, such as family members, parents, relatives, close friends, community organizations and professional financial bodies.

- **Financial behavior:** is the capability to capture of understanding overall impacts of financial decisions on one's (ie. person, family, community, country) circumstances and to make the right decisions related to the cash managment, precautions and opportunities for budget planning.

- **Financial skills:** is the capability to use relevant knowledge and understanding to manage an expected or an unpredictable situation in order to solve a financial problem and convert it to a benefit and opportunity to one's advantage. These skills can be acquired or can be learned through a financial education backround.

- **Financial well-being**: is the capability to develop decision making ability to have the financial means for the best conditions for saving, investing, using credits and planning for the future. It gives comfortably to the ones (ie, person, family, community) to enjoy a gratifying lifestyle.