



# FINANCIAL LITERACY EDUCATION IN FINNISH SCHOOLS

PANU KALMI, UNIVERSITY OF VAASA



Vaasan yliopisto  
UNIVERSITY OF VAASA

# PISA, financial literacy and Finnish schools



- ▶ Finland has been among the top performers in PISA literacy domains since 2000; however, slight but steady decline in performance
- ▶ Finland participated in the financial literacy module for the first time in 2018 (released May 2020): second position (after Estonia, tie with Canada)
- ▶ The perception of Finnish teachers and practitioners of the system is much more critical

# The position of economics and financial literacy in Finnish schools



- ▶ In the lower secondary (mandatory) schools there has been a mandatory module of financial literacy and economics since early 2000s
- ▶ In primary schools, this was introduced only in 2016
- ▶ Primary schools focus on household decisions, consumption, employment, and basic financial literacy
- ▶ These topics reappear in lower secondary schools, but the discussion includes also e.g. economic policy and foreign trade
- ▶ Currently integrated in several subjects, primarily social science, but also home economics and math



# Teacher education



- ▶ In primary schools, the teachers have a masters degree at the university, usually majoring education
- ▶ They have rarely taken any econ coursework
- ▶ In secondary schools, econ teachers have usually majored history, and have also background in social science
- ▶ Usually some, albeit limited, econ classes
- ▶ Some continuing education available

# Economics education in Finland



- ▶ Usually provided by business schools (focus on undergraduate education, not MBA)
- ▶ In some European countries (e.g. France, Netherlands, some German states) secondary school teachers in economics have majored economics
- ▶ In Finland from time to time discussion having econ as a separate subject
- ▶ Would require a complete overhaul of economics education in Finnish universities

# Economics standards



- ▶ Lack some basic concepts of economics (e.g. econ definitions of scarcity, opportunity cost, consumer choice, trade-off)
- ▶ Economics taught in secondary schools somewhat detached from the way economists understand economics thinking

# Way forward



- ▶ Having economics as a separate subject in mandatory schooling may not be realistic
- ▶ Integration across disciplines might work, but would require more coordination and (lots of) continuing education
- ▶ The teaching should be more informed about economics to make it more rigorous
- ▶ The CEE standards provide a good benchmark

# Economic Education in KDI

September 25<sup>th</sup>, 2020

Sungshin Lee ([sslee@kdi.re.kr](mailto:sslee@kdi.re.kr))

Specialist, Division of Economic Education

Economic Information and Education Center

Korea Development Institute

# Contents

1 KDI & EIEC

---

2 Economic Education with Project-based Learning

---

3 Economic Education based on Life Cycle

---

CHAPTER 01

---

# KDI & EIEC



KDI

KDI 한국개발연구원  
Korea Development Institute

KDI

Korea's Leading  
Think Tank

# Korea Development Institute (KDI)

## VISION

**Visionary Frontier  
for the National Agenda**

---

## MISSION

To make substantive contributions to the government and society as well as to the public and private sectors by **providing timely effective policy alternatives.**

# Economic Information and Education Center (EIEC)

As an affiliate of KDI,

- EIEC collects and analyzes economic data and information and then, disseminates to policymakers and to the general public.
- EIEC also **organizes a variety of economic educational programs** to help people enhance their economic competencies.

KDI 경제정보센터

경제정책정보 | 발행물 | 경제교육 | 이슈&분석 | 센터소개

e경제정보리뷰 2020 Issue02

e경제정보리뷰 이번 호에서는 스마트 시티에 대한 궁금증을 핵심이슈 동영상, 전문가 좌담, 소셜데이터 분석, 여론조사 등 다양한 방법을 통해 해소하고자 하였다.

나라경제 9월호

Economic Bulletin, Aug 2020

[핫이슈] 최근 부동산 정책 및 동향

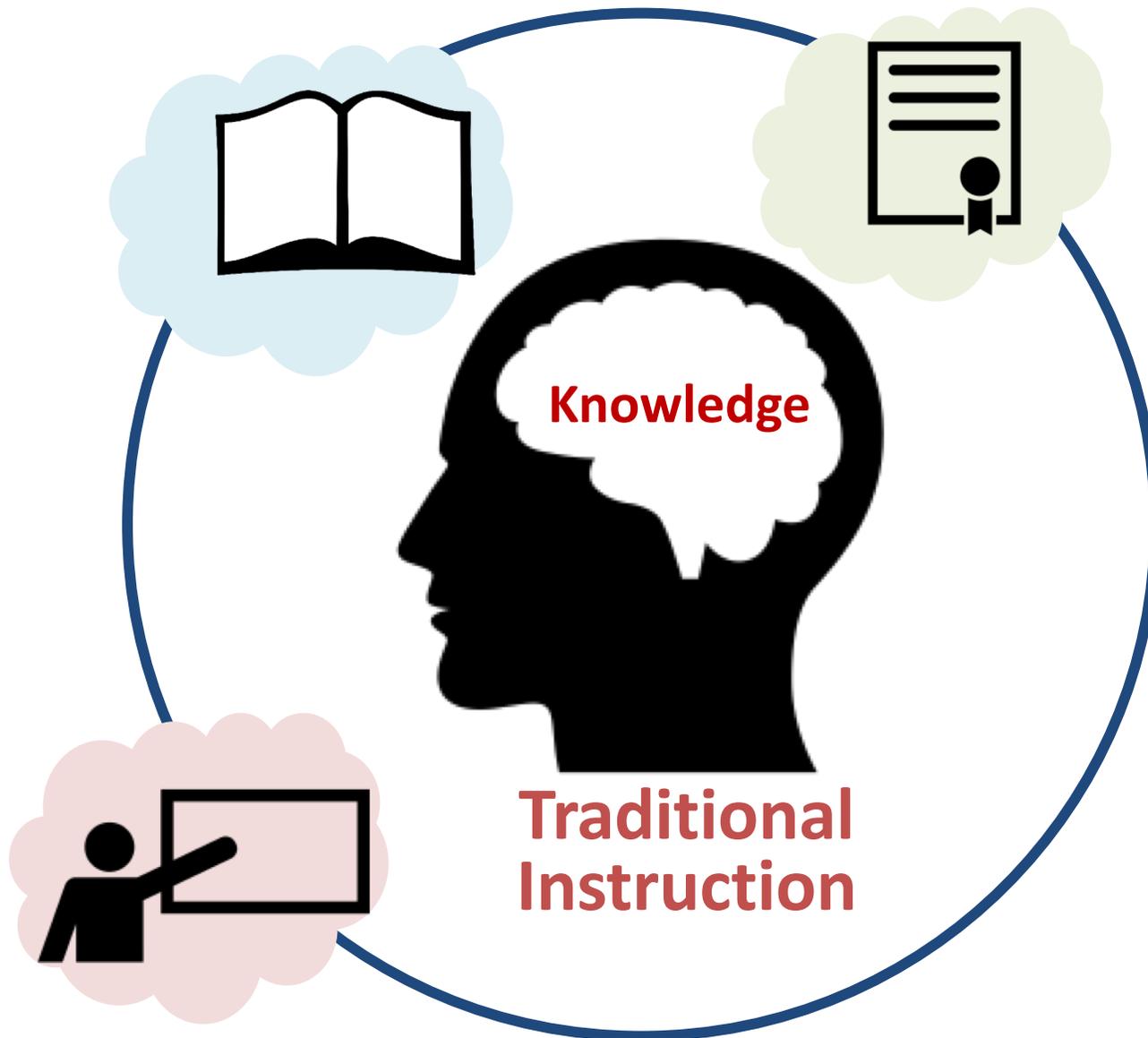
e경제정보리뷰

CHAPTER 02

---

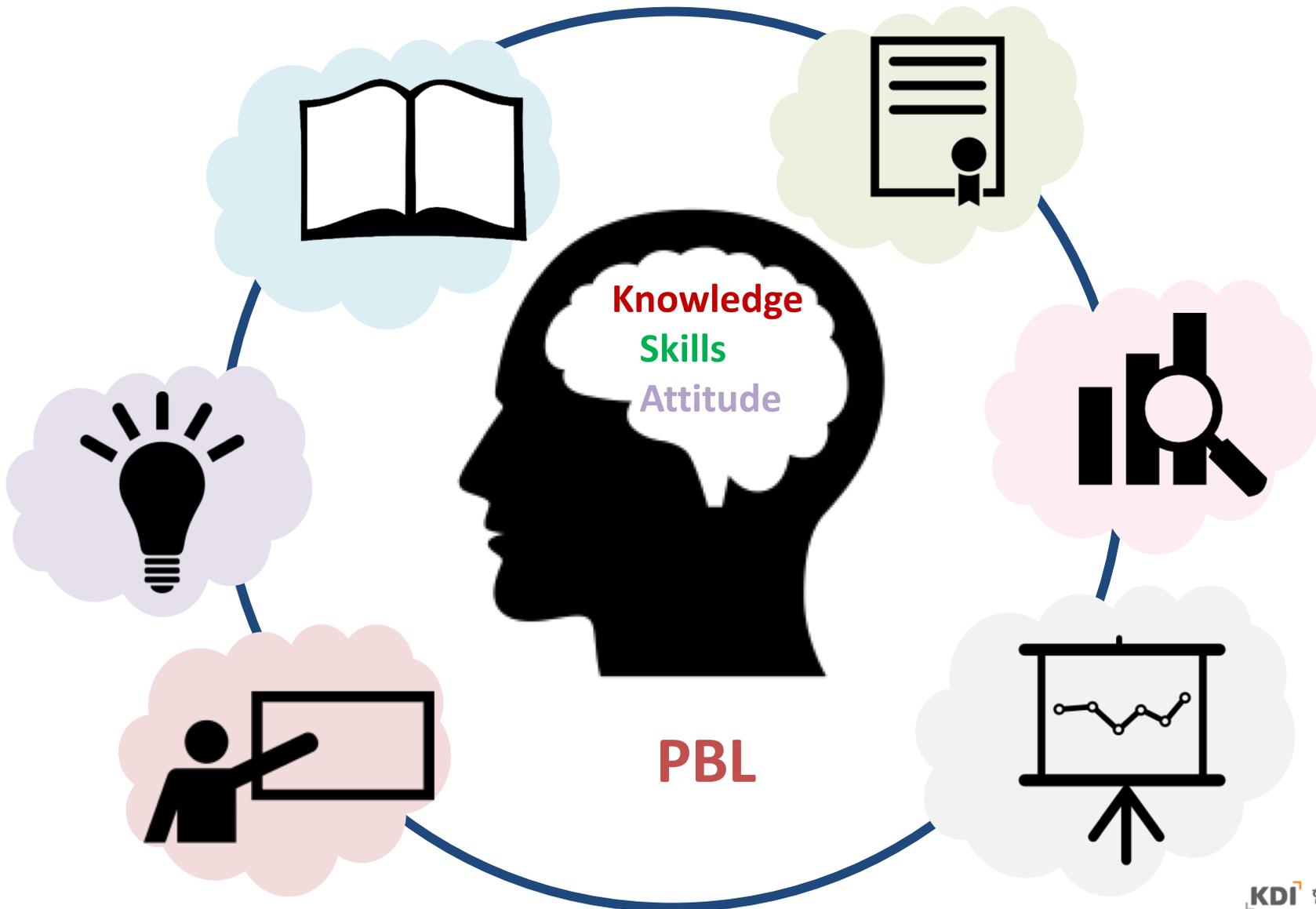
**Economic Education  
with Project-based  
Learning**

# Traditional Instruction





# Traditional Instruction and PBL



# Project-based Learning

**Communication**

**Critical Thinking**

**Self-Management**

**Creativity**

**Problem-Solving**

**Presentation**

**Cooperation**

**ICT**



# Let's Learn Economics and Personal Finance with PBL Modules

1



Finance,  
Financial Planning

2



Entrepreneurship,  
Cost-Benefit  
Analysis

3



Role of  
Government,  
Tax, Public Goods

4



Innovation,  
Economic Growth

# Let's Learn Economics and Personal Finance with PBL Modules

5

프로젝트 기반 경제교육 05

학생용 워크북

### 무역 브리핑, 그들이 사는 세상



KDI

학교

모름

이름

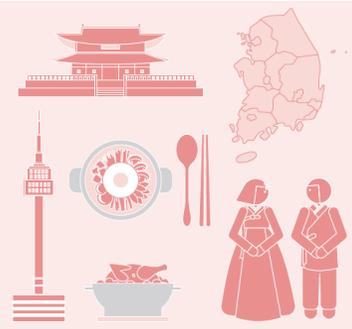
Specialization,  
Trade

6

프로젝트 기반 경제교육 06

학생용 워크북

### 한국, 어디까지 가봤니?!



KDI

학교

모름

이름

Exchange Rates,  
Decision Making

7

프로젝트 기반 경제교육 07

학생용 워크북

### 모두의 마을을 부탁해!



KDI

학교

모름

이름

Economic  
Fluctuations,  
Economic Policy

8

프로젝트 기반 경제교육 08

학생용 워크북

### 피해민! 맛있는 선택

choice for EVERYONE



KDI

학교

모름

이름

Profit,  
Opportunity Cost

# Let's Learn Economics and Personal Finance with PBL Modules

9



Budget,  
Decision Making

10



Happiness,  
GDP

11



Asymmetric  
Information,  
Adverse Selection

12



Danger,  
Insurance

# Let's Learn Economics and Personal Finance with PBL Modules

13



Entrepreneurship,  
Factors of  
Production,  
Profit

14



Job, The 4<sup>th</sup>  
Industrial  
Revolution

15



Tragedy of  
the Commons

# Let's Learn Economics and Personal Finance with PBL Modules

Project Based Economics 10

Workbook for Students

## Finding Happiness

Project Based Economics 10

Guidebook for Teachers

## Finding Happiness

**KDI**

School

Group

Name

**KDI**

# Let's Learn Economics and Personal Finance with PBL Modules

## ■ Grade and Number of Session

- 7<sup>th</sup> and above
- Eight sessions

## ■ Project Overview

- Not only economic stability is an important factor, but the other factors also take a big part in our happy life. After students define happiness in their own words, guide them to think about various criteria and conditions of happiness through cases of other countries. Students learn that GDP, an important indicator of economic standards, is not enough to measure the quality of life. Students also learn about a variety of indicators which supplements the limit of GDP and selects an item appropriate for the indicators to measure happiness. Based on this, students develop and make a presentation about their own happiness indices in small groups.

## ■ Concepts

- GDP, Economic Growth, Happiness Index, Weight, GNH, HDI, Better Life Index

# Let's Learn Economics and Personal Finance with PBL Modules

## Objectives

- Students will be able to understand GDP and explain the correlation between material affluence and happiness.
- Students will be able to recognize the limitations of GDP and understand the various indicators supplementing GDP.
- Students will be able to think about the possibility of measuring happiness, and set a standard which is necessary for measuring happiness.
- Students will be able to make and calculate happiness index.
- Students will be able to understand the standards of happiness vary depending on culture and region.

# Let's Learn Economics and Personal Finance with PBL Modules

Warm-Up



Make a Title for a Picture!



Here are the images of the word 'happiness' after internet search. Pick some pictures you like and give them titles.



To-Do List



Final Goal!

“ What Makes People Happy? ”

To Do #1

All we have to do now is

\_\_\_\_\_



To Do #2

All we have to do now is

\_\_\_\_\_

Need-to-Know List



What more information do we have to know to achieve our goals?

Things We Need To Know	Check
What is 'Happiness'?	<input type="checkbox"/>
_____	<input type="checkbox"/>

# Let's Learn Economics and Personal Finance with PBL Modules

**Worksheet 2** **Collect Puzzle Pieces!** 🔍

<p>What are the advantages of GDP? (★)</p> <p>name: _____</p> <p>1</p>	<p>What are things that GDP does not include? (★★)</p> <p>name: _____</p> <p>2</p>
<p>Why should we look at GDP and new indicators together? (★★)</p> <p>name: _____</p> <p>3</p>	<p>What are the four emerging indicators to complement limitations of GDP and what are their characteristics? (★★★)</p> <p>name: _____</p> <p>4</p>

(The number of ★ indicates the difficulty level.)

Describe the weights of your group's happiness index with % in the graph below.  
(The unit scale is 5 %.)

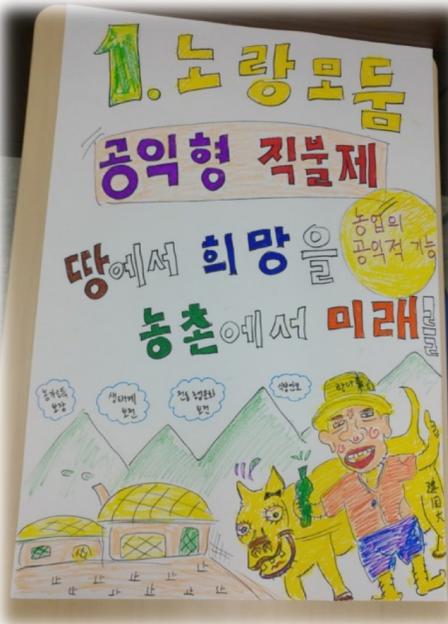
The highest weighted item is \_\_\_\_\_.

It is important because it is \_\_\_\_\_.

# Let's Learn Economics and Personal Finance with PBL Modules



# Let's Learn Economics and Personal Finance with PBL Modules



4대반씨의 현재상황은? 2. 원인을 알아볼까요? **파라**

신용등급은? **8등급!**

생애주기?! 미래에 대한 재고가 필요해요

4. 해결방법은 이렇게 있어요.

1. 자동차 매각하고 → 대중교통 이용
2. 흡수입 채널 차단
3. 불필요한 외식 자제 → 구비사항 이용
4. 신용카드보다는 현금결제
5. 저축 월 100만원 이상
6. 생명보험 가입 권유!

<이윤 기여도>

기업의 성공성  
① 외형  
② 운영리  
③ 자력기여  
④ 가격

기업	상	중	하
공공성	방타스틱	건강농장 (26)	오솔레미도 (20)
외형	엄마손만두 (30)	신성떡볶이 (23)	조선초밥 (18)
운영리	광동문 (24)	버거퀵 (18)	

선택

<선택도>

20대 이하	신성떡볶이, 버거퀵, 조선초밥	2. 광동문 (평균유세드) 순
20-40대	방타스틱, 광동문, 조선초밥, 오솔레미도, 엄마손만두	3. 건강농장 (평균 비법방) 순
50대 이상	건강농장, 엄마손만두, 조선초밥, 광동문	4. 신성떡볶이 (맛나 떡볶이) 순

\*이윤 합계: 75(엄마손) + 93(건강농장) + 30(광동문) + 22(방타스틱)



CHAPTER 03

---

**Economic Education  
based on Life Cycle**

- **Economic competency** is that individuals as economic agents, can **reach their optimal economic status** as a member of economic and social communities by **making reasonable decisions on daily economic problems** based on knowledge and understanding of economic principles (Kim, 2015)\*.
- Economic competency is **the ultimate goal to be achieved through economic education**.

\* Kim (2015), Economic Competence: Development of A Conceptual Model and Scale Construction for Enabling Strategic Improvement in Economic Education, *Korean Journal of General Education*, 9(2), pp. 67~115.

# The 6 Core Economic Competencies

The Six Core Economic Competencies	Meaning
<b>Consumption (Expenditure) Management</b>	Ability to consume (expenditure) carefully and reasonably in consideration of one's economic situation, and to understand and utilize the advantages and disadvantages of various payment methods
<b>Asset Management</b>	Ability to manage income earned through labor, construct a portfolio that is suitable for oneself based on the understanding of financial instruments, and to manage debt and credit appropriately
<b>Career Exploration</b>	Ability to explore and design one's own career and choose a career that matches one's aptitude and comparative advantage
<b>Crisis Response</b>	Ability to prepare for the dangers that might arise, to exercise one's economic rights fairly and to respond proactively when the rights are violated
<b>Responding to Changes</b>	Ability to proactively respond to changes in government policies, laws, systems, and economic conditions that might affect one's economic life and to collect and use relevant information
<b>Making Provision for the Aged</b>	Ability to recognize the importance of provision for retirement, to establish and implement plans for retirement, and to understand and use relevant systems
<b>Total</b>	

# Economic Education based on Life Cycle

## Economic Education based on Life Cycle

Start

Extraction of Core Content for Economic Education & Core Economic Competency

2017

Development of Teaching & Learning Guides for Childhood & Adolescence

2018

Development of Self-Learning Guides for Adulthood

2019

Goal

### Economic Competency

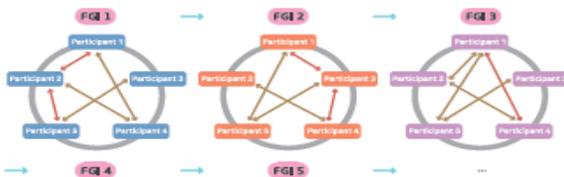
- is that individuals as economic agents, can reach their optimal economic status as a member of economic and social communities by making reasonable decisions on daily economic problems based on knowledge and understanding of economic principles (Kim, 2015).
- is the ultimate goal to be achieved through economic education.

### Why?

- 1 Recently, educative efforts are underway to help each individual be capable of solving problems with an approach called the capacity building, rather than simply conveying knowledge and theory.
  - Knowledge, attitude and skills
- 2 This study focuses on identifying common economic problems people mainly encounter at each stage of life cycle in the Korean context, which were not investigated in previous quantitative researches.

### How?

Data Collection: Focus Group Interview



- Homogeneous Sampling
- Semi-Structured Questions
- Active Interaction between Participants
- Theoretical Saturation
- Transcription

Data Analysis

- Extraction of the Essence of Ideas : 60 Core Content for Economic Education
- Categorizing the Ideas into Larger Themes : 6 Core Economic Competencies
- Triangulation (Validity & Reliability)

### The 6 Core Economic Competencies



#### Consumption (Expenditure) Management



Ability to consume (expenditure) carefully and reasonably in consideration of one's economic situation, and to understand and utilize the advantages and disadvantages of various payment methods



#### Asset Management



Ability to manage income earned through labor, construct a portfolio that is suitable for oneself based on the understanding of financial instruments, and to manage debt and credit appropriately



#### Career Exploration



Ability to explore and design one's career and choose a career that matches one's aptitude and comparative advantage



#### Crisis Response



Ability to prepare for the dangers that might arise, to exercise one's economic rights fairly and to respond proactively when the rights are violated



#### Responding to Changes



Ability to proactively respond to changes in government policies, laws, systems, and economic conditions that might affect one's economic life and to collect and use relevant information



#### Making Provision for the Aged



Ability to recognize the importance of provision for retirement, to establish and implement plans for retirement, and to understand and use relevant systems

\*The number below the characters denotes the numbers of the extracted core content for economic education.

#### Childhood

status investment level aspect  
pocket money consumption  
understanding goods value experience  
influence prosperity meaning experience problem explanation habit growth  
effort result bond basic concept responsibility competency  
figure interest method present feeling price  
free of charge activity level retirement ability material  
cash field experience focus

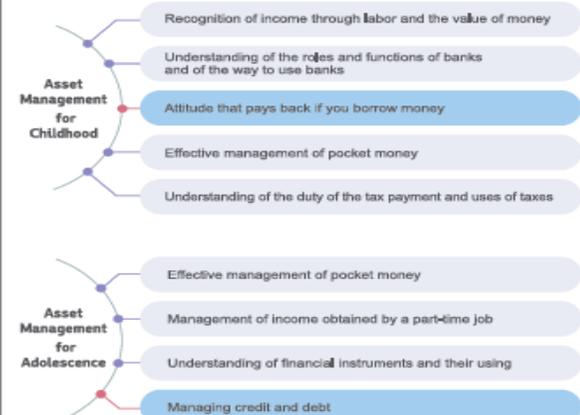
#### Adolescence

middle status mind  
pocket money feeling  
understanding goods environment  
explanation basic area cash trade aspect  
value debt ability method assessment  
interest investment plan money competency  
influence life change business  
credit material meaning field experience cost  
investment plan influence labor consumption  
concept goal skill mind present  
experience habit problem  
knowledge

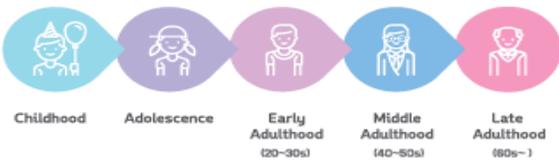
### Development of Teaching & Learning Guides

Development of Achievement Standards

Development Procedure of Teaching & Learning Guides



### Life Cycle



# Unless you want to become the boy who cried wolf ?!

## Purpose

- Some kids have a habit of **not paying back the money** they borrowed and often end up **losing trust** from friends. As they grow up into teens, their spending will rise as well, so they **should learn how to spend within a budget** without borrowing too often from friends. They also need **to be responsible for money they borrowed**.

Core economic  
competency

Competency of Asset  
Management

Core economic  
education content

An attitude that pays back  
if you borrow money



- Grade and number of session: Grades 4~6(1 session)
- Achievement standards:  
Students can **describe the problems that might arise when not paying back** and **develop a habit of paying back on time**.

# Credit, “How to Use You”

## Purpose

- In Korea, person under age is not allowed to carry out credit transactions with financial institutions, so they have **little interest in what credit is and how to manage it**. It is important for young people to be **well aware of how significant credit is** to their lives and **how to manage it wisely**.

Core economic  
competency

Competency of Asset  
Management

Core economic  
education content

Managing credit and debt



Adolescence

- Grade and number of session: Grades 10~12(3 sessions)
- Achievement standards:  
Students can **manage credit** and **credit transactions with cautious attitude**.

# Economic Education based on Life Cycle

## Early Adulthood

생애주기별 경제교육  
청년기 편



기획재정부 KDI 경제정보센터

## Middle Adulthood

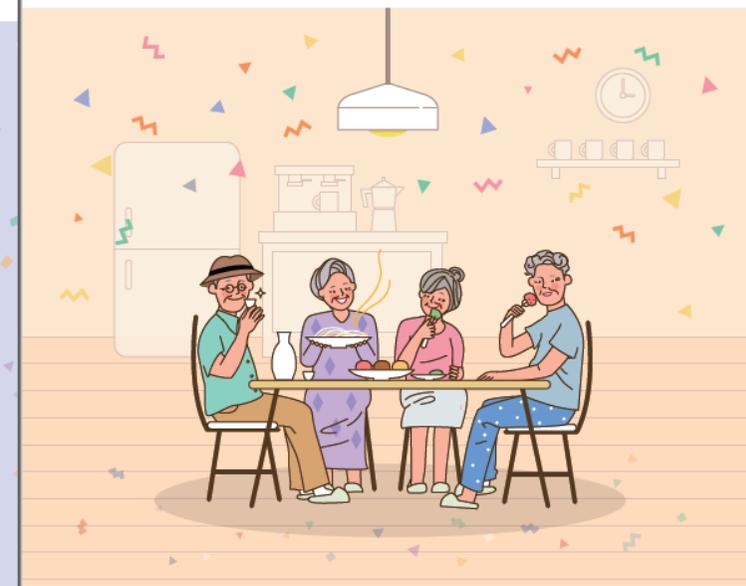
생애주기별 경제교육  
장년기 편



기획재정부 KDI 경제정보센터

## Late Adulthood

생애주기별 경제교육  
노년기 편



기획재정부 KDI 경제정보센터

감사합니다  
THANK YOU