

Every child is a National Asset

FINANCIAL SERVICES CONDUCT AUTHORITY

Consumer Financial Education Summit
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basic education
Department:
Basic Education
REPUBLIC OF SOUTH AFRICA



Read to Lead
A Reading Nation is a Leading Nation

Presentation Outline

1. Shape and size of the education sector
2. National Development Plan
3. Aims and objectives of the curriculum
4. Current Status of Financial Education in the Curriculum
4. Future Plans: Curriculum Strengthening
5. Limitations
6. Other Avenues for Collaboration

Shape and Size of the Sector

The Basic Education sector is responsible for:

- 25 154 schools in 75 districts,
- 437 443 educators,
- 12 819 542 Grade R – 12 learners
- In 9 Provincial Education Departments.

NDP Goals: Education

Improving the quality of education has been articulated in the National Development Plan (NDP), Vision 2030, Our Future – Make it work

“By 2030, South Africans should have access to education and training of the highest quality, leading to significantly improved learning outcomes. The performance of South African learners in international standardised tests should be comparable to the performance of learners from countries with a similar level of development and with similar levels of access”



Aims and objectives

The National Curriculum Statement aims to produce learners that are able to (amongst others):

- Collect, analyse and critically evaluate information
- Identify and solve problems using critical and creative thinking
- Organise and manage themselves and their activities responsibly and effectively

Current Status of CE in the School Curriculum

- Consumer or financial education is covered in the current school curriculum.
- It is covered to varying degrees in different phases and subjects
- However, there is no clear progression of skills and at times there is duplication across subjects
- In the GET Senior Phase (Grade 7 – 9) it is covered in a compulsory subject Economic and Management Sciences (EMS)
- In the FET Phase (Grade 10 – 12) it is found in different choice subjects e.g. Business Studies, Accounting, Economics, Mathematical Literacy, Consumer Studies, Tourism and Life Orientation



Current Status of CE in the School Curriculum

Economics and Management Sciences covers the following topics that are related to consumer education:

- Financial Literacy: Budgets, banking, savings and investments, bookkeeping
- Entrepreneurship: characteristics and skills, needs and wants, starting a business, business plan
- The Economy: purpose of savings, role of banks, services offered by banks, opening a savings account, community savings schemes

Current Status of CE in the School Curriculum

Business Studies covers the following topics that are related to consumer education:

- Business plans
- Legislation: LRA, EEA, BCEA, COIDA, BBBEE, NCA, CPA
- Investments: functions of JSE, types of investment opportunities, types of shares, interest (simple & compound)
- Insurance: compulsory & non-compulsory, insurable & non-insurable risk, principles of insurance, advantages of insurance
- Corporate Social Responsibility & Corporate Social Investment

Current Status of CE in the School Curriculum

Accounting covers the following topics that are related to consumer education:

- Analysis and interpretation of financial information (published financial statements)
- Value added tax
- Salaries and wages: deductions and employers' contribution
- Ethics and Corporate governance (King Code)

Current Status of CE in the School Curriculum

Economics covers the following topics that are related to consumer education:

- Scarcity problem, needs & wants, choice
- Money: technical functions, value of money, monetary system, stabilising the value of money
- Banking; money creation, interest rates, micro lending activities
- Central banking: basic functions of SARB, monetary policy
- Role of government: fiscal policy: taxes, subsidies, welfare
- Inflation
- Foreign exchange markets
- Labour rights: BCEA, LRA & COIDA

Current Status of CE in the School Curriculum

Mathematical Literacy covers the following topics that are related to consumer education:

- financial documents: household bills, shopping documents, bank documents etc.
- Tariff systems: municipal, telephone, bank fees etc.
- Loans and Interest: calculating interest and interest rates (simple & compound), hire purchase, residual, balloon
- Taxation: personal income tax, VAT(inclusive / exclusive)
- Banking, loans, investments, insurance plans
- Inflation: rate of in/decrease, buying power
- Exchange rates: currency relationships, buying power
- Income & Expenditure statement, Budgets

Current Status of CE in the School Curriculum

Consumer Studies covers the following topics that are related to consumer education:

- income & expenditure of families, household budget
- Banking and payment methods
- Credit transactions: advantages & disadvantages
- Technology used for payments
- Consumer protection policies and practices; (NCA, NCR) consumer rights related to credit transactions, interest rates, reckless lending, debt counselling, micro lending, pyramid schemes
- Consumer rights; undesirable product / unsatisfactory service (Consumer Protection Act)
- Contracts: types of contracts, guarantee, warranty etc
- Interest rates, taxation and inflation
- Entrepreneurship

Current Status of CE in the School Curriculum

Tourism covers the following topics that are related to consumer education:

- Foreign exchange: interpret a currency rate sheet, conversion of major currencies into ZAR
- Car rental: conditions when renting a car, additional costs and charges
- Compiling a tour budget
- Forms of payment when travelling abroad

Future Plans: Curriculum Strengthening Process

- The DBE has embarked on a process of strengthening the curriculum
- Curriculum strengthening involves, inter alia :
 - Subject modernisation: reviewing current subject offerings and introducing new subjects in line with the TSM and future needs
 - Content modernisation: reviewing, updating, trimming and strengthening content in existing subjects
 - Deliberate strengthening of social, emotional and cognitive competencies
 - Incorporating selected “cross-cutting priorities” across subjects and grades



Future Plans: Curriculum Strengthening Process

- As part of curriculum strengthening there are plans to infuse financial education in the curriculum of Life Orientation.
- One or two weeks per annum will be allocated in each grade focusing on a particular theme / topic
- For example Grade 4 focus on personal & household budget and importance of saving, Grade 5 = savings and investments, opening a bank account etc.
- This will be over and above the content in EMS (GET) and other optional subjects (FET)
- Intention is to provide Financial Education that will impact their financial decisions and behaviour when they exit the education system into the world of work



Future Plans: Curriculum Strengthening Process

ACHIEVE FINANCIAL GOALS	DEBT MANAGEMENT	BECOME FINANCIALLY EFFICIENT	PREVENTION OF FINANCIAL MISTAKES
FINANCIAL CONFIDENCE	REDUCED FINANCIAL STRESS	WEALTH BUILDING	PROMOTING FINANCIAL INDEPENDENCE
FINANCIAL RESPONSIBILITY	INFORMED FINANCIAL DECISIONS	SAVING AND INVESTING FOR THE FUTURE	FUTURE FINANCIAL PLANNING



Limitations

- The curriculum of many subjects is overloaded with content.
- Notwithstanding the importance of financial education in society, there is however, limited time and there are other competing priorities
- There is a limit to the amount of financial education content that can be accommodated within subjects
- Life Orientation also covers many other important aspects: career guidance, physical education, bullying, teenage pregnancy, inclusivity (racial & gender discrimination), sexuality education etc.

Other Avenues / Collaborations

- Give the above mentioned limitations, there are other avenues that may be explored to drive financial education in schools
- Many institutions are running school competitions to promote Financial Education
- Examples of existing collaboration:
 - Monetary Policy Committee Competition (SARB)
 - JSE Challenge
 - Financial Literacy Speech Competition(FSCA)
 - Allan Gray Entrepreneurship Challenge
 - Many others that are run in PEDs

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Thank you!

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