

# Improving Financial Capability – a multi-stakeholder approach

Report of the National Steering Group  
on Financial Education

July 2009



## National Steering Group on Financial Education – member organisations

- Department of Education and Science
- Department of Finance
- FÁS
- Financial Regulator
- Financial Regulator Consultative Consumer Panel
- Irish League of Credit Unions (ILCU)
- Institute of Bankers in Ireland (IBI)
- Irish Banking Federation (IBF)
- Irish Insurance Federation (IIF)
- Irish Vocational Education Association (IVEA)
- Money Advice and Budgeting Service (MABS)
- National Adult Literacy Agency (NALA)
- National Council for Curriculum and Assessment (NCCA)
- The Pensions Board

For more information on the roles of member organisations and their interest in personal finance education see Appendix A.

### Terms of use

The views expressed in this report are the collective views of the National Steering Group on Financial Education in Ireland. However, the policy recommendations do not necessarily reflect the views of individual organisations represented on the Steering Group.

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# Foreword from Chair of the National Steering Group on Financial Education

In December 2006, the Financial Regulator established the National Steering Group on Financial Education, with a view to bringing together the key stakeholders with expertise in this area. We were already absolutely convinced of the need for a strong education component in any policy seeking to improve financial capability of citizens in Ireland. However at that time, we were not clear of the direction which this policy should take. The unprecedented financial events over the life of the Steering Group, have served only to reinforce our view of the need for a comprehensive policy addressing financial education.

Improving financial capability through education is a major undertaking. People's abilities and needs are diverse and complex and reaching them at key points in their lives poses a huge challenge. People's behaviour when it comes to money is influenced by many different factors:- culture, emotion, personal beliefs, knowledge and attitudes to name but a few. In particular, for adults, education is a choice – there is no obligation to engage with personal finance education. To have any chance of success, programmes must be tailored, relevant to the individual and delivered in a setting and at a time that facilitates the right kind of engagement.

The Steering Group, brings together the right organisations and the right people who are interested and knowledgeable in the field of personal finance education. The expertise brought together by the Group can be clearly seen from the outputs in this report, including the commitments given by the members. Our intention within this report is to set out the factors which will contribute to a workable policy on personal finance education. There are several necessary conditions - none of which are insurmountable obstacles. We hope the Report distils the issues into a format which facilitates early implementation.

The Financial Competency Framework, set out in Chapter 3, is a key innovation of the work of this Group. For the first time, all the elements that add up to make someone financially capable are defined, organised and presented in one place. This is an invaluable tool and a blueprint for education resource developers, educators and also those providing personal finance education in an informal way. The Framework is broad, covering not just 'what you need to know' but the necessary skills to seek out and assess that knowledge. It also covers social and personal issues around money – something that technical knowledge alone does not address. The Framework will also facilitate the development of evaluation techniques for personal finance education programmes.

I would like to thank the members of the Steering Group for their time, effort and dedication, for their expertise and insights and for working in co-operation to describe the long-term vision of a financially capable Ireland. Ultimately our hope is that we have brought the vision a little bit closer to implementation.



Mary O'Dea  
Consumer Director

## Statement by the Minister for Finance

I welcome this important initiative by the National Steering Group on Financial Education designed to improve the levels of consumer financial capability in Ireland.

There is a growing sense of the importance of Financial Education at international level. Both the OECD and the European Commission have in recent times increased their efforts in this area and are encouraging and facilitating their Member States in the drive to equip their citizens with the wherewithal to deal with the changing financial environment that consumers find themselves in. That drive is even more important given the financially turbulent times we are all living through.

However, it must be borne in mind that Financial Education is not a silver bullet and so Government will continue to maintain and improve consumer protection measures as well as the regulation of providers. We will ensure that in the context of the establishment of any new regulatory structures the co-ordination of financial capability programmes is established as an important priority in promoting the interests of consumers of financial services into the future.

The Financial Regulator, under the Chair of the Consumer Director, established the National Steering Group for Financial Education in order to include all the relevant stakeholders in this important work. I congratulate the members of the Steering Group and the Financial Regulator for their hard work and commitment in producing this report. The membership of the Steering Group covers a broad spectrum of organisations who are in a position to help with the promotion and roll-out of financial education measures or who have a vested interest in seeing more financially capable consumers.

I particularly welcome the creation of the Financial Competency Framework which is an innovative development and is one of the major outputs of this report. The Framework can help educators to develop a module or an entire course based on learner needs.

The Financial Regulator's Financial Capability Study which was published earlier this year will, coupled with the Steering Group's report, raise awareness of the issue we face. Taken together they will serve to identify and specify the problem to be tackled while also detailing the means with which to tackle the issue.

As a demonstration of the Government's commitment to this important topic, I, in consultation with the Financial Regulator, included Financial Education as part of the September 2008 Government Guarantee Scheme. This required 'the Irish Banking Federation to submit a report every six months detailing progress in achieving goals and targets in respect of the development of financial education.'

Furthermore the Recapitalisation Scheme announced by the Government in December 2008 stipulates that 'the recapitalised banks will provide funding and other resources, in cooperation with the Financial Regulator, to support and develop financial education for consumers and potential consumers. The resources to be made available will take account of the Financial Regulator's Financial Capability Study and the Report of the Steering Group on Financial Education.'

A further praiseworthy aspect of this Report is the fact that the Steering Group's proposed course of action makes best use of existing resources and seeks to spread the burden around all of the relevant stakeholders. This will foster joint projects and ensure that action can be taken as expeditiously and as efficiently as possible.

In summary, I believe the Steering Group has proposed an elegant solution that should make a real difference to levels of financial capability here. I look forward to watching as the results of the Steering Group's work take shape in the coming months and years.

A handwritten signature in blue ink, reading "Brian Lenihan". The signature is written in a cursive, flowing style.

Minister for Finance

# Statement of support from the European Commission



**EUROPEAN COMMISSION**  
**INTERNAL MARKET AND SERVICES DG**

**FINANCIAL SERVICES POLICY AND FINANCIAL MARKETS**  
**Financial services policy**  
**Head of Unit**

The Communication on Financial Education (COM(2007)808) of 18 December 2007 underlines the European Commission's support for the provision of financial education among Europe's citizens. As has been highlighted by the Commission on many previous occasions, the market for financial products is highly varied and often complex. One of the Commission's key objectives is to empower consumers. We believe that improving people's ability to make financial decisions benefits individuals, families and wider society and goes hand in hand with the Commission's wider financial services policies. Greater financial capability helps citizens to make better decisions for their financial affairs and helps save them money, time and worry.

The Commission recognises that the primary responsibility for education of citizens rests with Member States. We believe that those countries that decide to take financial education seriously and who actively promote national strategies spanning the formal and informal education systems, will be the ones to carve out a real competitive advantage in the longer term.

The Commission has provided this message of support to endorse the National Steering Group on Financial Education's efforts in producing this strategy report for personal finance education 'Improving Financial Capability in Ireland, a multi-stakeholder approach'. The Commission is encouraged by the work currently underway in Ireland to improve citizens' levels of financial capability by the various agencies working individually and collectively and we commend the relevant stakeholders and authorities in their contribution to national financial capability and financial education efforts in Ireland.

A handwritten signature in black ink, appearing to read 'M. Merlin'.

Mr. Martin Merlin  
Head of Unit GI – Financial Services Policy  
Internal Market and Services DG  
European Commission



# Executive Summary

In recent years, awareness of the need to improve financial capability has been gaining momentum both internationally and domestically. In December 2006 the Consumer Director of the Financial Regulator convened the National Steering Group on Financial Education (Steering Group), which is comprised of members from a wide range of stakeholders with an interest or role in education and personal finance.

Since its establishment, the Steering Group has worked to examine current practice both domestically and internationally, to define its long-term vision for a financially capable Ireland, and to propose and recommend further individual and collective actions to enhance financial capability in Ireland. This work has been achieved by way of working groups drawn from member organisations and by individual projects managed by the Financial Regulator in consultation with key stakeholders.

The development of personal finance education is in its infancy in many jurisdictions. Few countries can boast a national strategic approach and even fewer have personal finance education comprehensively covered in school curricula. Notwithstanding this there seems to be a growing recognition internationally that financial capability has increasingly become a key life skill that brings benefits to individuals and to society. This can be seen specifically in the EU with the establishment of an Expert Group on Financial Education. Those countries that have more developed financial capability programmes are those where a coherent national strategy has been established and funded (through public money, private money or a combination). It is also key that the strategy is supported by Government policy and that stakeholder interest is harnessed.

In Ireland there are many stakeholders, both public and private sector, involved in the development of tools, materials and programmes designed to raise some aspect of financial capability. These range from information-based services to free schools materials. Although there are some elements of personal finance on the second level curriculum its coverage is not comprehensive. It is fair to say that the development of programmes to date has been ad hoc and based on the remits and priorities of individual organisations rather than by overall design. We hope that the existence of the audit of education resources on [www.financialcapability.ie](http://www.financialcapability.ie) will assist in identifying gaps in provision, help to prevent duplication and provide a resource for those looking for teaching materials in this area. The audit does not seek to endorse programmes listed and the Steering Group recognises the need for robust assessment of the effectiveness of personal finance education programmes.

The development of the Financial Competency Framework is a key piece of work for the Steering Group. For the first time there is one document that defines the elements that add up to make someone financially capable. It covers not just knowledge but other skills such as the ability to seek information and ask the right questions. It also deals with the social and personal issues around money, which are key to understanding why and how we spend.

In parallel with this we have gained a greater understanding of where we are as a nation with regard to financial capability. In March 2009 the Financial Regulator published Ireland's first Financial Capability Study.

The Study establishes a baseline measure of financial capability in Ireland and is modelled on a similar study conducted in the UK and published in 2006. While the fieldwork for the Irish study was conducted in a more benign environment during 2007 and 2008, the findings in relation to behaviour are still relevant. The results of the Study will assist in segmenting the population and suggesting priorities for particular areas of capability. Allied with this the Steering Group specifically looked at vulnerable groups and has created a matrix<sup>1</sup> that maps disadvantaged groups against those organisations currently providing services to them. This recognises that reaching vulnerable groups is more effective through existing channels and local expertise.

We believe that the final chapter, outlining the commitments and recommendations of the Steering Group, is the most pertinent. Taken together, the commitments and recommendations form the next steps in the process towards achieving the Steering Group's long-term vision for a financially capable Ireland. The commitments are made either on an individual organisational basis or through a collaborative approach, while the recommendations are designed to help raise levels of financial capability by fostering the development and delivery of a comprehensive personal finance education strategy for Ireland. We believe that the commitments and recommendations create a robust **joint action plan** and **future direction** for personal finance education by drawing on the diverse interests, views and experience of the organisations represented on the Steering Group.

Finally, where possible we have tried to leverage existing channels, expertise and resources. However the success of any national strategy does depend very much on support from policy makers and on funding. The Steering Group is encouraged by the inclusion of funding for financial education in the Recapitalisation Scheme for the two main banks and looks forward to engaging further with Government on foot of this report.

## Summary of Commitments and Recommendations

<b>Joint Action Plan: Commitments</b> Each member of the Steering Group has a core area of expertise and can promote the various facets of personal finance education development that fall within their remit and experience. The commitments made under this strategy are broadly defined in four areas. Relevant members have, among other things, made the following commitments:	<b>Future Direction: Recommendations</b> In addition to the activities under the joint action plan, which the Steering Group members have committed to, we have outlined below some longer term recommended measures, which are directed at Government <sup>2</sup> , the financial services industry, the education sector and other interested parties.
1. To conduct and/or share research, knowledge and best practice related to personal finance education.	1. To establish structures to co-ordinate the implementation of the commitments and recommendations of this report.
2. To utilise the Financial Competency Framework when developing personal finance education resources or to raise awareness of the Financial Competency Framework.	2. To set up, as soon as possible, a Financial Capability Fund with seed funding from the Recapitalisation Scheme.
3. To provide personal finance education materials and /or other resources, alone or in partnership.	3. To create a National Standard for personal finance education.
4. To provide volunteers or other resources to promote personal finance education, e.g. through the workplace or community.	4. To enhance financial capability through the compulsory national curriculum.

<sup>1</sup> Detailed in Chapter 3.

<sup>2</sup> Commitments in this regard have already been made by the Department of Finance.

# Chapter 1

## Background to this Report

### 1.1 Introduction

The OECD defines financial education as:

*'a process by which consumers improve their understanding of financial issues and through information, instruction and objective advice, develop the skills and confidence to become more aware of financial risks and opportunities. Consumers can then make informed choices, know where to go for help, and to take other effective actions to improve their financial well-being.'*

In recent years, various agencies have striven to increase awareness of the need to improve financial capability in Ireland. In addition, commentators, including the OECD and the European Commission, have highlighted the factors contributing to international interest in financial capability. These include:

- The increased range and complexity of financial products;
- The recent crisis in the banking and financial sectors and associated erosion of trust in the financial services industry;
- The findings of various research and studies highlighting low levels of financial literacy and knowledge amongst consumers;
- The rise in the number of financial service providers;
- The trends towards transfer of risk to consumers in relation to pensions and investments; and
- Higher levels of personal debt and a better understanding of its potential detrimental impact.

The increased interest in and awareness of the importance of improving financial capability in Ireland has led to the formation of the National Steering Group on Financial Education and the production of this report.

### 1.2. Background of the National Steering Group on Financial Education

One of the statutory functions of the Financial Regulator is 'to increase awareness among consumers of the costs, risks and benefits of financial products and services'. This role is fulfilled through an ongoing information service including a consumer helpline and a personal finance website [itsyourmoney.ie](http://itsyourmoney.ie). This recognises that an informed consumer is a key pillar of consumer protection.

As education is beyond its core competencies and specific legal remit, the Financial Regulator published a consultation paper in June 2004 entitled 'Financial Planning Education for Consumers'. The aim of the consultation was to seek views of relevant groups in order to facilitate the development of a suitable programme for financial planning education. As this was well received, and because there is no single body responsible for personal finance education in Ireland, the Consumer Director of the Financial Regulator convened the National Steering Group on Financial Education in December 2006.

The members of the Steering Group are drawn from a wide range of stakeholders with an interest or role in education and personal finance, including Government departments, relevant consumer and industry representative bodies, public and private sector institutions and the community education sector (see inside cover for full membership details). In general terms, the Steering Group has endeavoured to create a body of work that will help foster the development of personal finance education in Ireland and guide its future direction. The long-term vision of the Steering Group is of a financially capable Ireland, where each citizen is equipped with the knowledge, skills and understanding to make informed financial decisions. This vision of financially capable Ireland is explored in detail in Chapter 3 of this report.

In a separate project, the Financial Regulator commissioned a major independent study of the financial capability of people in Ireland to establish a baseline measure of financial capability and inform its broader regulatory work. The relevant outcomes of that project for the strategy on personal finance education are also detailed in Chapter 3.

### 1.3. Work completed by the Steering Group

The inaugural meeting of the Steering Group was held on 6 December 2006. Over the following months, it identified key tasks to help inform future strategy on personal finance education. These tasks can be broadly grouped into three streams of work:

1. A review of current practice and resources in personal finance education in Ireland and abroad;
2. The development of a Financial Competency Framework; and
3. The development of a Matrix of disadvantaged groups.

1. The first work stream resulted in four outputs:

- i. A review of the personal finance education activities of the Financial Services Authority and the Personal Finance Education Group in the UK. These organisations, working together, are widely regarded as being among the leaders internationally in developing financial capability strategies.
- ii. A review of the literature in the developing field of personal finance education. The review outlined the thrust of key international projects and contextualises them in terms of the options available to policy makers and resource developers in Ireland.
- iii. An audit of independent personal finance education resources available for free in Ireland. Questionnaires focussing on personal finance education initiatives were circulated to a range of sectors. The results of the audit demonstrate that important first steps have been taken by institutions and organisations in the development and delivery of free personal finance education resources. However, significant gaps remain in terms of topics covered and audiences reached.
- iv. A second level curriculum review mapped those elements of personal finance education that already exist and are available to second level students in Ireland.

The work streams were completed by separate working groups of the main Steering Group. A breakdown of the composition of the working groups is available in Appendix B.

All four of the outputs are further discussed in Chapter 2.

2. The second work-stream resulted in the Financial Competency Framework which was devised to harness the expertise of a range of interested parties who are active in the fields of personal finance and education in Ireland. It provides those who develop resource material with a comprehensive and credible list of learning outcomes to support any personal finance education initiative. The Working Group engaged in a series of bi-lateral consultations with interested parties, including the Pensions Board, the IBF, the IIF, the Institute of Bankers in Ireland, the VEC, and the Revenue Commissioners, to produce this Framework that draws on a wide range of expertise and views. As far as we are aware, this is the first tool of its kind to be produced to support the creation of personal finance materials/ courses. It is discussed in more detail in Chapter 3.

3. The third work stream resulted in a matrix of vulnerable groups that matched social groups to potential delivery channels. An overview and the full matrix are included in Chapter 3.

## 1.4. Personal finance education in the current economic context

The OECD and other commentators have stated that enhanced personal finance education is needed now more than ever. The recent financial crisis has raised further awareness of financial capability by exposing the complexity of risks associated with financial products.

In Ireland, there is growing acceptance amongst stakeholders of the need for enhanced financial capability and this has gained momentum in the current economic context. At government level this commitment to enhanced personal finance education is demonstrated by the inclusion of the condition relating to Financial Education in paragraph 45 of the September 2008 Government Guarantee Scheme which stipulates that the IBF shall, on behalf of the covered institutions, submit a report every six months to the Minister for Finance which will detail progress in achieving goals and targets with respect to the development of financial education. Furthermore the Recapitalisation Scheme, announced by the Government in December 2008, stipulates that the recapitalised banks will provide funding and other resources, in cooperation with the Financial Regulator, to support and develop financial education for people in Ireland. In addition, the Social Welfare (Miscellaneous Provisions) Act, 2008, gives MABS responsibility for the promotion and development of education in respect of money management.

The financial crisis has emphasised the importance of personal finance education and financial capability for the well-being of individuals and their families and the wider economy. The OECD has highlighted the importance of financial education at a global scale as one of the long-term possible responses to the current financial crisis. We believe that that personal finance education sits alongside effective regulation as a consumer protection measure but is not a replacement for a safe and fair market. That said, the challenges for consumers to manage their finances well are greater than ever in the current economic environment. People themselves are more engaged in financial matters and this represents a 'teachable moment' to reach them.

## Chapter 2

# International and domestic practice in personal finance education

### 2.1. Introduction

This chapter looks at the background to personal finance education in both the domestic and international arenas. It pays particular attention to recent actions taken by other regulatory authorities in relation to personal finance education. This chapter also details the audit of personal finance education resource materials that are available for free in Ireland. An overview of the curriculum mapping exercise, which examined the extent to which personal finance education exists on the formal second level curriculum, is also included.

### 2.2. EU Commission

The European Commission has provided impetus in the development of personal finance education in the European Union. The Directorate-General of Internal Market and Services of the Commission is engaged in developing a three-pronged approach to support financial education initiatives, consisting of the following:

- The Directorate-General has established an Expert Group to advise the Commission on financial education. Applications for membership were accepted from both the public and private spheres<sup>3</sup>. The network of practitioners meets twice a year to exchange best practice and advise the Commission. Each member is appointed and participates in a personal capacity;
- The Commission has established an EU database for Financial Education (EDFE)<sup>4</sup> that lists and describes financial education resources that are available within member states. Information on as many as 200 initiatives has already been submitted to this database by member states and submissions to the database will continue to be accepted as financial education initiatives continue to develop across the EU; and
- The Commission will support the continued development of the Dolceta<sup>5</sup> online resource that includes teaching resources for financial education.

The intention is that these three programmes will impact positively and constructively on the character of initiatives developed in member states. The Commission is also exploring the possibility of providing sponsorship or patronage to financial education conferences or events that meet certain criteria<sup>6</sup>.

<sup>3</sup> A senior executive from the Financial Regulator has been appointed to this Expert Group.

<sup>4</sup> Available at [http://ec.europa.eu/internal\\_market/fesis/index.cfm?action=home](http://ec.europa.eu/internal_market/fesis/index.cfm?action=home).

<sup>5</sup> Dolceta is a website designed to enhance public access to information about consumer issues on the internal market. This website includes but is not confined to personal finance education.

<sup>6</sup> Information Note on the Commission's Patronage to Events Promoting Financial Education, June 2008 available at <http://ec.europa.eu>.

## 2.3. OECD principles and good practices

In 2003, the OECD launched a comprehensive Financial Education Project to identify personal finance education programmes in OECD member countries. In 2005, the OECD endorsed a set of *Principles and Good Practices for Financial Education and Awareness*<sup>7</sup>. These are designed to help policymakers to develop and implement effective personal finance education programmes.

Some of the relevant OECD principles and good practices relating to personal finance education programmes include:

- Encouraging the establishment of appropriate specialised structures (possibly embedded within existing authorities) in charge of promoting and coordinating financial education.
- Promoting 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.
- Promoting the development of methodologies to assess existing financial education programmes. Official recognition of financial education programmes, which fulfil relevant criteria, should be considered.
- Promoting financial education initiatives that develop guidelines on study content and accomplishment level for each financial education programme and for each population subgroup.
- Promotion of financial education that creates different programmes for specific sub groups of consumers (e.g., young people, disadvantaged groups) in order to take into account the diverse backgrounds of consumers.
- Encouraging the development of programmes to "train the trainers" and the provision of specific information material and tools for these trainers.

In the Irish context many of these areas of good practice are already being realised by the various organisations represented on the Steering Group.

The OECD also promotes international co-operation and policy dialogue between member states on personal finance education via :

1. High level international fora including the International Network on Financial Education (INFE).
2. Development of OECD International Gateway for Financial Education. The Gateway aims to facilitate co-operation between partner members/states. It is designed to act as a central international source of information on personal finance education, literacy and awareness. The Gateway is comprised of the following elements:
  - a members' network<sup>8</sup> promoting the exchange of information, knowledge, experience and expertise on personal finance education;
  - a dedicated website which provides access to international resources of information; and
  - a Financial Education Newsletter which is issued to members on a periodic basis.

<sup>7</sup> Available at [www.oecd.org](http://www.oecd.org).

<sup>8</sup> The Financial Regulator is a member of this network.



## 2.4. Steering Group review of international literature - reports and projects

The National Steering Group on Financial Education commissioned an independent report to review a range of current international programmes, projects and initiatives relating to personal finance education. The report focused on key issues including: programmes and projects; the rationale for initiating programmes; targeted audiences and user-groups; methods of delivery; and effectiveness.

### 2.4.1. Key findings

Some of the key findings from the review include:

- That personal finance education policy and practice is in its infancy in most jurisdictions.
- That there is rarely one single body responsible for personal finance education in a given jurisdiction.
- There is great diversity in the scale and scope of personal finance education programmes and projects.
- Despite this diversity, the rationale for initiating programmes is underpinned by a common concern – the need to develop the financial knowledge and skills of individuals in the management of their personal finances.
- The range of targeted audiences for personal finance education programmes is quite diverse and includes – children, young adults, parents, teachers and others involved in education, adults in general and other specific consumer groups (e.g. migrants, groups with literacy difficulties, pre-retirement groups etc).
- There was also a degree of diversity in terms of programme delivery. Most programmes used more than one mode of delivery and three broad categories of key delivery mechanisms were 'school-based', 'community-based' and 'work-centred'.
- Personal finance education in national curricula is very rare in other jurisdictions. However embedding personal finance education more explicitly into the curriculum is being actively considered in other countries, for example in the UK's ten-year national strategy for financial capability.
- A wide range of channels and media are used. Within any one medium, several formats are available for use, for example, publications are commonly used in the form of brochures, booklets, manuals and guides; internet offerings include web sites, portals, and other online services; public education campaigns may embrace presentations, lectures, conferences, symposia, training courses and/or seminars; and the use of CD-ROMs and videos is common.
- Some personal finance education schemes are organised by a single provider but most are partnerships of one kind or another, for the most part involving two or three partners, but in some cases involving many more.
- In spite of various recommendations in the literature that programmes should be rigorously evaluated to develop our understanding of how best to deliver personal finance education, relatively little research has in fact been undertaken on their effectiveness. This may be due in part to the relatively recent origin of most programmes and the challenges in measuring the effectiveness of programmes over time. Nonetheless, there are some indications of effectiveness.

## 2.4.2. Indicators of good practice

The review noted the following indicators of good practice for consideration as possible options for an Irish strategy:

- Programme choice; some useful pointers from various reports for consideration include:
  - Prioritising personal finance education in areas of pressing need.
  - Encouraging special-interest bodies to conduct needs assessments and provide programmes for their target audiences.
  - Collaboration with schools, Government agencies and education authorities in the provision of long-term financial education programmes.
  - Provide leadership and facilitate co-operation between disparate agencies to facilitate the emergence of a coherent (and ideally comprehensive) national programme.
- Programme providers; some useful pointers include:
  - Ideally programmes should be part of an overall, preferably national, strategy.
  - National co-ordination should be promoted to share experience, and rationalise and prioritise resources.
  - An appropriate structure could help in promoting or co-ordinating the provision of quality programmes and in facilitating consistency in the provision of information on available programmes.
- Delivery channels; some useful pointers include:
  - Web-sites may be useful for mass provision of data required for speedy response to specific queries.
  - Work-place lectures/seminars/courses are effective channels for reaching specific target populations with relevant information.
  - School-based education is useful, arguably essential, for developing the required generic skills of the wider population.
  - A good deal of web-based resources and materials are available on the Internet (some at no cost) that it might be useful to assess before developing new alternatives, especially where the cost of development is likely to be high.
- Effectiveness measures; some useful pointers include:
  - Providers should be adequately resourced and trained.
  - While current programmes vary widely in scale and scope, a large-scale, on-going, national programme is likely to need an assured source of funding and dedicated resources.
  - A longer-term national programme may require private-public partnership or fully public funding.

## 2.5. Examples of national strategies overseas

### 2.5.1. UK practice

The UK has similar levels of economic development and education structures to our own and is well known for its work in the area of financial capability. The UK national strategy is sponsored by the UK Treasury and mainly delivered through the Financial Services Authority (FSA) and the Personal Finance Education Group (pfeg)<sup>9</sup> under the UK's ten-year national strategy for financial capability<sup>10</sup>.

#### 2.5.1.1. The FSA's National Strategy on Financial Capability

The FSA has developed the following seven initiatives to improve financial capability in the UK population:

1. **Work with schools – 'Learning Money Matters'** whereby pfeg consultants work with teachers to help them teach personal finance to young people.
2. **Initiatives aimed at young adults - 'Helping Young Adults Make Sense of Money'**, which enables organisations that work with young people to help them manage their money.
3. **The workplace - 'Making the Most of Your Money'**, a channel for information covering basic personal finance issues.
4. **Families/new parents – 'Moneybox'**, a project designed to help expectant parents manage their finances at this important life stage.
5. **Online tools** - the FSA offers a range of impartial, online, easy to use interactive tools. Tools currently available include the Financial Healthcheck, Debt Test, Stakeholder Pension Decision Trees, and Comparative Tables along with pension, budget, loan and mortgage calculators.
6. **Moneymadeclear** - the consumer website launched by the FSA in 2006.
7. **Reviewing the role of 'Generic Advice'**.

In relation to funding, the FSA's financial capability budget has increased from £4m in 2005/06 to £22.5m in 2008/09. In addition the UK Government committed to a £11.5m investment in personal financial education in schools from 2008-2011.<sup>11</sup> The FSA conducted an extensive study of financial capability in 2006, which will be repeated every 4 to 5 years to provide some measure of the impact of these seven initiatives.

<sup>9</sup> pfeg is an independent charity which gets its funding from a variety of supporters in Government, the statutory sector and in business.

<sup>10</sup> Financial Capability: The Government's Long Term Approach, January 2007.

<sup>11</sup> Chris Pond, FSA, speech entitled 'National Strategy for Financial Capability in the UK' provided at Reaching Higher: Canadian Conference on Financial Literacy 2008.

### 2.5.1.2. Personal Finance Education Group (pfeg)

pfeg is an educational charity whose mission is for all young people to leave school with the confidence, skills and knowledge they need in financial matters so that they can participate fully in society. pfeg's main focus over the last 5 years has been on:

- Playing a pivotal role in the FSA's national strategy for financial capability;
- Delivering a one-stop shop service to teachers (predominantly through Learning Money Matters);
- Establishing the pfeg Quality Mark for recommended teaching resources;
- Developing and managing a range of effective programmes, which are building knowledge, raising standards and developing best practice; and
- Setting up the pfeg Forum – a cross sector network of over 70 organisations with an interest in personal finance education in schools. pfeg has a number of initiatives at both primary and secondary school level promoting personal finance issues for young people.

### 2.5.2. U.S. National Strategy for Financial Literacy (U.S. Department of the Treasury)

In 2006 the US Treasury Office of Financial Education published a National Strategy for Financial Literacy entitled 'Taking Ownership of the Future', which they described as the plan for improving financial education in America. In addition to the strategy the Treasury Department produced a 'Quick Reference Guide', which provides a summary of the Strategy as well as a list of financial education resources. Some of the resources and material available under the strategy include:

- Financial Literacy and Education Commission Resource website: [www.MyMoney.Gov](http://www.MyMoney.Gov);
- Taking Ownership of the Future: The National Strategy for Financial Literacy;
- Quick Reference Guide;
- White Paper on Integrating Financial Education into Core Curricula;
- Eight Elements of a Successful Financial Education Program; and
- Money Math: Lessons for Life Curriculum.

The Office for Financial Education is responsible for rolling out the U.S. National Strategy for Financial Literacy. The Office is based within the Treasury and is provided with its own budget. The Office often works in partnership with external bodies, including the public and private sector and in those instances can share resources including expertise and funding.

### 2.5.3. National Strategy for Financial Literacy (New Zealand)

New Zealand is among the first countries to develop a national strategy for financial literacy<sup>12</sup> and a great deal has already been achieved in this area towards meeting the vision and mission of the strategy. The National Strategy is a non-prescriptive approach that has provided contributing stakeholders with clear guidelines on how to constructively develop financial education, without duplicating the work of other contributors. The strategy is supported by the Ministry of Education along with other public, private and voluntary sectors.

<sup>12</sup> New Zealand Retirement Commission, National Strategy for Financial Literacy, June 2008.

The following is a synopsis of measures already implemented in New Zealand under the National Strategy for Financial Literacy:

- National surveys on financial knowledge commenced in 2005 with the ANZ-Retirement Commission Financial Knowledge Survey. The next national survey will be conducted in 2009.
- A Financial Knowledge Framework<sup>13</sup> was developed in order to describe and define the abilities, understanding and awareness that people would demonstrate at different levels of financial knowledge, from a basic to an advanced level.
- A Personal Financial Management Curriculum was developed to drive financial education in the school curriculum.
- Quality standards, which all education programmes must meet, were implemented.
- The "Pathways to Financial Literacy" Programme targeted at senior secondary school students which is run in over 100 schools.
- A standard framework, which financial education providers can adopt to evaluate the effectiveness of their programmes was developed;
- A database of all<sup>14</sup> financial education resources in New Zealand both for school children and the adult population is available on [www.retirement.nz](http://www.retirement.nz).

Some of the recommendations set out in the New Zealand National Strategy for Financial Literacy include:

- Professional development courses should be offered to increase teachers' knowledge of the importance of financial education and their skill in delivering effective financial education teaching and learning programmes.
- Community partnerships should be developed with those working on the ground to identify locations and channels where financial education/information may most effectively be delivered for those not in the workforce or not able to access financial education/information at work.
- The Retirement Commission<sup>15</sup> should continue to work with employers, unions and industry groups to decide the tactics most suitable to delivering financial education/information to their employees.
- The Retirement Commission, in its leadership role, should work with research and evaluation professionals to develop instruments to capture the long term effects of financial education and financial literacy on peoples' personal financial well being.
- Guidance should be provided and experiences and best practices shared in order to learn by doing and continuously modify programmes.

<sup>13</sup> The Financial Knowledge Framework sets out the knowledge and skills required for a person to be financially literate at a basic and at an advanced level. It is a similar type of tool to the Steering Groups Financial Capability Framework, however it does not provide specific learning outcomes.

<sup>14</sup> Database includes all resources, both free of charge and fee based programmes.

<sup>15</sup> The Retirement Commission is an autonomous Crown entity set up under the Superannuation and Retirement Income Act 2001. The Commission's main functions are improving financial literacy and reviewing retirement income policies every 3 years.

The Centre for Financial Literacy in New Zealand is an office within the Retirement Commission but which has a separate brand distinct from the Commission. In terms of funding, the Centre receives \$NZ 5.6m per annum and the majority of funding goes on the promotion of financial education. The Centre is engaged in developing personal finance education initiatives and also coordinates development efforts across private, public, education and voluntary sectors to avoid duplication.

## 2.6. Domestic practice - audit of education resource materials for personal finance in Ireland, 2007<sup>16</sup>

A Working Group to audit financial education resources in Ireland was established by the Steering Group to update an audit commissioned by the Financial Regulator in 2005. The audit produced represents a record of resources for personal finance education that are currently available in Ireland based on the following criteria:

1. All free materials produced with the objective of informing about some aspect of personal finance, to include:
  - (a) guides and booklets;
  - (b) websites and interactive educational tools;
  - (c) educational resources designed by external parties for schools; and
  - (d) resources designed for adult education.
2. Delivery mechanisms for personal finance education, to include:
  - (a) adult education courses;
  - (b) organisations conducting free education seminars and/or expert talks on financial services; and
  - (c) one-to-one services/initiatives.

The objective of the audit was to inform future strategy in this area by identifying gaps in the provision of resources, and avoid unnecessary duplication. A summary of observations is outlined below<sup>17</sup> :

- There currently exists a wide and varying range of personal finance education resources, each of which contributes to the promotion of financial information and education, either within the education system or more widely among the adult population. A high proportion of these are provided by the banking sector.
- It seems that the following audiences are more comprehensively served than others:
  - Adults in relation to generic information on personal finance topics; and
  - Some disadvantaged groups.

<sup>16</sup> Information taken directly from internal working group document/report.

<sup>17</sup> The full audit is available on [www.financialcapability.ie](http://www.financialcapability.ie).

- There appear to be gaps in the provision of education resources to the following audiences:
  - Primary level students, particularly resources that are linked to the current curriculum and are anchored in everyday experiences and context;
  - Second level students, though personal finance education is addressed to a limited degree across several elective courses;
  - Adult and community education groups that are not necessarily deemed disadvantaged;
  - People in the workplace; and
  - Third level students.

Delivery channels are important for all age groups. Indeed, the manner in which the resource is delivered/presented to the target audience may be just as important as the resource content. The primary and second-level student has potentially the best possible delivery channel without any comprehensive service being delivered, whereas adult groups are relatively resource rich but without any standard channel of delivery.

## 2.7. Domestic practice - curriculum mapping material

The Financial Regulator commissioned a mapping curriculum report<sup>18</sup> to investigate the extent to which personal finance education exists on the formal second level curriculum.

To summarise, the report found that topics related to *managing personal money*, *staying informed* and *choosing products* are comprehensively dealt with in both Junior Certificate Home Economics and Business Studies. The area of planning ahead for future needs and expenditure is explored to a lesser extent at junior cycle. At senior cycle, all the areas of content related to personal finance education - *managing personal money*, *planning ahead*, *staying informed* and *choosing products* - are all dealt with in some detail in Home Economics (Leaving Certificate) and in Social Education (Leaving Certificate Applied) and Mathematical Applications (Leaving Certificate Applied). Strong opportunities to promote financial literacy also exist within other LCA courses. However, the established Leaving Certificate does not provide strong potential for promoting personal finance education, beyond Home Economics.

The report demonstrated that where the content of personal finance education is not explicitly covered, some subject areas foster important skills and attitudes that can help students manage their personal finances with confidence. Examples of this included numeracy and problem-solving skills (Mathematics), personal management, decision making and communication skills (Social Personal and Health Education), and critical thinking and confidence in taking effective action (Civil, Social and Political Education). The Leaving Certificate Vocational Programme with its strong emphasis on goal-setting, problem-solving and confidence-building, also promotes skills and attitudes that are useful for managing one's personal finances.

The subjects that stand out as presenting the strongest links with personal finance education are Home Economics (both Junior Certificate and Leaving Certificate), Business Studies (Junior Certificate) and Leaving Certificate Applied Social Education and Mathematical Applications. While approximately 35% of Junior Certificate students take Home Economics and 60% take Business Studies, the numbers of students who access opportunities for personal finance education drops significantly in senior cycle education<sup>19</sup>.

<sup>18</sup>This report can be found at [www.financialcapability.ie](http://www.financialcapability.ie).

<sup>19</sup> Table outlining breakdown of student numbers by subject for 2007 available in full report at [www.financialcapability.ie](http://www.financialcapability.ie).

The report also highlighted some emerging opportunities for strengthening personal finance education within the revised syllabuses for both Junior Certificate and Leaving Certificate Mathematics which are currently under development including:

- The introduction of transition units (TUs) to Transition Year programmes represents a further opportunity for strengthening personal finance education within the curriculum.
- Personal finance education can be addressed by a broad-range of subjects depending on how innovatively it is addressed in the classroom.
- There are many ways in which students can gain skills in managing money through their involvement in the extra-curricular life of the school, through hosting events, engaging in fundraising, organising trips amongst a range of other possibilities.

## 2.8. Conclusion

As can be seen from the above overview of international and domestic practice, supra-national organisations<sup>20</sup> and several nations are already responding to challenges of improving financial capability amongst the population. Various strategies, programmes and initiatives aimed at promoting personal finance issues through personal finance education have been developed and implemented overseas. Through reflection on the experiences and approaches adopted in other jurisdictions, some relevant and interesting pointers of good practice have been established, which can be used to inform the direction which our own strategy should take. Personal finance education is in development in many countries and most structures and programmes are at an early stage. The general subject area of 'personal finance education' is yet to be comprehensively addressed on any compulsory curriculum.

The audit of the personal finance education resource materials which are available for free, points to opportunities to extend personal finance to a wide range of audiences using a varied suite of methodologies. The curriculum mapping exercise has also revealed the extent to which personal finance education has become part of the formal education system. Each of these pieces of research have provided indicators of good practice and are incorporated into the recommendations explored in Chapter 4.

<sup>20</sup> OECD and EU Commission.



## Chapter 3

# Vision of financially capable Ireland

### 3.1. Introduction

This chapter explores the vision of the Steering Group for a financially capable Ireland and also reviews the current level of financial capability in Ireland.<sup>21</sup> It provides an overview of the Financial Competency Framework, a tool developed by the Steering Group as a starting point for delivering on that vision. The work completed on the segmentation of the population and the development of a matrix of disadvantaged groups is also detailed in this chapter.

### 3.2. Vision of financially capable Ireland

In seeking to foster personal finance education in Ireland, the long-term vision guiding the Steering Group depicts people in Ireland having the knowledge, skills and understanding to make confident, responsible and informed financial decisions. Ideally, the financially capable person would:

- Have the skills to manage their money, track their spending and plan ahead for future financial needs;
- Know how and when to stay informed about developments not only in the financial services and products market, but also regarding developments in their existing portfolio of products and services;
- Possess the confidence to approach financial institutions and advisors to investigate the best options available to them;
- Understand the difference between products and services and maintain a discerning attitude when comparing them;
- Have a better understanding and awareness of the risks they face in diverse and complex financial markets;
- Know how and where to pursue new learning opportunities; and
- Know where to go and what to do when something goes wrong.

The members of the Steering Group believe that a financially capable Ireland that embraces this vision would also benefit from the following outcomes in the larger context of Irish society and the Irish economy:

- While competing for the custom of financially capable consumers, markets will develop new products and services designed to meet the demands of these consumers, both mainstream and marginalised.
- Markets will become more innovative, responsive and competitive in how consumers are served, and products will become more efficient.
- This will lead to greater social cohesion in terms of financial access, more accountability from financial institutions, increased consumer awareness and protection – which will all in turn help to foster economic growth to the benefit of all citizens in Ireland.

<sup>21</sup> Financial Capability in Ireland: An Overview, Financial Regulator, 2009.

Having identified the vision for a financially capable Ireland, the Steering Group considered how to translate their aspirational goal into concrete knowledge components that would be practical and support people in relation to their personal finance decisions. This fed into the development of the Financial Competency Framework, which is detailed in the section 3.6 below.

In May 2009, the Steering Group revisited its long-term vision for financially capable Ireland, to ascertain if it was still relevant and appropriate in today's economic context. The Steering Group concluded that the vision is as relevant, if not more so, today than ever before. As highlighted in Chapter 1 the Steering Group believes that the recent financial turmoil has emphasised the importance of personal finance education and financial capability for the well-being of individuals and their families and the wider economy.

### 3.3. Financial capability in Ireland – challenges for personal finance education

Financial capability broadly indicates the ability of people to make informed decisions in relation to personal finances, and their awareness of the costs, risks and benefits of financial products<sup>22</sup>. Ireland's first Financial Capability Study was published by the Financial Regulator in March 2009 with the objective of establishing a baseline measure of the financial capability of people in Ireland. Fieldwork for the Study was carried out between October 2007 and January 2008<sup>23</sup>. The study provides key insights into the financial behaviour and knowledge in relation to the following areas:

- a) Managing money, keeping track of spending and living within their means;
- b) Planning ahead and making provision for future events including retirement;
- c) Assessing products and making choices between similar financial offerings; and
- d) Getting help and staying informed about financial products and services.

Challenges identified from the Study, for consideration as part of any strategy for Irish financial education include the following:

- a) To be financially capable, people must be equipped with the necessary skills and aptitudes to manage their money, budget appropriately and live within their means and must be able to apply these skills. The Study tried to measure respondents' ability to manage money and found that most were doing well but some were experiencing difficulties in making ends meet. Given the current economic climate it is likely that the results in this area would be less favorable today. In relation to keeping track of finances quite a large proportion of respondents have low scores for keeping track of their spending.
- b) It is also important that people are capable of planning ahead and making provisions for unexpected expenses. Findings in this area give cause for concern, with statistics indicating that unexpected negative financial events afflict a sizeable proportion of the population. Despite this, 61% had no provision for dealing with a drop in income of three months or more duration while 40% would have to borrow to deal with an unanticipated expense equivalent to one month's income. This finding is of particular concern given the current economic climate. The extent of pension coverage was also poor.

<sup>22</sup> Financial capability is referred to as financial literacy in some countries.

<sup>23</sup> The Economic and Research Department of the Central Bank conducted the empirical analysis of the survey responses and produced a Research Technical Paper titled "Financial Capability: New Evidence for Ireland."

- c) In relation to product ownership and choosing financial products the survey findings indicate that the levels of capability in this area are generally not high. The results showed that people frequently did not seek independent advice and often displayed 'inertia', avoiding action due to uncertainty or other factors. Furthermore many people relied on or prioritised the advice of family and friends (rather than on professionals) when making important decisions regarding financial products.
- d) In relation to staying informed, our findings showed that respondents were generally well disposed to keeping up to date with financial matters, with some strong and some weak in this area. Mainstream media were main sources of information with 63% of respondents using newspapers<sup>24</sup> and 57% of respondents using TV or radio programmes<sup>25</sup> as their main source of information.

The financial capability study provides an important evidence base for anyone targeting and planning personal finance education initiatives. The full report and an overview are available at [www.financialcapability.ie](http://www.financialcapability.ie).

### 3.4. Population segmentation

The Steering Group acknowledges that there is no 'one-size fits all' approach to personal finance education. The results of the Financial Regulator's Financial Capability Study facilitates the segmentation of the population in terms of personal finance education needs and demographic data. This segmentation complements the matrix of disadvantaged groups exercise (explained in detail in section 3.5) already completed by the Steering Group that targeted disadvantaged groups and matched them with existing delivery channels.

The Financial Capability Study analysis identified distinct clusters within the population with regard to strengths and weaknesses in the key areas analysed<sup>26</sup>. Cluster analysis is a statistical technique aimed at getting a better understanding of the characteristics underlying the range of financial capability scores. Cluster analysis is used to identify groups with similar scoring patterns and enables the identification of those who scored well or poorly on the various areas of the study. Seven clusters were identified by the analysis. The average characteristics of the group are compared in a table appended at the end of this chapter.

Some of the interesting findings of the study relevant to the segmentation of the population are set out below:

- Those who owned a current account, which is a recognised measure of financial inclusion, were generally more financially capable (controlling for other factors) indicating the importance of financial inclusion.
- Those who had higher product ownership had higher levels of financial capability overall. This may be because people learned from experience and tend to make more competent decisions as they gain more experience in buying financial products.
- Age and planning ahead – the scores for planning ahead varied widely by age with those under 40 scoring particularly badly relative to those over 40.

<sup>24</sup> Excluding financial pages.

<sup>25</sup> Excluding specialist personal finance programmes.

<sup>26</sup> Managing money, planning ahead, staying informed and choosing financial products (for those who had purchased a financial product in the past five years).

There was a marked correlation between age and capability in staying informed in financial matters. The study showed that the younger age groups generally perform less well than their elders.

- Housing tenure impacted on capability in choosing products, where owner-occupiers scored appreciably higher than others. This link between lower scores in this area and housing tenure status implies that there may be evidence of an 'unexplained' societal effect or cultural variable.
- In some areas there was a link between income and scores with those with higher incomes scoring, on average, higher. However, there is also evidence of high scores for those on lower incomes and very poor scores for those earning the highest incomes.

Using cluster analysis, the population can be broken down into discrete groups who may in some cases share delivery channels. The segmentation exercise provides a useful means of prioritising potential audiences or topics for personal finance education initiatives and should be used to assess what priority to assign to personal finance education in areas of pressing need. In addition to this the matrix of disadvantaged groups outlines certain categories of disadvantage along with possible channels identified for the different groups. See pages 29/30 for visuals.

### 3.5. Matrix of disadvantaged groups


At an early stage, the Steering Group accepted that priority should be given to those in greatest need. The Working Group discussed social groups that are disadvantaged and who could benefit from enhanced personal finance education. It was agreed to recommend (to key stakeholders and interested parties) that these groups be prioritised in the development of educational materials. The Steering Group adopted the Government's criteria for disadvantage to refine the search for these social groups. To further refine this search, it was decided that social groups whose educational needs could be met through existing delivery channels should be targeted first. The result was a matrix that matched social groups to potential delivery channels. This matrix is supplemented by a general population segmentation exercise completed by the Financial Regulator that is described under section 3.4 above. The full matrix is appended at the end of this chapter: see pages 31/32 for visuals.

### 3.6. Financial Competency Framework

As noted previously in this report, there is no single comprehensive course that can educate citizens to help them become financially capable. This is true across primary, secondary, further and informal education. The Financial Competency Framework<sup>27</sup> was devised as a single resource that brings together a comprehensive and credible list of learning outcomes that can contribute to making someone financially capable.

The Framework is a first step towards developing true financial capability in Ireland. It is neither a learning tool, nor a teaching tool. The Framework is a development tool that will enable personal finance education resource and material developers to use a common set of learning outcomes that relate to any possible range of personal finance education topics.

<sup>27</sup> The Framework is available under Part B of this report and also available on [www.financialcapability.ie](http://www.financialcapability.ie).



The Framework is divided into four 'areas of learning' each of which drill down into the broadest range possible of personal finance issues. Each area of learning is developed into a large number of learning outcomes that can be used as a basis for:

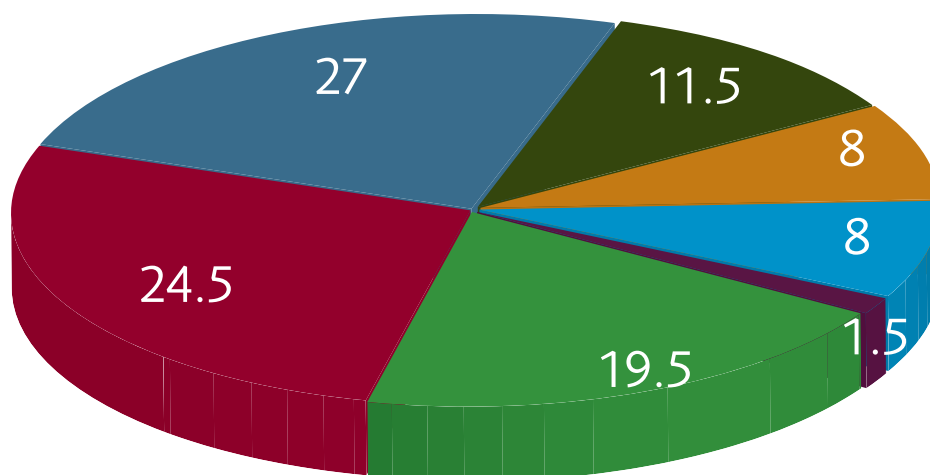
- e-learning resources
- lectures
- workshops
- classroom activities
- workbooks
- seminars, etc.

As well as this, the learning outcomes are developed at four different learning levels that relate directly to the first four FETAC levels in line with the National Framework of Qualifications.

This means that not only are the Framework learning outcomes comprehensive in terms of the topics they address, they are also adaptable in terms of the learning level of the relevant audience. The full Financial Competency Framework is contained in Part 2 of this report.

# Population segmentation – cluster analysis from the Financial Capability Study

Per cent of sample with associated weak areas



- **Group 1:** Those with no weak areas (had higher than average scores in all areas)
- **Group 2:** Those with no weak areas (had on average slightly lower scores in comparison to Group 1 except for keeping track of finances where they scored slightly higher than group 1.)
- **Group 3:** two weak areas - keeping track and staying informed
- **Group 4:** two weak areas - making ends meet and planning ahead
- **Group 5:** 4 weak areas - making ends meet, keeping track, planning ahead and choosing financial products
- **Group 6:** 4 weak areas - making ends meet, planning ahead, staying informed and choosing financial products
- **Group 7:** 5 weak areas - making ends meet, keeping track, planning ahead, staying informed and choosing financial products

## Characteristics of each group

### Characteristics of Overall Sample Average

**Overall Sample Average** is comprised of the following average characteristics:

- 50% are female, 50% are male.
- The average age is 43.
- 45.5% are couples.
- 28% have dependent children.
- The average number of products held is 2.6.
- 40% are in the two highest income quintiles and 40% are in the two lowest income quintiles.

**Group 1: No weak areas – 24.5% of the population are in this group. Group 1 is comprised of the following average characteristics:**

- 41% of group 1 are female while 59% of group 1 are male.
- The average age of this group is 47.
- 59.5% of group 1 are couples.
- 29% of group 1 have dependent children.
- Typically members of this group hold the largest number of product types at an average of four.
- 60% of group 1 are in the two highest income quintiles while 20.5% of group 1 are in the two lowest income quintiles.

**Group 2: No weak areas – 27%** of the population are in this group. Group 2 is comprised of the following average characteristics:

- **55%** of group 1 are female while **45%** of group 2 are male.
- The average age of this group is **40**.
- **44%** of group 2 are couples.
- **30%** of group 2 have dependent children.
- Members of group 2 hold an average of **three** financial products.
- **46.5%** of group 2 are in the two highest income quintiles while **32.5%** of group 2 are in the two lowest income quintiles.

**Group 3: 2 weak areas – Keeping track & staying informed – 19.5%** of the population are in this group. Group 3 is comprised of the following average characteristics:

- **51%** of group 3 are female while **49%** of group 3 are male.
- The average age of this group is **50**.
- **54%** of group 3 are couples.
- **25%** of group 3 have dependent children.
- Typically in this group members hold an average of **two** financial products, slightly below the sample average.
- **37%** of group 3 are in the two highest income quintiles while **43%** of group 3 are in the two lowest income quintiles.

**Group 4: 2 weak areas – Making ends meet & planning ahead – 1.5%** of the population are in this group. Group 4 is comprised of the following average characteristics:

- **43%** of group 4 are female while **57%** of group 4 are male.
- The average age of this group is **32**.
- **30.5%** of group 4 are couples.
- **46%** of group 4 have dependent children.
- Typically in this group members hold an average of **two** financial products, slightly below the sample average.
- **39%** of group 4 are in the two highest income quintiles while **33%** of group 4 are in the two lowest income quintiles.

**Group 5: 4 weak areas - making ends meet, keeping track, planning ahead & choosing financial products – 8%** of the population are in this group. Group 5 is comprised of the following average characteristics:

- **51%** of group 5 are female while **49%** of group 5 are male.
- The average age of this group is **38**.
- **30%** of group 5 are couples.
- **30%** of group 5 have dependent children.
- The average number of products held in group 5 is **1.5**.
- **18%** of group 5 are in the two highest income quintiles while **69%** of group 5 are in the two lowest income quintiles.

**Group 6: 4 weak areas - making ends meet, planning ahead, staying informed & choosing financial products – 8%** of the population are in this group. Group 6 is comprised of the following average characteristics:

- **62%** of group 6 are female while **38%** of group 6 are male.
- The average age of this group is **31**, which is the youngest average age of any group.
- Only **28%** of this group are couples, compared to a sample average of **45.5%**.
- **33%** of group 6 have dependent children.
- The average number of products held in group 6 is **two**.
- **27%** of group 6 are in the two highest income quintiles while **42%** of group 6 are in the two lowest income quintiles.

**Group 7: 5 weak areas - making ends meet, keeping track, planning ahead, staying informed & choosing financial products – 11.5%** of the population are in this group. Group 7 is comprised of the following average characteristics:

- **51%** of group 7 are female while **49%** of group 7 are male.
- The average age of this group is **42**.
- **31%** of group 7 are couples.
- **22%** of group 7 have dependent children.
- Respondents in this group hold an average of just **one** financial product type.
- **10.5%** of group 7 are in the two highest income quintiles while **72.5%** of group 7 are in the two lowest income quintiles.

## Matrix identifying target groups and existing delivery channels

	Early school leavers	Unemployed and social welfare recipients	Lone parents in receipt of social welfare payments	Workplace (incl. migrant workers)	Travelling Community	Older people	Ethnic minorities (incl. asylum seekers)	Prisoners and ex-offenders	People with disabilities
Age and Opportunity									
FÁS									
HSE									
Immigrant Council of Ireland									
Irish National Organisation of the Unemployed									
Irish Travellers Movement									
Lone parent groups									
MABS									
National Association of Traveller Centres									
Pavee Point									
Probation and Welfare Service									
REHAB									
CE schemes									
Trade unions									
VEC									



# Matrix identifying target groups and existing delivery channels

Early school leavers	
<b>FÁS</b>	Competency Development Programme
<b>HSE</b>	Neighbourhood projects
<b>MABS</b>	Service provided
<b>VEC</b>	Youthreach; Back to Education Initiative

Unemployed and social welfare recipients	
<b>FÁS</b>	Community Training Centres; CDP
<b>INOUE</b>	Service provided
<b>MABS</b>	Service provided
<b>CE schemes</b>	Service provided
<b>Trade unions</b>	Congress Centres
<b>VEC</b>	BTEI; VTOS; Adult and Community Education programmes; Post - Leaving Certificate courses; Community Training Workshops

Lone parents in receipt of social welfare payments	
<b>FÁS</b>	Service provided; CDP
<b>INOUE</b>	Service provided
<b>Lone parent groups</b>	Service provided
<b>MABS</b>	Service provided
<b>CE schemes</b>	Service provided
<b>VEC</b>	BTEI; VTOS

Workplace (incl. migrant workers)	
<b>FÁS</b>	Training centres and services; CDP
<b>Immigrant Council</b>	Service provided
<b>MABS</b>	Service provided
<b>Trade Unions</b>	Service provided
<b>VEC</b>	BTEI; Workplace learning initiatives via Further & Adult Education Service

Travelling Community	
<b>FÁS</b>	CDP
<b>INOUE</b>	Service provided
<b>ITM</b>	Service provided
<b>MABS</b>	Service provided
<b>NATC</b>	Service provided
<b>Pavee Point</b>	Service provided
<b>CE schemes</b>	Service provided
<b>VEC</b>	Youthreach; BTEI; Senior Traveller Training Centres

Older people	
<b>Age and Opportunity</b>	Service provided
<b>FÁS</b>	CDP
<b>INOUE</b>	Service provided
<b>MABS</b>	Service provided
<b>CE schemes</b>	Service provided
<b>Trade unions</b>	Congress Centres; Retired Members Groups

Ethnic minorities	
<b>FÁS</b>	CDP
<b>Immigrant Council</b>	Service provided
<b>INOUE</b>	Service provided
<b>MABS</b>	Service provided
<b>VEC</b>	Vocational Training Opportunity Scheme; BTEI; Adult Basic Education Service; Community Education

Prisoners and ex-offenders	
<b>FÁS</b>	CDP
<b>INOUE</b>	Service provided
<b>MABS</b>	Service provided
<b>Probation and Welfare Services</b>	Service provided
<b>VEC</b>	BTEI; Prison Education Service; Probation and Welfare Join programmes

People with disabilities	
<b>FÁS</b>	CDP
<b>INOUE</b>	Service provided
<b>MABS</b>	Service provided
<b>REHAB</b>	The Learner Network
<b>CE schemes</b>	Service provided
<b>VEC</b>	BTEI; Community Education; Adult Basic Education Service

## Chapter 4

# Commitments and recommendations

### 4.1. Introduction

Improving the financial capability of the population is a hugely ambitious goal, one which no single organisation is tasked with achieving on its own. To this end, the Steering Group brings together relevant Government departments, consumer advocate groups, the financial services industry, the education sector and those with a remit and interest in personal finance education to co-operate and work together to promote and develop personal finance education in Ireland.

Taken together, the commitments and recommendations in this chapter form the next steps in the process towards achieving the Steering Group's long-term vision for a financially capable Ireland. The commitments are made either on an individual organisational basis or through a collaborative approach, while the recommendations are designed to help raise levels of financial capability by fostering the development and delivery of a comprehensive personal finance education strategy for Ireland. Where possible we have tried to leverage existing channels, expertise and resources. However the success of any national strategy does depend very much on support from policy makers and on funding. The Steering Group is encouraged by the inclusion of funding for financial education in the Recapitalisation Scheme for the two main banks and looks forward to engaging further with Government on foot of this report.

We believe that the commitments and recommendations create a robust **joint action plan** and **future direction** for personal finance education by drawing on the diverse interests, views and experience of the organisations represented on the Steering Group.

### 4.2. Joint Action Plan: Commitments

The commitments under this strategy are broadly defined under the following four areas:

1. Research and best practice;
2. The development of standards through the Financial Competency Framework;
3. Provision of personal finance education materials;
4. Provision of volunteers from industry and other stakeholders to support the delivery of personal finance education in the workplace and the community.

We believe that this action plan represents the best use of the Steering Group members' experience and remit. In addition, each member of the Steering Group has a core area of expertise and can independently promote the various facets of personal finance education development that fall within their organisational remit and experience.

Each of the member organisations' commitments will be completed as appropriate and where feasible with regard to their own resources and statutory remits.

### 4.2.1. Research and best practice

The commitments described below are in recognition of the following key points:

- The Financial Capability Study<sup>28</sup> provides an important evidence base for anyone planning or targeting personal finance education initiatives. Through the Financial Capability Study, the Financial Regulator has identified strengths and weaknesses in the financial capability of people in Ireland. While the fieldwork was conducted in a more benign environment during 2007 and 2008, the Financial Regulator firmly believes that the findings in relation to behaviour are still relevant. In addition, the National Adult Literacy Agency (NALA) and the Pensions Board also conduct occasional consumer awareness and literacy research.
- Research can be used to identify the levels of financial knowledge, skills, behaviour and attitudes among the population. This facilitates an evidence-based approach and the more effective targeting of finite resources. In addition, future financial capability and other research can be compared to the baseline measure established by the Financial Capability Study and can build on the knowledge base that already exists.
- As part of any strategy it is important that relevant stakeholders have access to information on international initiatives and emerging best practice in relation to financial capability and personal finance education. Through member engagement with the EU and OECD the Steering Group can learn from international activity and share principles and best practices in the area.

The following are the commitments of the organisations represented on the Steering Group in relation to research and best practice. The commitments are listed in alphabetical order of organisations.

- i) The **Financial Regulator** will:
- Share best practice internationally<sup>29</sup> with interested parties through:
    - the European Commission's Expert Group on Financial Education;
    - the OECD International Network on Financial Education; and
    - the OECD International Gateway on Financial Education;
  - Continue to conduct research relevant to the understanding of consumer knowledge, behaviour and attitudes; and
  - Engage with the European Commission and the OECD on the outcomes of any initiatives to develop effectiveness measures for financial education programmes and will share this experience with Steering Group members.

<sup>28</sup> The Financial Regulator published Ireland's first financial capability study in 2009 - see chapter 3.

<sup>29</sup> Via [www.financialcapability.ie](http://www.financialcapability.ie)

- ii) IBF-member institutions variously develop consumer information/education initiatives and the very wide range of materials available is reflected in the National Audit of Personal Finance Education Resources (Ireland). The **Irish Banking Federation (IBF)** will continue to share with the Steering Group information on such activities and any relevant research conducted by them or their members as it becomes available.
- iii) The **Irish Insurance Federation (IIF)**:
  - Conducts periodic consumer research on general topics related to the insurance industry. The IIF have and will continue to incorporate questions on consumer attitudes to financial products and institutions, consumer awareness and general financial competency. The IIF will share their findings with Steering Group members in order to further the objectives of the Group.
  - Will also share with the Group any international research colleagues in other jurisdictions conduct in this area.
- iv) The **Money Advice and Budgeting Services (MABS)** commits to evaluating its educational programmes and initiatives and will share any emerging research findings on pedagogy, topics, target group needs etc with other members of the Steering Group.
- v) In order to support financial literacy in Ireland, the **National Adult Literacy Agency (NALA)** is committed to conducting research amongst the public about their attitudes to financial information (with the financial support of the EBS) and will share their findings with Steering Group members.
- vi) The **Pensions Board** commits to continuing to:
  - Share relevant best practice and research garnered through colleagues in international jurisdictions with Steering Group members.
  - Commission consumer market research on behaviour and attitudes with regard to financial products and will continue to share this information with the Steering Group.
  - Promote the development of effectiveness measures for financial education programmes.

#### 4.2.2. The development of standards through the Financial Competency Framework

The commitments described below are in recognition the following key points:

- A resource such as the Financial Competency Framework can be applied both within the formal education system and in the community, the workplace and other venues. This provides direction, assistance, connections between providers and developers and facilitates the development of evaluation techniques for financial education initiatives.
- There is currently no single comprehensive source of learning outcomes available to education initiative developers that can assist in the creation of personal finance education resources. The Financial Competency Framework provides a unique and credible source of learning outcomes and personal finance education topics to draw on.

- The widest range possible of personal finance education initiatives can be developed using the Framework since the learning outcomes provided are not prescriptive in terms of their learning approach adopted to achieve them. Thus the Framework is flexible enough to allow different education providers and resource developers to choose their own approach to the particular learning situation.

The following are the commitments of the members of the Steering Group in relation to the use of the Financial Competency Framework. The commitments are listed in alphabetical order of organisations.

- i) The **IIF**, in support of recommendation 4, commits to supporting its implementation through the provision of appropriate resources and expertise.
- ii) The **IBF** commits to promoting awareness of and adoption of the Financial Competency Framework among its member institutions.
- iii) The **Irish League of Credit Unions (ILCU)** commits to the promotion of the Financial Competency Framework throughout its membership as a resource development tool, with a view to standardising financial education initiatives developed by ILCU members and offered to their communities.
- iv) **The Irish Vocational Education Association (IVEA) & FÁS** commit to the promotion and dissemination of the Financial Competency Framework and to advocate for its adoption throughout their respective organisations.
- v) **MABS** commit to using the Financial Competency Framework, where relevant, as a reference point, in the future development of educational resources in support of money management.
- vi) **NALA** will use the Financial Competency Framework to inform on-going financial curriculum development.
- vii) **The National Council for Curriculum and Assessment (NCCA)** will make use of the Financial Competency Framework, when relevant, in current and future reviews of the primary and post-primary curriculum.
- vii) The **Pensions Board** commits to promoting the Financial Competency Framework where relevant as a reference point for the future development of educational resources.

#### 4.2.3. Provision of personal finance education materials

The commitments described below are in recognition the following key points:

- Members of the Steering Group have committed to providing some of the resources (personal finance education materials) necessary to build financial capability in Ireland. These resources and initiatives are rooted in the mandates of each organisation or agency and as such, benefit from the each of their unique areas of expertise.

- There is a great deal of personal finance education material already in existence. These commitments seek to make use of the wealth of information already available on a variety of financial topics. Similarly, rather than creating new materials many of the materials available can simply be tailored to meet the needs of new, wider audiences in the context of the Financial Competency Framework. A key challenge, which the commitments attempt to address, is to build awareness of the existence of these resources. We believe that this will help eliminate duplication of effort and make best use of finite resources.

The following are the commitments of the members of the Steering Group in relation to the direct provision of personal finance education materials. The commitments are listed in alphabetical order of organisations.

i) The **Department of Education and Science (DES)** will:

- Explore, with Vocational Education Committees, developing resources for wider adult audiences; and
- Encourage the widest possible expansion of 'Get Smart with your Money'<sup>30</sup> in transition year providing schools<sup>31</sup>.

ii) The **Financial Regulator** will:

- Continue to explore opportunities for partnership in the provision of free classroom materials to the formal education system;
- Develop a financial capability website to help inform stakeholders about national and international developments in the areas of financial capability and education. There will be a section dedicated to the work of the Steering Group which will, amongst other things:
  - host the Financial Competency Framework;
  - host the audit of education resource materials for personal finance in Ireland; and
  - host further items of work completed by the National Steering Group on Financial Education.

iii) As recorded in the audit of resources undertaken by the Steering Group, a wide range of education resources is currently provided by the banking sector – collectively by the **IBF** and by individual institutions. The IBF will continue, through its website ([www.ibf.ie](http://www.ibf.ie)), to make information available to consumers that will assist in promoting a better understanding of finance-related matters. To this end also, the IBF will continue to work with member institutions and other interested parties.

iv) The **Institute of Bankers in Ireland (IBI)** drawing on its existing educational materials in financial services, will cooperate with other organisations to develop education initiatives and resources aimed at enhancing financial capability.

<sup>30</sup> A programme for Transition Year students developed jointly by the Financial Regulator and MABS.

<sup>31</sup> Note: MABS and the Financial Regulator have currently committed to a 3-year roll out of this resource.

- v) The **IIF** will
- Continue to support the evolution of Project Maths through the provision of material, resources and data accessible on our website; and
  - In support of recommendation 4, commits to providing material support through the same medium.
- vi) The **MABS** will:
- Continue to resource the TY Pack for the three-year roll-out period, as previously agreed.
  - Continue to work with VEC's on the development of materials for adult learners, as appropriate.
  - Continue to develop an appropriate range of materials for our target group and either provide directly through education programmes or, as appropriate, make available on our website [www.mabs.ie](http://www.mabs.ie).
  - Continue to make its expertise in this area available to other organisations and agencies in their development of materials addressing the money management needs of various target groups.
  - Continue to engage in innovative partnerships designed to address the money management needs of various target groups – such materials may have "multi-media" formats.
- vii) **NALA** (with the financial support of the EBS) will:
- Develop and publish free resource materials aimed at supporting adults developing their financial literacy, available through the NALA interactive learning website [writeon.ie](http://writeon.ie);
  - Update and publish a second edition of the A-Z guide to understanding financial terms;
  - Organise family financial literacy days; and
  - Provide up to date information about financial literacy on their official website.
- viii) The **NCCA** will:
- Continue to use materials that support financial education through Project Maths; and
  - Work with the Financial Regulator and the MABS to ensure that 'Get Smart with your Money' is recognised as conforming to the official transition year unit framework.
- ix) The **Pensions Board** will continue to make available through its website and offices user-friendly information for consumers. The Board will provide the relevant resources to contribute to the development of financial education material for the implementation of the Financial Competency Framework and/or the commitments and recommendations made in this report. The Pensions Board will work in collaboration with other relevant stakeholders to achieve this.

#### 4.2.4. Provision of volunteers from industry and other stakeholders to support the delivery of personal finance education in the workplace and the community.

The commitments described below seek to recognise several points:

- While the formal education system presents unique opportunities to introduce students to personal finance learning outcomes it cannot reach everyone who wants or needs personal finance education. Personal finance education should be disseminated in as many settings as possible, especially in the workplace<sup>32</sup> and at community level to ensure wide coverage and exposure. Each setting offers valuable outlets for reaching different demographic sections of the population.
- The Steering Group recognises the many advantages that workplace initiatives have, including the potential to reach an important target population at a time and place convenient to them. Such workplace programmes are a popular approach in other jurisdictions (for example the UK Financial Services Authority workplace programme), where trained specialist volunteers from the financial services industry (or other interested volunteers) are involved in providing generic personal finance education in the workplace via seminars. Clearly any industry involvement in the provision of personal finance education must be done on an impartial basis with the requisite reassurance in relation to the credibility and independence of such programmes. This could be provided<sup>33</sup> by ensuring that:
  - presenters are rigorously trained (train the trainer);
  - presenters are given clear boundaries on what they can and cannot say and do while working for the programme;
  - carefully prescribed format and agreed content materials are used; and
  - stringent quality controls are in place.

While there are understandable reservations in relation to the use of financial sector volunteers – there is clear evidence that this approach has worked well in the UK and is very cost effective. The findings of the FSA's initial evaluation of their workplace programme<sup>34</sup> are very positive. For example of those who attended a workplace seminar:

- 97% said that it is a valuable part of their employer's benefits;
- 97% found the seminar useful;
- 86% believe that the seminar played a role in their decision to take action in relation to their finances;
- 81% felt that the seminar had increased their knowledge in relation to money issues;
- 79% said the seminar had given them more skills, further enabling them to deal with money matters; and
- 69% felt that the seminar had increased their confidence when it came to financial matters.

<sup>32</sup> Supported by the indicators of good practice included under the Steering Group Review of International Literature (see 2.4.2) which highlighted that work-place lectures/seminars/courses are effective channels for reaching specific target populations with relevant information.

<sup>33</sup> By the Steering Group or successor project group as per second recommendation in 'A Suggested Future' section.

<sup>34</sup> The FSA already work with 750 employers and have reached over three million employees so far.



- Similarly, community-based programmes present a valuable opportunity to reach individuals at a local level. Those Steering Group member organisations (MABS, FÁS, ILCU, NALA and IVEA) already providing services in the community are well placed to reach individuals by virtue of their existing interactions, depth of experience and superior knowledge of people's needs in relation to personal finance education. Developing or enhancing the provision of community based personal finance education may require additional financial support.
- In bringing personal finance education initiatives to as wide an audience as possible, we do not need to develop new delivery channels. The commitments below seek to exploit and augment dissemination channels and communication approaches that are already well established and within member organisations. We believe that the members of the Steering Group, represent an important network capable of leveraging various contacts and channels in order to reach people - potentially at key moments in their lives.

The following are the commitments of the members of the Steering Group in relation to the direct provision of personal finance education resources. The commitments are listed in alphabetical order of organisations.

- i) The **IBF** will work with member institutions in making available, the people expertise to support and assist relevant stakeholders, including the Financial Regulator, in promoting financial education in Ireland. Such expertise may be provided on a volunteering or secondment basis.
- ii) The **IBI** will provide 'train the trainer' programmes for industry volunteers, training/education practitioners and community providers.
- iii) The **IIF** will work with member institutions to make available, where feasible and as appropriate, the people and expertise to support and assist relevant stakeholders, including the Financial Regulator, in promoting financial education in Ireland.
- iv) The **ILCU** commits to exploring with member Credit Unions, the provision of industry volunteers for community-based and workplace programmes and to joint initiatives in conjunction with other members of the Steering Group as appropriate.
- v) The **MABS** commits to continuing to provide education on money management, both at a national level through the development and resourcing of initiatives addressing the known needs of its target group and at a local level through the ongoing education work of locally based MABS Services. MABS will continue to honour its remit under legislation, namely to promote and develop education in respect of money management (Social Welfare (Miscellaneous Provisions) Act 2008).
- vi) The **Pensions Board** will continue to promote the workplace as the optimum location for the provision of pension and financial information.

### 4.3. Future Direction: recommendations

In addition to the activities under the joint action plan, which the Steering Group members have committed to, we have outlined below some longer term recommended measures, which are directed at Government<sup>35</sup>, the financial services industry, the education sector and other interested parties. We are confident that in addition to the commitments laid out above, these recommendations will enhance financial capability by supporting both formal and informal education initiatives for people at all life-stages. The recommendations are:

1. To establish structures to co-ordinate the implementation of the commitments and recommendations of this report.
2. To set up, as soon as possible, a Financial Capability fund with seed funding from the Recapitalisation Scheme.
3. To create a National Standard for personal finance education.
4. To enhance financial capability through the compulsory national curriculum.

#### 4.3.1. To establish structures to co-ordinate the implementation of the commitments and recommendations of this report.

The Steering Group recommends that a dedicated unit be established, embedded within an existing agency to co-ordinate the joint action plan and bring forward the recommendations of this report. We believe that this approach would promote value for money and ensure funding is not absorbed by administrative costs in establishing a new entity<sup>36</sup>. This unit would maximise inter-agency cooperation and utilise the expertise of current stakeholders by retaining the involvement of the Steering Group at an appropriate level.

The following considerations need to be addressed as part of the establishment of these structures:

- Appropriate governance structure.
- Management of the Financial Capability Seed Fund.
- Objectives and targets arising out of this report.
- Functions and activities.

<sup>35</sup> Commitments in this regard have already been made by the Department of Finance.

<sup>36</sup> The OECD Principles and Good Practice for Financial Education and Awareness also recommend this course of action. Available at [www.oecd.org](http://www.oecd.org).

#### 4.3.2. To set up, as soon as possible, a Financial Capability fund with seed funding from the Recapitalisation Scheme.

The Recapitalisation Scheme, announced by the Government in December 2008, stipulates that:

*"The recapitalised banks will provide funding and other resources, in cooperation with the Financial Regulator, to support and develop financial education for consumers and potential consumers. The resources to be made available will take account of the Financial Regulator's Financial Capability Study and the Report of the Steering Group on Financial Education".*

The Steering Group recommends that seed funding be made available as soon as possible. The funding should be targeted towards supporting the development, delivery and evaluation of personal finance education initiatives. The use of the fund should prioritise initiatives targeted towards supporting those who need personal finance education most:

- Vulnerable groups as identified in the Matrix for disadvantaged groups (which is included under chapter 3 of this report) ; and
- Groups identified in the financial capability study as having low levels of financial capability.

The fund will also support personal finance education initiatives that meet the needs of the general population.

It is envisaged that appropriate governance structures will be drawn from relevant stakeholders to apply appropriate oversight of the fund.

#### 4.3.3. To create a National Standard for personal finance education.

Each of the relevant Steering Group members has already committed, under the joint action plan, to promote and adopt the Financial Competency Framework throughout their respective organisations.

In addition to its broad adoption, the Steering Group recognises the importance of a National Standard for personal finance education to facilitate the use of the Framework in the education system. Building on the National Framework of Qualifications, the Steering Group recommends that a National Standard be created for personal finance education resources developed utilising the Financial Competency Framework.

#### 4.3.4 To enhance financial capability through the compulsory national curriculum.

The Steering Group appreciates that there is intense competition for space and time on the formal education curriculum. However the Steering Group believes that financial capability is one of the most important life skills that any person will ever need. The best possible channel with the broadest reach for the delivery of this life skill is the school.

Therefore the Steering Group recommends:

- That it should be national policy that the Financial Competency Framework is included extensively in the compulsory elements of the school curriculum;
- The broader incorporation of personal finance education into elective subjects, based on the relevant learning outcomes identified in the Financial Competency Framework; and
- That financial capability be embedded as a core value in the formal education system.

## Appendix A

# National Steering Group on Financial Education – About Member Organisations



### Department of Education and Science

The role of the Department of Education and Science is to provide for high quality education which will enable individuals to achieve their full potential and to participate fully as members of society, and to contribute to Ireland's social and economic development. The functions include policy planning and review, quality assurance, planning and provision of the education infrastructure, allocation of teaching resources and funding of provision at every level of the system, and monitoring and evaluation.

Under Section 30 of the Education Act, 1998 the Minister for Education and Science may prescribe the curriculum for schools following consultation with the partners in education. The National Council for Curriculum and Assessment has been established under Section 37 of the Act to advise on curriculum and assessment issues in early childhood, primary and second level education settings.

The curriculum in schools is designed to promote the development of knowledge, skills, competences and values which will enable children to reach their potential in all aspects of their lives – spiritual, moral, cognitive, emotional, imaginative, aesthetic, social and physical – as well as to provide a foundation for lifelong learning and effective social and economic participation. Financial competence in negotiating one's way through life is a key lifeskill, and is an important objective of personal and social education. Equally, in meeting the needs of adult learners, the opportunity to upskill and gain competence in personal finance matters is an important part of overall adult education provision. The Department provides for a wide range of adult learning courses in Further and Higher Education offering certified learning opportunities within the national framework of qualifications, as well as self funded non formal education through the network of schools, colleges, VECs and community education providers. Together, and working in collaboration with other agencies, these provide an important vehicle for widening access to financial education across the community.



## Department of Finance

One of the main objectives of the Department of Finance as articulated in its statement of strategy for the years 2008-2010 is to promote a competitive and efficient market in financial services, with a strong focus on the consumer.

The Department of Finance interacts at a policy level with proposals emerging at an EU level in relation to the protection of consumers of financial services/products in general. Liaison with relevant stakeholders at a national level helps the Department to formulate Ireland's position with regard to emerging EU proposals and also to promote that position to the EU.

For these reasons the Department of Finance sees the work of the National Steering Group and its members as crucial to efforts to increase the levels of financial education within the Irish public.



## FÁS

FÁS was established under the Labour Services Act 1987.

The mission of FÁS is to promote a more competitive and inclusive knowledge-based economy, in collaboration with its stakeholders, by enhancing the skills and capabilities of individuals and enterprises.

FÁS puts equal emphasis on achieving national economic and social priorities. It does so by upgrading the skills and capabilities of individuals and enterprises.

In relation to personal finance education, FÁS will seek to incorporate financial competency into curriculum development and supports at level three on the National Framework of Qualifications to address identified needs of marginalised persons.

FÁS will also commit to the promotion and dissemination of the Financial Competency Framework and to advocate its adoption throughout the organisation.



FINANCIAL REGULATOR  
*Rialtóir Airgeadais*

## Financial Regulator

The Financial Regulator was established on 1 May 2003. The role of the Financial Regulator is to regulate firms that provide financial services and to help consumers make informed decisions on their financial affairs.

One of the statutory functions of the Financial Regulator is 'to increase awareness among consumers of the costs, risks and benefits of financial products and services'. This role is fulfilled through an ongoing personal finance information service including a consumer helpline and a personal finance website [itsyourmoney.ie](http://itsyourmoney.ie). Following on from this the wider issue of personal finance education is a matter of interest to the Financial Regulator and is consistent with our public awareness remit in this area.

The Financial Regulator established the Steering Group in December 2006 and has co-ordinated its work to date.

On 18 June 2009, the Minister for Finance announced a reform of regulatory structures, including that the consumer information function would be re-assigned to a newly amalgamated National Consumer Agency and Competition Authority.

## Financial Regulator Consultative Consumer Panel

The functions of the Financial Regulator's Consultative Consumer Panel are set out in Section 57CY of the Central Bank Act 1942 (as inserted by the Central Bank and Financial Services Authority of Ireland Act 2004) and include:

- To monitor the performance by the Regulatory Authority of its functions and responsibilities under this Act ;
- To provide the Regulatory Authority with comments with respect to the performance of its functions and responsibilities;
- To provide the Regulatory Authority with suggestions for initiatives that, in the Panel's opinion, that Authority should take with respect to the performance of its functions and responsibilities; and
- When the Regulatory Authority so requests, to comment on a policy document or regulatory document, or a proposed policy document or proposed regulatory document, prepared by that Authority.

In their Annual Reports and Performance Reviews of the Financial Regulator, the Panel has continually highlighted the importance of financial education, the need for the Financial Regulator to be given a role in this area and concerns that any such programme should deal with all consumers, young people, adults, the elderly and in particular vulnerable consumers as highlighted in the Financial Regulator commissioned Combat Poverty Report on Financial Exclusion.



## The Irish League of Credit Unions (ILCU)

The ILCU represents and services affiliated credit unions on the island of Ireland. Today, the ILCU represents the interests of over 508 credit unions on the island of Ireland with over €11.9bn in savings. The ILCU's focus and direction is centred on products and services under three primary mandates:

- **Trade & Representative Association** - as the representative voice of the credit union movement in Ireland, the ILCU works in the best interests of all credit unions.
- **Business Support Services** – including advice, guidance and assistance with day-to-day operations and on a range of issues from taxation and legislative changes to financial planning and conflict resolution.
- **Monitoring & Supervisory Activities** – to establish and maintain a culture of self-regulation throughout the organisation.

At the Irish League of Credit Unions (ILCU) Annual General Meeting of 1984 the Irish credit union movement adopted the Credit Union Operating Principles as promoted by the World Council of Credit Unions (WOCCU). These Credit Union Operating Principles are founded in the philosophy of co-operation and its central values of equality, equity and mutual self-help. A key operating principle is number 8 Ongoing Education which states that *"Credit unions actively promote the education of their members, officers and employees, along with the public in general, in the economic, social, democratic and mutual self help principles of credit unions. The promotion of thrift and the wise use of credit, as education on the rights and responsibilities of members are essential to the dual social and economic character of credit unions in serving member needs."*

Credit unions in Ireland actively subscribe to the principle of ongoing education in many ways but in particular by providing their members with loans to fund their education and also by providing members with ongoing financial education assistance.



The Institute of Bankers in Ireland

## The Institute of Bankers in Ireland (IBI)

Founded in 1898, the IBI is the professional education body for bankers and financial services practitioners on the island of Ireland. It is one of the oldest banking institutes in the world and has over 35,000 members. The Institute's School of Professional Finance is a recognised school of University College Dublin and offers qualification courses in financial services ranging from certificates to doctoral degrees. There are currently 11,000 students undertaking these courses.



## The Irish Banking Federation (IBF)

The IBF is the leading representative body for the banking and financial services in Ireland, representing over 70 member institutions and associates. Since the mid-1990s IBF has produced, on behalf of its member banks, a range of generic financial education resources for use by pupils in schools. Developed in close consultation with teachers and educationalists, these resources have been designed to promote an understanding of money, banking and financial matters. Details of the resources, aimed at primary and second level students, Money-Go-Round 2 (primary), Paymaster 2 and Bank Brief (second level) are included in the audit of personal finance education resources available on [www.financialcapability.ie](http://www.financialcapability.ie). All of the resources are also available on the IBF website in a designated 'For Schools' section – see <http://www.ibf.ie/educationset.html>.



## The Irish Insurance Federation (IIF)

The IIF was founded in 1986, and is the representative body for insurance companies in Ireland. The IIF has 64 member companies. Collectively, IIF members write over 95% of all life and non-life insurance business in Ireland (over €18 billion in premiums).

IIF's key functions include:

- Representing its members' interests to Government, state agencies, regulatory bodies, public representatives, other interest groups, the media and the general public;
- Representing the position of members at a European level;
- Keeping members abreast of relevant policy and regulatory developments and providing a forum for member debate and policy formulation on such issues;
- Providing information and increasing understanding of insurance among Government, the wider policy-making community and the general public.

The IIF's interest in financial literacy/education goes much further than Corporate Social Responsibility. We have long been of the view that the majority of young people graduating from our secondary institutions, having completed their Leaving and/or Group Certificates are critically underprepared to meet the daily financial challenges of 21st Century living. Our members believe that an informed/educated consumer makes appropriate choices regarding his/her financial health and that an uninformed consumer is more likely to make inappropriate decisions. These decisions may range from choices on loan repayments to saving plans, and pension products to car/business insurance.





## Irish Vocational Education Association (IVEA)

The IVEA is the representative body for the 33 Vocational Education Committees (VECs) in Ireland. VECs provide a broad range of education services and supports including second level school and colleges, Further Education, Adult and Community Education and Youth Work services. Personal finance education is addressed across the curricula delivered by the programmes ranging from Transition Year modules to FETAC certification in the Adult and Further Education sector.



## Money Advice and Budgeting Service (MABS)

MABS was established to provide advice and support to people experiencing or at risk of over-indebtedness, primarily to low-income families. MABS does this through the provision of one-to-one advice, through education and skill development, and through identifying and highlighting social policy issues which compound the problems faced by our target groups. MABS has over sixteen years experience in delivering educational programmes to targeted groups and in developing educational resources both unilaterally and in partnership with other organisations. Recent legislation, the Social Welfare (Miscellaneous Provisions) Act, 2008, underpins the MABS' remit with regard to the promotion and development of education in respect of money management.



## National Adult Literacy Agency (NALA)

The National Adult Literacy Agency (NALA) is an independent membership organisation, concerned with developing policy, advocacy, research and offering advisory services in adult literacy work in Ireland. NALA has campaigned for the recognition of, and response to, the adult literacy issue in Ireland.

Since 2004 NALA have worked with the EBS Building Society, as part of the EBS programme of corporate social responsibility. The EBS/NALA Financial Literacy programme has been highly influential in tackling barriers to financial literacy and in addressing the issue of access to financial services for those with literacy difficulties. As a result of this partnership, various measures have been introduced to inform and deal with the issue of financial literacy:

- Publication of a Plain English Guide to Financial terms;
- Production and distribution of printed support material for literacy tutors; and
- Research to identify the ways in which literacy and numeracy difficulties act as a barrier to understanding and accessing financial services.



## National Council for Curriculum and Assessment (NCCA)

The NCCA advises government on curriculum and assessment for early childhood education and for primary and post-primary schools. Aspects of personal finance education have been included in various curricula and syllabuses over the years and are given particular emphasis in Leaving Certificate Applied and Leaving Certificate Vocational programmes.



## The Pensions Board

The Pensions Board was established by the Pensions Act, 1990. The Board has three interrelated roles:

- Regulates occupational pension schemes, trust RACs and Personal Retirement Savings Accounts (PRSAs);
- Provides information on pensions to the public and to those involved in pensions (through publications, the website and enquiry services); and
- Advises the Minister for Social and Family Affairs on pension matters.

The Board has been running the National Pensions Awareness Campaign (NPAC) on behalf of Government since the establishment of the campaign in 2003. The Board's website ([www.pensionsboard.ie](http://www.pensionsboard.ie)) is a key educational and information resource for the pensions sector and consumers in general. Such information is essential to promote a level of participation in the national pension system that enables all citizens to acquire an adequate retirement income.

## Appendix B

### Composition of working groups

The work streams outlined in Chapter 1 were completed by separate working groups of the main Steering Group. Details of the composition of the working groups are provided below.

#### 1. Working Group on Financial Competency Framework

##### Members:

- Carol Dunne (Money Advice and Budgeting Service);
- Fiona Hartley (Irish Vocational Education Association);
- Margaret Kelly (Department of Education and Science);
- Dr Anne Looney (National Council for Curriculum and Assessment);
- Dr John O'Neill (FÁS); and
- Karen A. O'Leary (Financial Regulator).

Admin and secretariat: Financial Regulator

##### Scope and terms of reference:

The Working Group was established to:

- Concentrate on developing a broad, overarching Financial Competency Framework suitable to the needs of a variety of users and providers of financial education and information;
- Ensure the Framework included a range of life stages relevant to a wide audience to include early childhood through to senior citizens and groups with specific needs;
- Consider a link with FETAC as one important strand/standard for financial competency that would ensure a connection with a range of other statutory and community based education providers; and
- Design the Framework as a voluntary one, available for use by a variety of stakeholders.

##### Work outputs:

- Following a review of a range of available competency frameworks, the Working Group designed a structure to encompass a broad range of personal finance learning outcomes.
- The draft content of the framework in terms of 'areas of learning', 'general purpose statements', 'components', and 'learning outcomes' were subject to review by the full Steering Group membership and approved.
- A series of bilateral meetings were conducted with interested parties outside of the Steering Group membership to reflect a broader range of personal finance education topics and the content and structure were amended.
- Design consultants were engaged to conceive of a user-friendly presentation of the Framework.
- The Framework was incorporated into the Steering Group report with members committing to its broad adoption and use within their organisations.
- It is the subject of ongoing discussion with FETAC regarding the development of minor awards based on its content.

## 2. Working Group on International Practice

### Members:

- Niall Doyle (Irish Insurance Federation);
- Dr Anthony Walsh (Institute of Bankers in Ireland); and
- Karen A. O'Leary (Financial Regulator).

Admin and secretariat: Financial Regulator

### Scope and terms of reference:

The Working Group was established to:

- Conduct a research study focussed on the strategy, objectives and main outcomes with respect to financial education/training initiatives developed by the relevant bodies in the UK; and
- Limit the study to exclude measuring effectiveness of education policy or initiatives, though the study was to mention how sponsoring bodies measure or proposed to measure effectiveness.

### Work outputs:

- Pilot research into personal finance education initiatives in the UK was conducted.
- Further research was completed, investigating various reports, programmes, conference materials and policy documents, sourced from a variety of organisations.
- The results of this research are reflected in Chapter 2 of the Steering Group Report, 'International and Domestic Practice'.

## 3. Working Group on education needs of disadvantaged groups

### Members:

- Inez Bailey/Kerry Lawless (National Adult Literacy Agency);
- Mary Canniffe (Financial Regulator);
- Carol Dunne (Money Advice and Budgeting Service); and
- Liam O'Dwyer/Deirdre O'Brien (Irish League of Credit Unions).

Admin and secretariat: Financial Regulator

### Scope and terms of reference:

The Working Group was established to:

- Derive a list of disadvantaged groups drawn up under current government policy;
- Specify the list of relevant issues for disadvantaged groups;
- Treat financial education needs of these groups in terms of establishing layers of relevant information, knowledge and deeper understanding of personal finance; and
- Conduct a needs analysis of disadvantaged groups in terms of recognising specific issues affecting their lives in order to be able to offer financial education that is relevant to them.

#### Work outputs:

- The Working Group aligned a broad range of groups defined as 'disadvantaged' by the Government with a series of pre-existing delivery channels through which personal finance education initiatives could be conducted. This matrix of disadvantaged groups is included in Chapter 3 of the Steering Group Report, 'Vision of financially capable Ireland'.
- It was concluded that a needs analysis as specified was beyond the remit of the Working Group and could not be conducted.
- The Financial Regulator's Financial Capability Study served to identify the personal finance education needs of the citizens of Ireland. The matrix is complemented by a segmentation of the population, based on the findings from the Financial Capability Study.

## 4. Working Group on audit of education resources

#### Members:

- Niall Doyle (Irish Insurance Federation);
- Karen A. O'Leary, (Financial Regulator);
- David Malone (Pensions Board); and
- Felix O'Regan (Irish Banking Federation).

Admin and secretariat: Financial Regulator

#### Scope and terms of reference:

This Working Group was established to:

- Conduct an audit of the personal finance education initiatives available in Ireland. This audit would succeed the audit of resources previously drafted for the Financial Regulator.

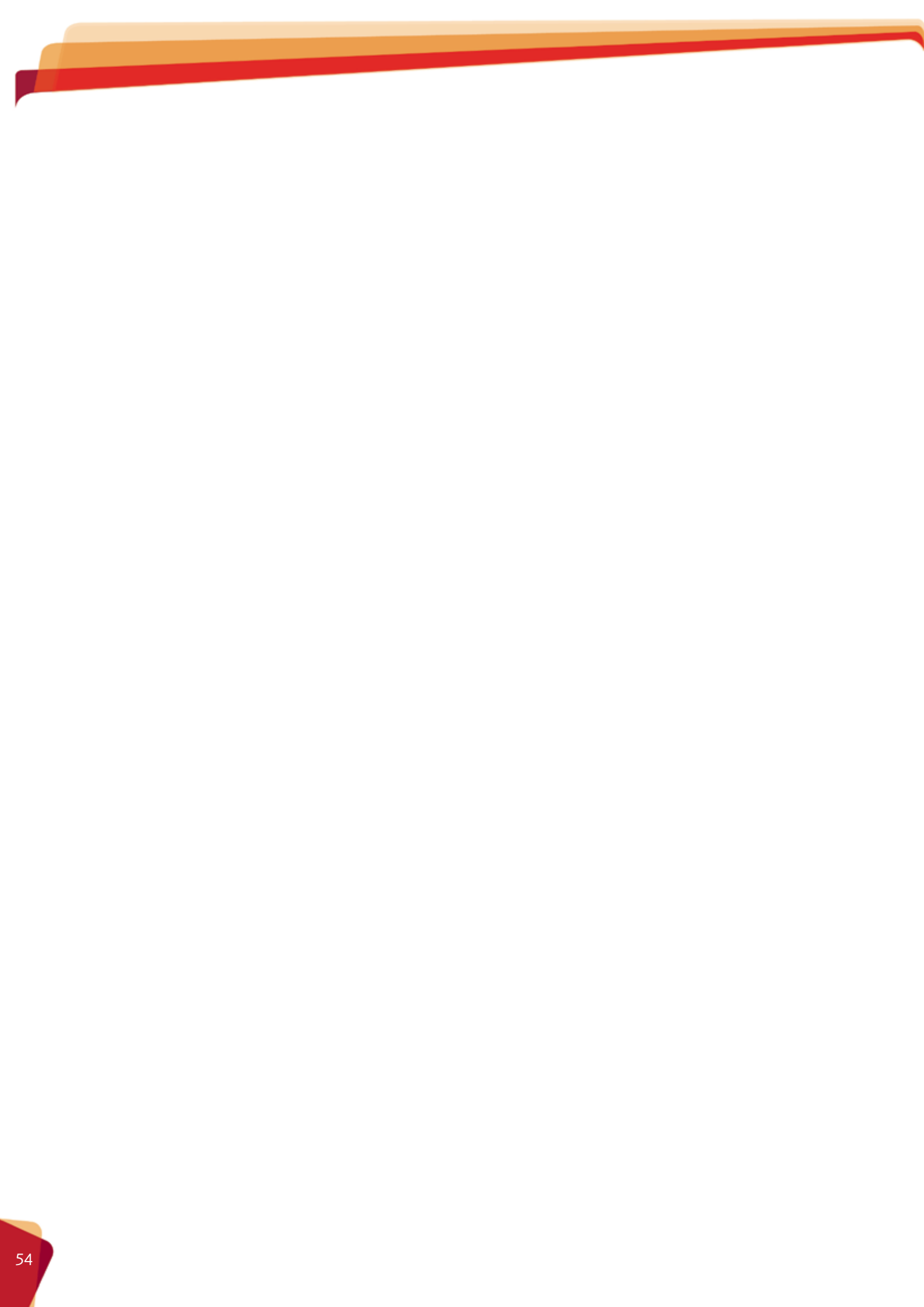
#### Work outputs:

- The Working Group completed a new audit of personal finance education initiatives and this information is available online at [www.financialcapability.ie](http://www.financialcapability.ie).
- The Working Group concluded that the most effective way to ensure the audit remains up to date is to maintain it online at the above site through email submissions made by personal finance education developers.



## **Part 2**

# Financial Competency Framework Explained





# Financial Competency Framework - an introduction

## What is the financial competency framework?

The financial competency framework is a development tool. This means that any educator, organisation or institution that is interested in developing a personal finance education resource can use the framework to assist them. The framework provides the building blocks for any education resource related to personal finance. The building blocks come in the form of learning outcomes. The list of learning outcomes provided is comprehensive, credible and adaptable; they can be used in courses, lectures, workbooks, seminars and in any range of education resource materials.

## Why develop the financial competency framework?

Today, consumers in Ireland are expected to make more difficult personal finance decisions and on a more regular basis than ever before. Because of this, it is essential that they have the necessary skills, knowledge and habits to make the right decisions. Currently, personal finance education in Ireland is in its infancy. There is no single comprehensive course that can educate Irish consumers to help them become 'financially capable.' This is true in primary, secondary, further and informal education. Most policy makers, consumers and educators would agree that a certain level of personal finance education is necessary in life. There are educators and education resource developers across Ireland who are interested in developing personal finance education resources. To facilitate this, the National Steering Group on Financial Education has developed the financial competency framework. This framework can form the basis of any educational resource that relates to personal finances, whether it is formal or informal.

## What are learning outcomes and why are they important?

Learning outcomes provide educators with a clear goal in teaching. With a learning outcome, an educator will know what learners should be able to do at the end of a learning experience. The financial competency framework provides more than 400 learning outcomes that will help learners to do more, thus improving their financial capability. Because there are many different areas that learners might want to become 'financially capable' in, the framework is divided into different areas.

## How is the financial competency framework structured?

To understand how to read the framework and use the learning outcomes, an education resource developer should become familiar with the framework elements and the framework levels.

## What are the framework elements?

The framework is divided up into four distinct elements:

- i. Areas of learning;
- ii. General purpose statements;
- iii. Components; and
- iv. Learning outcomes.

## **i. Areas of learning**

The broadest elements of the framework are the 'areas of learning'. There are only four of these. They are deliberately broad based so that they can encompass a wide range of issues and topics that relate to personal finances.

The 'areas of learning' are as follows:

- Area 1: Foundation knowledge, skills and concepts;
- Area 2: Understanding and evaluating information and advice;
- Area 3: Coping with problems and the unexpected; and
- Area 4: Social and personal issues about finance.

These areas are a useful way of grouping together a large number of personal finance topics and contextualising them. They make the framework more flexible, so that when new topics relating to personal finance evolve, they can also logically fit into one or all of the areas. We do not envisage that further areas will ever be required.

## **ii. General purpose statements**

The 'general purpose statements' are important because they begin to focus the areas of learning. They give expression to what the areas are about and can help to form an outline of the personal finance education resource a developer can create. Each area has a different number of general purpose statements. This does not in any way indicate that one area is more important than another. The number of general purpose statements can be added to over time, though we expect that further developments are more likely amongst the components.

## **iii. Components**

The 'components' of each general purpose statement are the last expression of each personal finance topic before they are developed as learning outcomes at the four levels. They are gathered under the relevant general purpose statement and provide a detailed description of what a learner needs to know about each topic. As personal finances develop over time, the number of components may increase or decrease or they may be amended.

## **iv. Learning outcomes**

'Learning outcomes' are the key to any learning experience. The learning outcomes are the fundamental objectives that an educational initiative must achieve, regardless of design, teaching methods or setting.

## What are the framework levels?

The first section of the framework is called the 'Overview'. The overview allows a developer to take a quick glance at all of the elements at once, except for the learning outcomes. This means that a developer can see at a glance all of the areas and how they each break down first into general purpose statements, and then components.

The next four sections of the framework display the learning outcomes and place them in the relevant area, general purpose statement and component. The learning outcomes have been drafted to relate to the first four levels of the National Framework for Qualifications (NFQ).

Each of the four levels are addressed in a separate section. From level 1 to level 4, the learning outcomes become increasingly sophisticated; each level develops the topic further. By completing levels 1 to 4, a learner, having completed each of the learning outcomes relevant to a particular topic, should be 'financially competent' in that topic. Some topics are considered more complex and so start at a higher level. Less complex topics begin to be addressed at lower levels.

Depending on the specific audience and learner needs, a developer may wish to start at a higher level than that where the topic at hand first appears.

## How does this help a resource developer?

Below is a working example of how a resource developer can use the content of the framework to develop a personal finance education resource.

A member of a local community group may wish to devise a series of workshops for adult learners that relate to how to borrow money. This developer could consult the framework with a view to using learning outcomes appropriate for his/her target audience and could follow the steps below:

- i. consider the NFQ level appropriate for the workshop participants;
- ii. identify the components of the framework related to the knowledge and skills required to secure a loan;
- iii. review the learning outcomes aligned with the related components up to appropriate NFQ level; and
- iv. draft workshop activities and resource materials that meet the learning outcomes.

In this example, the developer could decide that this series of workshops would meet learning outcomes up to level 4 of the framework. The developer might identify the following components as relevant to the topic of how to borrow money:

- 1.1.12. Understand loans;
- 1.3.1. Distinguish between short term and long term needs;
- 1.3.2. Plan for large expenditures;
- 1.3.11. Use credit prudently to achieve goals;
- 1.4.2. Assess spending capacity critically in terms of income, assets and debt;
- 1.4.3. Manage an appropriate level of debt;
- 1.6.2. Understand interest;
- 1.6.4. Plan to absorb rising interest rates when making repayments on personal loans or credit;
- 2.1.1. Access information provided by financial service providers and other sources (including tax advisors);
- 2.2.1. Compare the costs, risks and benefits of financial products;
- 2.2.3. Compare how different credit products can affect the ownership of assets;
- 2.3.2. Align information and advice gathered from financial service providers and other sources (including tax advisors) with financial needs and goals;
- 3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions;
- 4.1.1. Prioritise needs over wants;
- 4.4.1. Negotiate with financial institutions with confidence; and
- 4.4.2. Advocate on their own behalf.

The developer would then review the learning outcomes aligned with these components up to level 4 of the framework and draft teaching material for the workshops.

A developer may feel that there are too many components related to a particular topic within the framework. It is up to the developer to tailor their new resource to his/her specific audience and make use of those learning outcomes that are most useful to the relevant audience and that fit with the time available to engage with the learners.

## How do I use the framework?

When you look at the framework overview, you will see that it is divided into the four areas by red bars; the first reads 'Area 1: Foundation knowledge, skills and concepts.' Area 1 is divided into boxes, 1.1, 1.2, 1.3 and so on.

If you review the first box, 1.1, this box is split up into 'general purpose statements,' 'components,' and a column showing levels. The levels are colour coded and are indicated by a dot.

If you look at component 1.1.1, 'Store their money', you will see that a bright green dot (level 1) appears beside it four times. This means that the component will appear at all four levels of the framework.

By contrast, if you look at 1.1.1., 'Move money', the learning outcomes only begin at level 3. The first dot appears under the blue '3' and continues to level 4.

In another example, 1.1.9, 'Exchange currencies,' the learning outcomes are listed at level 2, and do not appear at any other level, so there are no further dots appear.

The reason all the dots in 1.1.1. are bright green is to indicate that the series of learning outcomes that relate to 'Store their money' begins at level 1. Dark green dots mean the series of learning outcomes began at level 2, blue dots, level 3, and maroon dots, level 4.

Every 'general purpose statement' box in the overview is exactly the same as box 1.1. The overview is designed to give a snapshot of the whole framework, without providing the specific learning outcomes. The learning outcomes are provided in the 'levels' which are divided by tabs in the framework.

If you turn to level 1 of the framework, you will see again that the framework is divided into the areas by red bars. In 'Area 1: Foundation knowledge, skills and concepts,' you will see that the general purpose statements and components are listed again, but instead of noting the levels in the third column, we have listed the learning outcomes. Each learning outcome is bullet pointed for clarity.

The component numbers (e.g. 1.1.1, or 1.1.2.) of this box are marked by a bright green dot to indicate that this series of learning outcomes begins at level 1 and this colour is then brought through to the other levels.

At level 1, the only areas, general purpose statements and components that are listed are those that are appropriate for an audience at level 1.

If you turn to level 2 of the framework, you will see an identical structure to level 1. The only difference is the colour coding. If you look at 1.1.1, 'Store money', you will see that the component number is marked by a bright green dot to show that this series of learning outcomes began at level 1. If you go to 1.1.9, 'Exchange currencies,' the number is marked by a dark green dot to indicate that this series of learning outcomes began at level 2.

There is a reminder at the bottom of every page of the framework to indicate the colour coding for each level. Similarly, there is a reminder at the top of every general purpose statement box that distinguishes the general purpose statement, the components and the learning outcomes.



# Framework Overview





# FRAMEWORK OVERVIEW

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:	By the end of this training, the learner will be able to:	LEVELS			
		1	2	3	4
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	●	●	●	●
	1.1.2 Accumulate money for short term needs	●	●	●	●
	1.1.3 Move money			●	●
	1.1.4 Protect their home			●	●
	1.1.5 Protect their car			●	
	1.1.6 Protect their income			●	●
	1.1.7 Provide for a home				●
	1.1.8 Know when to link products			●	●
	1.1.9 Exchange currencies		●		
	1.1.10 Make payments	●	●		
	1.1.11 Understand insurance		●	●	
	1.1.12 Understand loans		●	●	●

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	1.2.1 Understand what tax is		●	●	
	1.2.2 Explain income tax			●	●
	1.2.3 Explain PRSI/Health Levy			●	
	1.2.4 Explain Stamp Duty ( <i>property/cards/shares</i> )			●	
	1.2.5 Explain Deposit Interest Retention Tax			●	●
	1.2.6 Explain Capital Gains Tax				●
	1.2.7 Explain Capital Acquisitions Tax ( <i>Gift &amp; Inheritance Tax</i> )				●
	1.2.8 Explain Exit Tax				●
	1.2.9 Identify and claim tax credits and reliefs			●	
	1.2.10 Identify and claim tax refunds			●	
	1.2.11 Identify and claim social welfare entitlements			●	
	1.2.12 Understand a payslip			●	
	1.2.13 Know about the taxation authorities		●	●	
	1.2.14 Know the basic tax forms			●	
	1.2.15 Know the tax benefits of investing in a pension			●	
	1.2.16 Understand what a PPS number is		●	●	
	1.2.17 Understand what VAT is			●	●
	1.2.18 Understand what VRT is			●	●

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.3 Distinguish financial needs of the present and future</b>	<b>1.3.1</b> Distinguish between short term and long term needs		●	●	●
	<b>1.3.2</b> Plan for large expenditures			●	●
	<b>1.3.3</b> Predict future income needs			●	●
	<b>1.3.4</b> Understand disposable income		●	●	●
	<b>1.3.5</b> Protect their health			●	●
	<b>1.3.6</b> Insure their life			●	●
	<b>1.3.7</b> Plan their estate			●	●
	<b>1.3.8</b> Accumulate money for long term needs			●	●
	<b>1.3.9</b> Plan for their retirement needs		●	●	●
	<b>1.3.10</b> Plan to build financial independence for you and your dependants			●	●
	<b>1.3.11</b> Use credit prudently to achieve goals		●	●	●
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.4 Budget for their daily spending</b>	<b>1.4.1</b> Plan and monitor spending needs		●	●	●
	<b>1.4.2</b> Assess spending capacity critically in terms of income, assets and debt			●	●
	<b>1.4.3</b> Manage an appropriate level of debt			●	●
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.5 Understand the financial impacts of employment and unemployment</b>	<b>1.5.1</b> Understand death in service benefits				●
	<b>1.5.2</b> Understand long term illness provisions				●
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.6 Compare and contrast elements of risk and return</b>	<b>1.6.1</b> Understand inflation		●	●	●
	<b>1.6.2</b> Understand interest		●	●	
	<b>1.6.3</b> Appreciate the element of risk involved in savings and investment products			●	●
	<b>1.6.4</b> Plan to absorb rising interest rates when making repayments on personal loans or credit				●
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>1.7 Grasp basic economic principles</b>	<b>1.7.1</b> Understand the effect of inflation on spending power			●	●
	<b>1.7.2</b> Know what the supply of money is and the role it plays in their lives	●	●		
	<b>1.7.3</b> Understand Europe's role in setting interest rates		●	●	●
	<b>1.7.4</b> Understand the opportunity cost of spending			●	

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>2.1 Research financial options</b>	<b>2.1.1</b> Access information provided by financial service providers and other sources			●	
	<b>2.1.2</b> Contact financial advisors for advice on their particular needs			●	
	<b>2.1.3</b> Know the different kinds of financial institutions that exist in Ireland	●	●		

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>2.2 Understand information and advice they receive</b>	<b>2.2.1</b> Compare the costs, risks and benefits of financial products			●	
	<b>2.2.2</b> Interpret the terms and conditions of financial products				●
	<b>2.2.3</b> Compare how different credit products can affect the ownership of assets				●

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>2.3 Make decisions based on financial information and advice</b>	<b>2.3.1</b> Assess information and advice gathered from financial service providers and other sources (including tax advisors)			●	●
	<b>2.3.2</b> Align information and advice gathered from financial service providers and other sources (including tax advisors) with financial needs and goals			●	
	<b>2.3.3</b> Critically evaluate product information			●	
	<b>2.3.4</b> Act on information and written advice received from financial advisors and other sources (including tax advisors) in a timely fashion			●	●

## Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	<b>3.1.1</b> Identify the functions of financial regulatory and ombudsman schemes in Ireland		●	●	
	<b>3.1.2</b> Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions		●	●	

### Area 3 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

#### GENERAL PURPOSE STATEMENT

#### COMPONENTS

### 3.2 Make effective complaints

- |       |   |  |  |   |  |
|-------|---|--|--|---|--|
| 3.2.1 | Demonstrate how to contact the consumer query units of financial institutions |  |  | ● |  |
| 3.2.2 | Demonstrate how to process a complaint through the FSO                        |  |  | ● |  |

#### GENERAL PURPOSE STATEMENT

#### COMPONENTS

### 3.3 Plan for changes in their personal financial circumstances

- |       |  |  |   |   |   |
|-------|--|--|---|---|---|
| 3.3.1 | Explore some triggers that cause financial problems  |  |   | ● | ● |
| 3.3.2 | Plan to protect an increase in wealth/assets   |  |   |   | ● |
| 3.3.3 | Explain the financial consequences of splitting estates or assets due to a separation or divorce |  |   |   | ● |
| 3.3.4 | Anticipate or plan to provide for growing expenditure  |  |   |   | ● |
| 3.3.5 | Avoid fraud  |  | ● | ● | ● |

#### GENERAL PURPOSE STATEMENT

#### COMPONENTS

### 3.4 Find support and advice when experiencing financial problems

- |       |  |  |  |   |  |
|-------|--|--|--|---|--|
| 3.4.1 | Know where to go if something goes wrong |  |  | ● |  |
|-------|--|--|--|---|--|

### Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

LEVELS

1 2 3 4

#### GENERAL PURPOSE STATEMENT

#### COMPONENTS

### 4.1 Analyse their own needs and wants

- |       |  |   |   |   |   |
|-------|--|---|---|---|---|
| 4.1.1 | Prioritise needs over wants  | ● | ● | ● | ● |
| 4.1.2 | Monitor spending habits  |   | ● | ● |   |
| 4.1.3 | Analyse spending habits and their motivations                                    |   | ● | ● | ● |
| 4.1.4 | Explain that prioritising wants over needs and overspending may lead to hardship | ● | ● | ● | ● |

#### GENERAL PURPOSE STATEMENT

#### COMPONENTS

### 4.2 Discuss cultural and personal values surrounding money

- |       |   |   |   |   |   |
|-------|---|---|---|---|---|
| 4.2.1 | Discuss the importance and role of money in ones life   | ● | ● | ● |   |
| 4.2.2 | Distinguish a variety of spending habits and discuss how all habits do not suit everyone                                      | ● | ● | ● |   |
| 4.2.3 | Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for   |   |   | ● | ● |
| 4.2.4 | Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life | ● | ● | ● | ● |

## Area 4 | Contd.

Learners will be able to:		LEVELS			
By the end of this training, the learner will be able to:		1	2	3	4
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	<b>4.3.1</b> Discuss how in a relationship, spending habits and financial goals may differ between partners			●	●
	<b>4.3.2</b> Explain that conflict can arise between friends and family over financial issues			●	●
	<b>4.3.3</b> Appreciate the consequences of joining assets or liabilities with another party			●	●
GENERAL PURPOSE STATEMENT	COMPONENTS				
<b>4.4 Negotiate confidently and advocate on own behalf</b>	<b>4.4.1</b> Negotiate with financial institutions with confidence		●	●	
	<b>4.4.2</b> Advocate on their own behalf		●	●	
	<b>4.4.3</b> Appreciate the power of consumers in terms of dealing with financial institutions		●	●	



# Level 1





# FRAMEWORK LEVEL 1

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:	By the end of this training, the learner will be able to:	At level 1 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that people can store their money in different ways.</li> <li>Understand that adults use 'accounts' to store their money.</li> <li>Understand that money needs to be kept safely.</li> <li>Understand that money can be lost.</li> </ul>
	1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Understand what saving is.</li> </ul>
	1.1.10 Make payments	<ul style="list-style-type: none"> <li>Explain that there are different ways of making payment than cash, e.g. debit cards.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	1.7.2 Know what the supply of money is and the role it plays in their lives	<ul style="list-style-type: none"> <li>Recognise notes and coins.</li> <li>Understand that money has value.</li> <li>Be able to add together notes and coins.</li> <li>Understand that the euro is used in Ireland.</li> <li>Understand that the euro is used in many European countries.</li> <li>Understand that money is minted in Ireland and in many other European countries that use the euro.</li> <li>Be aware of some currencies other than euro, e.g. dollar, sterling.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	2.1.3 Know the different kinds of financial institutions that exist in Ireland	<ul style="list-style-type: none"> <li>Know the different kinds of financial institutions that exist in Ireland, including: banks, building societies, credit unions, post offices, insurance companies, brokers, stockbrokers, moneylenders, investment firms.</li> </ul>

## Area 4 | Social and personal issues about finance

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Explore the difference between a need and a want.</li> </ul>
	4.1.2 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Understand that if you spend more money than you need to, you may not be able to afford things you need later.</li> </ul>

## Area 4 | Contd.

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"> <li>• Explore where does the learner get money from.</li> <li>• Explore what money is for. Explore why money is important.</li> <li>• Talk about what events might trigger income.</li> </ul>
	● 4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"> <li>• Explore what he/she does with the money they get.</li> <li>• How quickly does he/she spend his/her money.</li> <li>• Does he/she save? Does he/she owe anyone money?</li> </ul>
	● 4.2.3 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>• If he/she spends money he/she doesn't have, what will happen?</li> </ul>

# Level 2



# FRAMEWORK LEVEL **2**

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	● 1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that some financial institutions offer 'accounts' to store money in.</li> <li>Understand what an account is.</li> <li>Understand that 'accounts' are a service that might have to be paid for.</li> <li>Understand that there are different kinds of accounts.</li> <li>Understand that you need to open an account.</li> </ul>
	● 1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Explore why people save money.</li> <li>Understand how people can save money.</li> <li>Explore what is meant by 'short-term needs'.</li> <li>Explore how long it can take to save for something.</li> </ul>
	● 1.1.9 Exchange currencies	<ul style="list-style-type: none"> <li>Explore reasons for changing money.</li> <li>Understand that you don't need to change money when going to a eurozone country.</li> <li>Know where you can change money.</li> <li>Understand that changing money costs money.</li> <li>Know the different ways you can exchange money.</li> </ul>
	● 1.1.10 Make payments	<ul style="list-style-type: none"> <li>Understand different forms of money and that using different forms of money will lead to the need to pay bills later.</li> </ul>
	● 1.1.11 Understand insurance	<ul style="list-style-type: none"> <li>Know what insurance is.</li> <li>Know why you use insurance (e.g. risk, protection against losses etc).</li> <li>Know that there are different kinds of insurance.</li> </ul>
	● 1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Know what a loan is.</li> <li>Understand that loans cost money.</li> </ul>
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	● 1.2.1 Understand what tax is	<ul style="list-style-type: none"> <li>Know in general terms what tax is.</li> <li>Know that there are different kinds of tax.</li> <li>Understand the benefits of paying tax.</li> </ul>
	● 1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>Know that there is an Office of the Revenue Commissioners.</li> <li>Know that there is a Collector General.</li> <li>Know what the Revenue Commissioners and Collector General do.</li> </ul>
	● 1.2.16 Understand what a PPS number is	<ul style="list-style-type: none"> <li>Know that everyone gets a PPS number at birth.</li> <li>Understand that a PPS number is a valuable and personal piece of information.</li> <li>Understand that a PPS number will help you to interact with the state.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Distinguish financial needs of the present and future</b>	1.3.1 Distinguish between short term and long term needs	<ul style="list-style-type: none"> <li>Understand that some needs are further in the future than other needs.</li> <li>Explore their own needs in terms of short term and long term.</li> </ul>
	1.3.4 Understand disposable income	<ul style="list-style-type: none"> <li>Understand what disposable income is.</li> </ul>
	1.3.9 Plan for their retirement needs	<ul style="list-style-type: none"> <li>Know what a pension is. Know what retirement is.</li> </ul>
	1.3.11 Use credit prudently to achieve goals	<ul style="list-style-type: none"> <li>Understand what credit is. Understand what a loan is.</li> </ul>
<b>1.4 Budget for their daily spending</b>	1.4.1 Plan and monitor spending needs	<ul style="list-style-type: none"> <li>Discuss what learners would spend money on.</li> <li>How would they make a certain amount of money last over time?</li> </ul>
<b>1.6 Compare and contrast elements of risk and return</b>	1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand what inflation is.</li> </ul>
	1.6.2 Understand interest	<ul style="list-style-type: none"> <li>Understand what interest is.</li> <li>Understand that financial institutions can add interest to savings.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	1.7.2 Know what the supply of money is and the role it plays in their lives	<ul style="list-style-type: none"> <li>Understand that there is only so much coinage and notes in circulation at any time.</li> <li>Understand that to introduce too much money into the country would devalue money.</li> </ul>
	1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand that there is a European Central Bank.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	2.1.3 Know the different kinds of financial institutions that exist in Ireland	<ul style="list-style-type: none"> <li>Know what financial institutions do, including banks, building societies, credit unions, post offices, insurance companies, brokers, stockbrokers, moneylenders, investment firms.</li> </ul>

### Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	3.1.1 Identify the functions of financial regulatory and ombudsman schemes in Ireland	<ul style="list-style-type: none"> <li>Understand that there is a Financial Regulator, Pensions Board, Financial Services Ombudsman, Pensions Ombudsman.</li> </ul>
	3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions	<ul style="list-style-type: none"> <li>Understand that there is consumer legislation.</li> <li>Understand what a contract is. Understand what terms and conditions are.</li> </ul>
<b>3.3 Plan for changes in the their personal financial circumstances</b>	3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>Understand that some things are 'too good to be true'.</li> <li>Know that money can be stolen.</li> </ul>

### Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Identify the daily needs and wants in their lives and see how they have prioritised them so far.</li> </ul>
	4.1.2 Monitor spending habits	<ul style="list-style-type: none"> <li>Look objectively at how they spend their money on needs and wants.</li> </ul>
	4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Look objectively at what makes them spend money.</li> </ul>
	4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Discuss the consequences of spending more money on wants than on needs.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"> <li>Discuss what people in general spend different amounts of money on.</li> <li>Discuss what having money means in terms of quality of life.</li> </ul>
	4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"> <li>Discuss the advantages and disadvantages of conservative spending and extravagant spending.</li> </ul>
	4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Explore the value of money in the individual's own context.</li> <li>Understand the value of budgeting in the individual's own context.</li> </ul>

## Area 4 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.4 Negotiate confidently and advocate on own behalf</b>	4.4.1 Negotiate with financial institutions with confidence	<ul style="list-style-type: none"> <li>• Know your goals and how to reach them.</li> <li>• Understand what institutions can offer you.</li> <li>• Know how to shop around and compare like with like.</li> </ul>
	4.4.2 Advocate on their own behalf	<ul style="list-style-type: none"> <li>• Have the confidence to ask questions about products and prices.</li> <li>• Have the confidence to complain.</li> <li>• Know what is good value in your own circumstances.</li> <li>• Know how to get good value from your financial service provider.</li> </ul>
	4.4.3 Appreciate the power of consumers in terms of dealing with financial institutions	<ul style="list-style-type: none"> <li>• Know that as a consumer you can challenge an institution's decision or point of view.</li> </ul>





# Level 3



# FRAMEWORK LEVEL 3

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	<ul style="list-style-type: none"> <li>Know what the features of a current account are.</li> <li>Know that current accounts cost money.</li> <li>Know what reasons there are for opening an account.</li> </ul>
	1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Know what the features of a deposit account are.</li> <li>Know that deposit accounts can earn money.</li> <li>Understand what the return on money is.</li> </ul>
	1.1.3 Move money	<ul style="list-style-type: none"> <li>Understand the different methods of transferring funds including: electronic transfer; cheques; money transmission; use of ATM; bank drafts; money orders, postal orders etc.</li> </ul>
	1.1.4 Protect their home	<ul style="list-style-type: none"> <li>Know the benefits of home insurance.</li> <li>Understand the risks of not insuring their home.</li> </ul>
	1.1.5 Protect their car	<ul style="list-style-type: none"> <li>Know the benefit of motor insurance.</li> <li>Understand that motor insurance is a legal requirement.</li> <li>Know the different kinds of motor insurance.</li> <li>Understand the changing premiums involved in paying for motor insurance.</li> <li>Know how to make a claim on motor insurance.</li> <li>Understand the consequences of not insuring a car.</li> <li>Understand that not taxing your car invalidates your insurance.</li> </ul>
	1.1.6 Protect their income	<ul style="list-style-type: none"> <li>Know what income protection is.</li> </ul>
	1.1.8 Know when to link products	<ul style="list-style-type: none"> <li>Know what dependant products are (what linking products means) e.g buying a house - mortgage - life insurance - house insurance - PPI - MPI.</li> </ul>
	1.1.11 Understand insurance	<ul style="list-style-type: none"> <li>Know the costs, risks and benefits of insurance.</li> <li>Know the common features of insurance, eg excess, index linked premia.</li> <li>Know how to compare quotes.</li> <li>Know how to make a claim in general.</li> </ul>
	1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Know the costs, risks and benefits of loans.</li> <li>Know the different types of loans.</li> <li>Know how to get a loan.</li> <li>Understand what hire purchase is.</li> <li>Understand the difference between hire purchase and a loan.</li> <li>Understand what your personal credit rating is.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	1.2.1 Understand what tax is	<ul style="list-style-type: none"> <li>Know how to pay taxes.</li> <li>Understand the consequences of not paying taxes.</li> <li>Understand the difference between tax avoidance and tax evasion.</li> </ul>
	1.2.2 Explain income tax	<ul style="list-style-type: none"> <li>Know how to find out what rate and what kind of tax each individual pays.</li> <li>Understand how to pay income tax when self-employed.</li> <li>Understand how PAYE is deducted from income.</li> <li>Understand the benefit of paying income tax.</li> <li>Know that there are different tax treatments available to employees upon marriage and dissolution of marriage.</li> </ul>
	1.2.3 Explain PRSI/Health Levy	<ul style="list-style-type: none"> <li>Understand how and why PRSI and the Health Levy are deducted from income.</li> <li>Know how to find out what rate of tax each individual pays.</li> <li>Understand the benefit of paying PRSI and the Health Levy.</li> </ul>
	1.2.4 Explain Stamp Duty (property/cards/shares)	<ul style="list-style-type: none"> <li>Understand that Stamp Duty exists in several different forms.</li> </ul>
	1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>Understand what DIRT is.</li> <li>Understand what products DIRT applies to.</li> <li>Understand that there are some products that are not subject to DIRT (eg. An Post savings schemes).</li> </ul>
	1.2.9 Identify and claim tax credits and reliefs	<ul style="list-style-type: none"> <li>Understand what tax credits and reliefs are.</li> <li>Know how to find out what tax credits and reliefs each individual has and how to claim them.</li> <li>Know what your Tax Credit Certificate is, how to get one and how to read it.</li> </ul>
	1.2.10 Identify and claim tax refunds	<ul style="list-style-type: none"> <li>Know that you can claim refunds.</li> <li>Know which forms to use to claim refunds.</li> <li>Understand the distinction between direct and indirect taxes and how tax refunds relate to them.</li> </ul>
	1.2.11 Identify and claim social welfare entitlements	<ul style="list-style-type: none"> <li>Understand what social welfare entitlements are.</li> <li>Know how to find out what social welfare entitlements each individual has and how to claim them.</li> </ul>
	1.2.12 Understand a payslip	<ul style="list-style-type: none"> <li>Know what a payslip is.</li> <li>Know the layout of a payslip.</li> <li>Understand what deductions are.</li> </ul>
	1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>Know when and how to contact the Revenue Commissioners.</li> <li>Understand what services are offered online.</li> <li>Know that you have the right to appeal decisions.</li> <li>Know the kinds of issues the Revenue Commissioners can help you with.</li> </ul>
	1.2.14 Know the basic tax forms	<ul style="list-style-type: none"> <li>Know what the basic tax forms are, including: P60, P45, Med 1 etc.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Distinguish financial needs of the present and future</b>	1.3.1 Distinguish between short term and long term needs	Understand that some needs are further in the future than other needs. Explore their own needs in terms of short term and long term.
	1.3.2 Plan for large expenditures	Predict a large future expenditure and predict the amount of money needed to cater for it.
	1.3.3 Predict future income needs	Predict the level of income needed to accommodate desired future life style
	1.3.4 Understand disposable income	Understand how increasing expenditure decreases your disposable income. Understand what other circumstances can impact on disposable income (e.g. inflation, interest rates, change in income, building a family).
	1.2.4 Explain Stamp Duty (property/cards/shares)	<ul style="list-style-type: none"> <li>Understand that Stamp Duty exists in several different forms.</li> </ul>
	1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>Understand what DIRT is.</li> <li>Understand what products DIRT applies to.</li> <li>Understand that there are some products that are not subject to DIRT (eg. An Post savings schemes).</li> </ul>
	1.2.9 Identify and claim tax credits and reliefs	<ul style="list-style-type: none"> <li>Understand what tax credits and reliefs are.</li> <li>Know how to find out what tax credits and reliefs each individual has and how to claim them.</li> <li>Know what your Tax Credit Certificate is, how to get one and how to read it.</li> </ul>
	1.2.10 Identify and claim tax refunds	<ul style="list-style-type: none"> <li>Know that you can claim refunds.</li> <li>Know which forms to use to claim refunds.</li> <li>Understand the distinction between direct and indirect taxes and how tax refunds relate to them.</li> </ul>
	1.2.11 Identify and claim social welfare entitlements	<ul style="list-style-type: none"> <li>Understand what social welfare entitlements are.</li> <li>Know how to find out what social welfare entitlements each individual has and how to claim them.</li> </ul>
	1.2.12 Understand a payslip	<ul style="list-style-type: none"> <li>Know what a payslip is.</li> <li>Know the layout of a payslip. Understand what deductions are.</li> </ul>
	1.2.13 Know about the taxation authorities	<ul style="list-style-type: none"> <li>Know when and how to contact the Revenue Commissioners.</li> <li>Understand what services are offered online.</li> <li>Know that you have the right to appeal decisions.</li> <li>Know the kinds of issues the Revenue Commissioners can help you with.</li> </ul>
	1.2.14 Know the basic tax forms	<ul style="list-style-type: none"> <li>Know what the basic tax forms are, including: P60, P45, Med 1 etc.</li> </ul>
	1.2.15 Know the tax benefits of investing in a pension	<ul style="list-style-type: none"> <li>Understand the tax benefits associated with contributing part of your income to a pension scheme.</li> <li>Understand that pension related tax relief is at source and what that means.</li> <li>Understand that you pay less tax when you invest in a pension.</li> <li>Understand that the older you grow, the more tax relief you can claim while in investing in a pension.</li> <li>Understand that you get tax relief regardless of the performance of your pension fund.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

### GENERAL PURPOSE STATEMENT

### COMPONENTS

### LEARNING OUTCOMES

## 1.3 Contd.

1.2.16	Understand what a PPS number is	<ul style="list-style-type: none"> <li>Understand what you should use your PPS number for.</li> </ul>
1.2.17	Understand what VAT is	<ul style="list-style-type: none"> <li>Understand what VAT is.</li> </ul>
1.2.18	Understand what VRT is	<ul style="list-style-type: none"> <li>Understand what VRT is.</li> </ul>
1.3.5	Protect their health	<ul style="list-style-type: none"> <li>Know what personal health insurance is (e.g. medical insurance, permanent health insurance, travel insurance).</li> </ul>
1.3.6	Insure their life	<ul style="list-style-type: none"> <li>Know what life insurance is.</li> </ul>
1.3.7	Plan their estate	<ul style="list-style-type: none"> <li>Know what a will is.</li> </ul>
1.3.8	Accumulate money for long term needs	<ul style="list-style-type: none"> <li>Examine long term deposit accounts with withdrawal limitations and understand the features of these products</li> </ul>
1.3.9	Plan for their retirement needs	<ul style="list-style-type: none"> <li>Know what a state pension is.</li> <li>Know who is entitled to a state pension.</li> <li>Understand the phrase 'means tested'.</li> <li>Know what a private pension is.</li> <li>Know that self-employed individuals must avail of specific kinds of pensions.</li> <li>Know what questions to ask a pension provider when shopping around for a pension (including the implications of death or separation from a partner).</li> <li>Understand that a pension is a long term investment which will rise and fall over time.</li> </ul>
1.3.10	Plan to build financial independence for you and your dependants	<ul style="list-style-type: none"> <li>Discuss what 'financial independence' means.</li> <li>Discuss whether financial independence means different things at different stages in life (for example, while raising children, while paying off a mortgage, while getting a divorce, upon retirement, at death, during working life, during unemployment).</li> </ul>
1.3.11	Use credit carefully to achieve goals	<ul style="list-style-type: none"> <li>Understand that there are positives and negatives to debt.</li> <li>Understand that credit options must be considered with great care.</li> <li>Understand that credit can help achieve goals.</li> <li>Appreciate that there is 'good debt' and 'bad debt'.</li> <li>Understand what MABS do.</li> </ul>

## 1.4 Budget for their daily spending

1.4.1	Plan and monitor spending needs	<ul style="list-style-type: none"> <li>Map out all financial outgoings and income.</li> <li>Budget for a week of spending.</li> <li>Budget for a month of spending.</li> <li>Identify areas for 'active saving'.</li> </ul>
1.4.2	Assess spending capacity critically in terms of income and debt	<ul style="list-style-type: none"> <li>Establish potential spending needs and assess ability to spend in terms of already existing and potential financial commitments.</li> </ul>
1.4.3	Manage and appropriate level of debt	<ul style="list-style-type: none"> <li>Understand what debt is.</li> </ul>

## Area 1 | Contd.

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.6 Compare and contrast elements of risk and return</b>	1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand inflation's effect on savings.</li> <li>Understand inflation's effect on money.</li> <li>Understand inflation's effect on pension funds.</li> <li>Understand inflation's effect on insurance products (premium increases, index-linked premia etc).</li> <li>Understand the relationship between inflation and interest.</li> <li>Understand the relationship between inflation and the cost of credit.</li> </ul>
	1.6.2 Understand interest	<ul style="list-style-type: none"> <li>Appreciate that interest applies to savings and credit.</li> <li>Understand how interest can effect the cost of credit.</li> <li>Understand how interest can effect the return on money. Understand that there is an element of risk involved in buying products that are affected by the movement in interest rates.</li> </ul>
	1.6.3 Appreciate the element of risk involved in investment products	<ul style="list-style-type: none"> <li>Understand what risk is.</li> <li>Understand what return is.</li> <li>Understand what investment products are.</li> <li>Understand what a guarantee is.</li> <li>Understand the link between risk and yield.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	1.7.1 Understand the effect of inflation on spending power	<ul style="list-style-type: none"> <li>Understand inflation's effect on spending power.</li> </ul>
	1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand the Eurosystem and the European Central Bank.</li> <li>Understand how the Central Bank of Ireland contributes to the work of the ECB.</li> <li>Understand that Europe has a role in how interest rates are set.</li> <li>Understand what the ECB base rate is.</li> </ul>
	1.7.4 Understand the opportunity cost of spending	<ul style="list-style-type: none"> <li>Explore the consequences of spending in terms of opportunity costs relating to savings and the depreciation of assets.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	2.1.1 Access information provided by financial service providers and other sources	<ul style="list-style-type: none"> <li>Understand how to contact financial institutions.</li> <li>Understand how to gather information from a financial institution's contact points.</li> <li>Know when to contact financial institutions at point of sale, during the ongoing use of the product and for after sales care.</li> <li>Know that there are contacts in the workplace in relation to pension options (e.g. HR, unions, work colleagues).</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

At level 3 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.1 Research financial options</b>	2.1.1 Access information provided by financial service providers and other sources	<ul style="list-style-type: none"> <li>Understand how to contact financial institutions.</li> <li>Understand how to gather information from a financial institution's contact points.</li> <li>Know when to contact financial institutions at point of sale, during the ongoing use of the product and for after sales care.</li> <li>Know that there are contacts in the workplace in relation to pension options (e.g. HR, unions, work colleagues).</li> </ul>
	2.1.2 Contact financial advisors for advice on their particular needs	<ul style="list-style-type: none"> <li>Understand that 'financial advice' can come in different forms.</li> <li>Understand the different kinds of financial advisors regulated in Ireland.</li> <li>Know which kind of advisor to contact for different amounts of information.</li> <li>Know what questions to ask an advisor when shopping around for particular financial products or services.</li> <li>Know how much a financial advisor can cost.</li> <li>Understand how an advisor gets paid and why.</li> </ul>
<b>2.2 Understand information and advice they receive</b>	2.2.1 Compare the costs, risks and benefits of financial products	<ul style="list-style-type: none"> <li>Know how to compare the different features of a range of financial services and products.</li> <li>Know how to explore the suitability of products.</li> </ul>
<b>2.3 Critically evaluate and compare product information</b>	2.3.1 Assess information and advice gathered from financial service providers and other sources	<ul style="list-style-type: none"> <li>Know whether the features of particular financial services and products actually meet your needs</li> </ul>
	2.3.2 Align information and advice gathered from financial service providers and other sources with financial needs and goals	<ul style="list-style-type: none"> <li>Match your needs with the features offered by financial services and products</li> </ul>
	2.3.3 Critically evaluate product information	<ul style="list-style-type: none"> <li>Understand that advisors can provide more precise information than you may be able to gather together.</li> <li>Understand that depending on the kind of advisor you have engaged, your advisor will review the full market for the best financial product or service for you, rather than relying on a provider you are familiar with.</li> </ul>
	2.3.4 Decide whether to act on information and written advice received from financial advisors and other sources in a timely fashion	<ul style="list-style-type: none"> <li>Realise that offers of financial services and products are often made with a time limitation that must be observed.</li> </ul>



### Area 3 | Coping with problems and the unexpected

Learners will be able to:	By the end of this training, the learner will be able to:	At level 3 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.1 Demonstrate knowledge of consumer rights and the available mechanisms to exercise them</b>	● 3.1.1 Identify the functions of financial regulatory and ombudsman schemes in Ireland	<ul style="list-style-type: none"> <li>Understand how the Financial Regulator works.</li> <li>Understand how the Pensions Board works.</li> <li>Understand how the Financial Services Ombudsman works.</li> <li>Understand how the Pensions Ombudsman works.</li> </ul>
	● 3.1.2 Explain that rights are supported by legislation but the flexibility of agreements are limited by terms and conditions	<ul style="list-style-type: none"> <li>Understand that the Consumer Protection Code offers safeguards to consumers in transactions with financial service providers and what a range of those safeguards are.</li> <li>Understand that consumers should make themselves aware of the limitations imposed on them by financial contracts.</li> <li>Understand that consumers are protected by contract law, the Consumer Credit Act, by consumer law, the Data Protection Act and equality legislation.</li> </ul>
<b>3.2 Make effective complaints</b>	● 3.2.1 Demonstrate how to contact the customer care units of financial institutions	<ul style="list-style-type: none"> <li>Understand how to contact the consumer facing functions of financial institutions with regard to information requests and complaints.</li> </ul>
	● 3.2.2 Demonstrate how to process a complaint through the FSO	<ul style="list-style-type: none"> <li>Know what a complaint is. Understand how to contact the FSO.</li> <li>Demonstrate a knowledge of how to make a complaint through the FSO procedure.</li> </ul>
<b>3.3 Plan for changes in the their personal financial circumstances</b>	● 3.3.1 Explore some triggers that cause financial problems	<ul style="list-style-type: none"> <li>Identify trigger issues (e.g. death, debt, ill health, relationship breakdown, loss of job, fraud, recession, retirement) that can affect personal finances or cause loss of income.</li> </ul>
	● 3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>Know the different kinds of fraud (including general scams, ID theft, ID fraud, phishing, trojans, boiler rooms, pyramid schemes, ATM fraud, counterfeit tender, credit card fraud, online banking fraud).</li> <li>Know how to protect yourself from the different kinds of fraud.</li> </ul>
<b>3.4 Find support and advice when experiencing financial problems</b>	● 3.4.1 Know where to go if something goes wrong	<ul style="list-style-type: none"> <li>Know where to go for assistance when you have a financial problem.</li> <li>Understand what help various bodies and institutions can offer if debt becomes a burden (e.g. MABS, customer care units, FSO, CICs etc).</li> <li>Understand that immediate action is required when a problem is identified.</li> </ul>

## Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

At level 2 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	● 4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Identify sources of income and match them with purchasing options.</li> <li>Explore how income can empower consumers.</li> <li>Consider that income and spending entail responsibility.</li> </ul>
	● 4.1.2 Monitor spending habits	<ul style="list-style-type: none"> <li>Know how to create a spending diary for a week long period.</li> <li>Know how to create a spending diary for a month long period.</li> </ul>
	● 4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Understand that the first impulse to spend is not always the most prudent option.</li> <li>Examine whether there are particular personal 'triggers' that make them spend.</li> <li>Understand how marketing can affect spending decisions.</li> </ul>
	● 4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Explore the consequences of overspending using limited income.</li> <li>Explore the difficulties involved in recouping the loss from overspending.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	● 4.2.1 Discuss the importance and role of money in ones life	<ul style="list-style-type: none"> <li>Examine the connection between an income and quality of life.</li> <li>Consider the consequences of not having a regular income.</li> </ul>
	● 4.2.2 Distinguish a variety of spending habits and discuss how all habits do not suit everyone	<ul style="list-style-type: none"> <li>Discuss how those with larger amounts of money may spend more than those with less.</li> <li>Discuss how those with smaller amounts of money may spend more than those with larger amounts.</li> <li>Examine the difference between spending habits and the consequences of each.</li> </ul>
	● 4.2.3 Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for	<ul style="list-style-type: none"> <li>List a range of cultural life events that can cost significant amounts of money.</li> <li>Consider whether they want to commit funds to particular life events.</li> <li>Consider the value of life events in terms of both money and cultural importance.</li> <li>Discuss when they should begin to prepare for life event expenditures.</li> </ul>
	● 4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Think about an event in the past where they did not think they got value for money; think about why they did not get value for money.</li> <li>Think about an occasion where they did get value for money and how this happened.</li> <li>Consider whether their spending pattern, in general, helps them maximise their buying power.</li> <li>Consider whether their savings pattern helps them to prepare for the future.</li> <li>Consider whether they are risk averse and whether this is a consequence of their life experience.</li> </ul>

## Area 4 *Contd.*

Learners will be able to:	By the end of this training, the learner will be able to:	At level 2 the learner will be able to:
GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	● 4.3.1 Discuss how in a relationship, spending habits and financial goals may differ between partners	<ul style="list-style-type: none"> <li>• Explore the different spending patterns that two people in a relationship might have.</li> <li>• Discuss how differing spending patterns can be reconciled.</li> <li>• Discuss how two people can seek to compromise in relation to their financial goals.</li> </ul>
	● 4.3.2 Explain that conflict can arise between friends and family over financial issues	<ul style="list-style-type: none"> <li>• Discuss what financial arrangements can cause difficulty among friends and family members.</li> <li>• Discuss how loans between friends or family members can cause difficulties.</li> </ul>
	● 4.3.3 Appreciate the consequences of joining assets or liabilities with another party	<ul style="list-style-type: none"> <li>• Understand what a guarantor is.</li> <li>• Understand what a joint account is.</li> <li>• Understand what a joint account holder is.</li> </ul>





# Level 4



# FRAMEWORK LEVEL 4

## Area 1 | Foundation knowledge, skills and concepts

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.1 Display knowledge of basic financial products</b>	1.1.1 Store their money	<ul style="list-style-type: none"> <li>Understand that employers might require you to open a current account.</li> <li>Understand that 'money', wealth and debt can be stored in assets.</li> <li>Understand that a pension is a method of 'storing' money.</li> </ul>
	1.1.2 Accumulate money for short term needs	<ul style="list-style-type: none"> <li>Explore short to medium term deposit account options and understand their features.</li> </ul>
	1.1.3 Move money	<ul style="list-style-type: none"> <li>Understand the appropriate instances in which you transfer money and which method to use.</li> </ul>
	1.1.4 Protect their home	<ul style="list-style-type: none"> <li>Understand that some forms of home insurance are required and when.</li> <li>Understand the features of voluntary home insurance.</li> <li>Understand the changing premiums involved in paying for home insurance.</li> <li>Know how to make a claim on home insurance.</li> </ul>
	1.1.6 Protect their income	<ul style="list-style-type: none"> <li>Understand the benefits of income protection insurance.</li> <li>Know how to make a claim on income protection insurance.</li> </ul>
	1.1.7 Provide for a home	<ul style="list-style-type: none"> <li>Understand what a mortgage is.</li> <li>Understand the benefits of getting a mortgage.</li> <li>Understand the features of different kinds of mortgages (incl. term, rates, payment options, LTV ('loan to value') etc).</li> <li>Consider the options between personal loans and re-mortgaging.</li> <li>Compare renting with getting a mortgage.</li> </ul>
	1.1.8 Know when to link products	<ul style="list-style-type: none"> <li>Understand the benefits of linking products.</li> <li>Know that consumers are not required to link products should they choose not to.</li> </ul>
	1.1.12 Understand loans	<ul style="list-style-type: none"> <li>Understand the role of the personal credit rating agencies and how they work and the costs involved.</li> <li>Understand how your credit rating can affect your ability to secure loans in the future.</li> <li>Understand the consequences of defaulting on a loan as described in the terms and conditions of a credit product.</li> <li>Know in what circumstances you can have your rating amended.</li> <li>Understand the role of the Data Protection Commissioner.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.2 Identify basic tax and social welfare issues and entitlements</b>	1.2.2 Explain income tax	<ul style="list-style-type: none"> <li>Understand that different employment arrangements can lead to paying different kinds of income tax.</li> </ul>
	1.2.5 Explain Deposit Interest Retention Tax	<ul style="list-style-type: none"> <li>Understand the implications of DIRT for saving products.</li> <li>Understand what certificates of interest are.</li> <li>Understand the rate of DIRT.</li> <li>Understand that you can contact the Revenue Commissioners to find information on DIRT.</li> <li>Understand who can claim refunds of DIRT and under what circumstances.</li> <li>Understand the eligibility criteria for DIRT-exempt accounts.</li> </ul>
	1.2.6 Explain Capital Gains Tax	<ul style="list-style-type: none"> <li>Understand what CGT is.</li> <li>What assets does CGT apply to.</li> <li>During what period and under what circumstances must you pay CGT.</li> <li>Know how to contact the Revenue Commissioners for information about CGT.</li> </ul>
	1.2.7 Explain Capital Acquisitions Tax (Gift and Inheritance Tax)	<ul style="list-style-type: none"> <li>Understand what CAT is.</li> <li>Understand the conditions under which a person can gift money.</li> <li>Understand the different thresholds of gift tax that exist.</li> <li>Understand the different rates of inheritance tax that exist.</li> <li>Understand that CAT charges accumulate and reduce over particular periods of time.</li> <li>Know how to contact the Revenue Commissioners for information about CAT.</li> </ul>
	1.2.8 Explain Exit Tax	<ul style="list-style-type: none"> <li>Understand what Exit Tax is.</li> <li>Understand the implications of Exit Tax for saving or investment products.</li> </ul>
	1.2.17 Understand what VAT is	<ul style="list-style-type: none"> <li>Understand when VAT is applied.</li> <li>Know whether there is opportunity for consumers to claim VAT back.</li> </ul>
	1.2.18 Understand what VRT is	<ul style="list-style-type: none"> <li>Understand how to calculate and pay VRT.</li> </ul>
<b>1.3 Distinguish financial needs of the present and future</b>	1.3.1 Distinguish between short term and long term needs	<ul style="list-style-type: none"> <li>Compare their personal financial needs of today with their perceived personal financial needs of five and ten years in the future.</li> </ul>
	1.3.2 Plan for large expenditures	<ul style="list-style-type: none"> <li>Conceive of large expenditures five and ten years in the future and consider how to plan for them.</li> </ul>
	1.3.3 Predict future income needs	<ul style="list-style-type: none"> <li>Calculate their increase in spending from five years ago and project into the future by five and ten years, adjusting for perceived future needs.</li> </ul>



## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Contd.</b>	1.3.4 Understand disposable income	<ul style="list-style-type: none"> <li>Understand how to release the value of your assets to increase disposable income.</li> <li>Consider whether tax is being used efficiently.</li> <li>Consider whether there are particular grants available to you to increase your disposable income (e.g. higher education grant).</li> <li>Know when to diversify portfolio in terms of producing more disposable income.</li> </ul>
	1.3.5 Protect their health	<ul style="list-style-type: none"> <li>Know what personal health insurance is.</li> <li>Understand the benefits of personal health insurance.</li> <li>Understand the features of personal health insurance.</li> <li>Understand how to make a claim on your personal health insurance policy.</li> </ul>
	1.3.6 Insure their life	<ul style="list-style-type: none"> <li>Understand the benefits of life insurance.</li> <li>Understand the features of the different kinds of life insurance.</li> <li>Know when it is appropriate to buy life insurance.</li> <li>Know how a claim can be made on a life insurance policy.</li> </ul>
	1.3.7 Plan their estate	<ul style="list-style-type: none"> <li>Understand the reasons for making a will.</li> <li>Appreciate the consequences of making a will.</li> <li>Appreciate the consequences of not making a will.</li> <li>Understand that inheritance can be subject to tax liabilities.</li> <li>Understand how to insure against inheritance tax liabilities.</li> <li>Understand the consequences of death for your pension as an asset to be divided amongst beneficiaries of your will.</li> <li>Understand the death-in-service benefits of your pension scheme.</li> <li>Understand how to prepare to pass on business assets (specifically farms and small businesses).</li> </ul>
	1.3.8 Accumulate money for long term needs	<ul style="list-style-type: none"> <li>Understand the consequences of tying up funds or assets over long periods of time.</li> <li>Understand the costs, risks and benefits of long term savings.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.3 Contd.</b>	1.3.9 Plan for their retirement needs	<ul style="list-style-type: none"> <li>Understand the different kinds of pensions.</li> <li>Know the costs, risks and benefits of investing in a pension at an early age (i.e. a consumer should be aware of the suitability of a product in terms of their own needs).</li> <li>Know when pension benefits can be taken.</li> <li>Know the different forms of pension benefits and how they can be taken at retirement age.</li> <li>Understand the tax implication related to taking a lump sum when upon retirement.</li> <li>Know what tax incentives there are in taking out a pension.</li> <li>Understand that the later you begin to invest in a pension, the more expensive it becomes.</li> <li>Understand that as time goes by, pension products must be reviewed to ensure they are adequate.</li> <li>Understand how pension funds work.</li> </ul>
	1.3.10 Plan to build financial independence for you and your dependants	<ul style="list-style-type: none"> <li>Explore how to build financial independence.</li> <li>Discuss how having an adequate pension can help build your financial independence and give you security in old age.</li> <li>Understand the cost of investing in a pension later rather than earlier in life.</li> <li>Explore the risk involved in not investing in a pension at all. Understand how AVCs work.</li> </ul>
	1.3.11 Use credit prudently to achieve goals	<ul style="list-style-type: none"> <li>Know how to match personal goals with the possibility of securing credit to meet those goals.</li> <li>Match appropriate forms of debt with short, medium and long term goals.</li> <li>Know where to go for independent debt advice.</li> </ul>
<b>1.4 Budget for their daily spending</b>	1.4.1 Plan and monitor spending needs	<ul style="list-style-type: none"> <li>Assess spending on needs over the last 12 months and project, allowing for new needs, across the next 5 years.</li> </ul>
	1.4.2 Assess spending capacity critically in terms of income and debt	<ul style="list-style-type: none"> <li>Compare actual debt levels with actual income levels and assess whether spending needs to be curtailed or can be expanded.</li> </ul>
	1.4.3 Manage an appropriate level of debt	<ul style="list-style-type: none"> <li>Assess whether he/she has the capacity to take on the burden of debt in whatever form.</li> </ul>
<b>1.5 Understand the financial impacts of employment and unemployment</b>	1.5.1 Understand death in service benefits	<ul style="list-style-type: none"> <li>Appreciate that employers can offer death in service benefits.</li> <li>Understand the purpose and benefits of death in service benefits.</li> <li>Know who can make a claim and how.</li> </ul>
	1.5.2 Understand long term illness provisions	<ul style="list-style-type: none"> <li>Appreciate that employers can offer long term illness provisions.</li> <li>Understand the purpose and benefits of long term illness provisions.</li> <li>Know who can make a claim and how.</li> </ul>

## Area 1 | Contd.

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>1.6 Compare and contrast elements of risk and return</b>	1.6.1 Understand inflation	<ul style="list-style-type: none"> <li>Understand that by not managing one's wealth, wealth can diminish due to inflation.</li> <li>Understand the need to invest to insulate against inflation.</li> </ul>
	1.6.3 Appreciate the element of risk involved in investment products	<ul style="list-style-type: none"> <li>Understand that past performance is not an guarantee of future performance.</li> <li>Understand that investments can rise as well as fall.</li> <li>Understand the approach to balancing high yield high risk investments against low yield low risk investments.</li> </ul>
	1.6.4 Plan to absorb rising interest rates when making repayments on personal loans or credit	<ul style="list-style-type: none"> <li>Forecast whether income can match rising payments on credit.</li> </ul>
<b>1.7 Grasp basic economic principles</b>	1.7.1 Understand the effect of inflation on spending power	<ul style="list-style-type: none"> <li>Appreciate that wealth and spending power are diminished by inflation.</li> </ul>
	1.7.3 Understand Europe's role in setting interest rates	<ul style="list-style-type: none"> <li>Understand the regularity with which ECB decisions change the base rate and how this can affect a consumer's loan repayments or savings and investment products.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.2 Understand information and advice they receive</b>	2.2.2 Interpret the terms and conditions of financial products	<ul style="list-style-type: none"> <li>Know that reading the terms and conditions of any financial product or service is important.</li> <li>Know how to ask for further information for clarification on terms and conditions.</li> <li>Appreciate how terms and conditions can affect your use or the benefit of the use of any particular financial service or product.</li> </ul>
	2.2.3 Compare how different credit products can affect the ownership of assets	<ul style="list-style-type: none"> <li>Appreciate the difference between different kinds of 'credit' products and services including personal loans, credit card balances, hire purchase agreements and consumer hire agreements.</li> <li>Understand when the consumer 'owns' goods paid for by different 'credit' arrangements.</li> </ul>

## Area 2 | Understanding and evaluating information and advice

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>2.3 Make decisions based on financial information and advice</b>	2.3.1 Assess information and advice gathered from financial service providers and other sources	<ul style="list-style-type: none"> <li>Decide whether any products or services available meet your needs and whether you should purchase any such product or service.</li> </ul>
	2.3.4 Decide whether to act on information and written advice received from financial advisors and other sources in a timely fashion	<ul style="list-style-type: none"> <li>Decide whether to accept advice from an advisor over and above your own research and information.</li> </ul>

## Area 3 | Coping with problems and the unexpected

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>3.3 Plan for changes in their personal financial circumstances</b>	3.3.1 Explore some triggers that cause financial problems	<ul style="list-style-type: none"> <li>Identify coping mechanisms (e.g. making a will, awareness of the implications of opening joint accounts, insurance products, understanding why to buy a pension).</li> <li>Consider the insurance options available to insulate against a loss in income.</li> <li>Understand how to prepare for a 'rainy day'.</li> </ul>
	3.3.2 Plan to protect an increase in income and/or assets	<ul style="list-style-type: none"> <li>Understand that an increase in wealth or assets can lead to new spending habits.</li> <li>Know that spending must be planned at all stages in life, regardless of wealth or income.</li> <li>Consider options for protecting new found wealth.</li> </ul>
	3.3.3 Explain the financial consequences of splitting estates or assets due to a separation or divorce	<ul style="list-style-type: none"> <li>Understand that marriage and civil partnership arrangements have financial consequences should either relationship come to an end.</li> <li>Know how to proceed through the dissolution of marriages or civil partnership arrangements from the perspective of managing one's assets (including the impact on pension entitlements).</li> </ul>
	3.3.4 Anticipate or plan to provide for growing expenditure	<ul style="list-style-type: none"> <li>Forecast larger expenditures in the future and draft a spending/saving plan to cater to these needs.</li> </ul>
	3.3.5 Avoid fraud	<ul style="list-style-type: none"> <li>How to recover from the various types of fraud, in terms of savings, credit rating, future losses etc. Know how to do a credit check.</li> <li>Know to make regular credit checks, especially after a break-in.</li> </ul>

## Area 4 | Social and personal issues about finance

Learners will be able to:

By the end of this training, the learner will be able to:

At level 4 the learner will be able to:

GENERAL PURPOSE STATEMENT	COMPONENTS	LEARNING OUTCOMES
<b>4.1 Analyse their own financial needs and wants</b>	4.1.1 Prioritise needs over wants	<ul style="list-style-type: none"> <li>Explore what empowerment an income can give a consumer.</li> <li>Explore the idea that 'the more you earn, the more you spend'.</li> </ul>
	4.1.3 Analyse spending habits and their motivations	<ul style="list-style-type: none"> <li>Consider whether spending habits change over time.</li> <li>Discuss how their own spending habits have changed over time and how they see their habits changing in the future.</li> </ul>
	4.1.4 Explain that prioritising wants over needs and overspending may lead to hardship	<ul style="list-style-type: none"> <li>Explore an occasion when they overspent.</li> </ul>
<b>4.2 Discuss cultural and personal values surrounding money</b>	4.2.3 Discuss how certain events in the normal life of any culture can imply a large cost that, if necessary, must be planned for	<ul style="list-style-type: none"> <li>Consider a range of cultural events that may occur in their own lives and begin to consider how they will affect their finances now and in the future.</li> </ul>
	4.2.4 Discuss how their own values relating to money and spending may or may not be conducive to leading a financially healthy life	<ul style="list-style-type: none"> <li>Consider whether they get value for money when they spend.</li> <li>Consider whether their values will change over time and what will cause this change.</li> </ul>
<b>4.3 Balance their own financial experience and habits with those of their dependants, partners, family and friends</b>	4.3.1 Discuss how in a relationship, spending habits and financial goals may differ between partners	<ul style="list-style-type: none"> <li>Demonstrate how to include someone else in their financial planning.</li> </ul>
	4.3.2 Explain that conflict can arise between friends and family over financial issues	<ul style="list-style-type: none"> <li>Consider that issues relating to inheritance and gifts can cause difficulties among family members.</li> </ul>
	4.3.3 Appreciate the consequences of joining assets or liabilities with another party	<ul style="list-style-type: none"> <li>Consider the implications in terms of ownership and responsibility during marriage or civil partnership. Understand what the consequences of acting as a guarantor are.</li> <li>Understand the consequences of becoming a joint account holder.</li> <li>Understand what the power of attorney is.</li> </ul>





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