



FOR PROFESSIONALS

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SA STUDENTS BELIEVE FINANCIAL EDUCATION AT BASIC SCHOOL LEVEL IS NECESSARY – SURVEY

3 December 2014: A survey conducted among South African students has revealed that 90% of the respondents feel they would handle their finances with more confidence if they had been taught about financial planning while at school.

This follows a confidence level of 67% being recorded among respondents when they were asked how confident they are that they have a good understanding of financial matters such as budgeting, savings, retirement and insurance. This was a decline of four percentage points from the inaugural survey.

The second PPS Student Confidence Index (SCI) was conducted with approximately 390 students in their fourth year or above studying at a university or university of technology towards a profession specific degree, such as; engineering, medicine, law or commerce.

According to Gerhard Joubert, Executive Head Group Marketing and Stakeholder Relations at PPS, the results of the survey point to the need for more comprehensive financial literacy to start at a basic school level. “After leaving school, many pupils are not equipped with the necessary tools to manage and understand their finances. This could be one of the major reasons why so many South Africans live in debt, do not budget or save properly and cannot afford to retire comfortably.”

Joubert says a number of institutions have recognised the importance of providing the youth with financial education and as a result run a number of initiatives to address this gap.

However, it is time for the education system to consider adding a specific financial literacy and planning subject to the curriculum, or to ensure that financial education forms a more significant part of another subject at school, so that children have a deeper understanding of financial matters from the start, says Joubert.

It is important for children to learn about financial matters from a young age because they form opinions and habits at these critical ages, explains Joubert. “By providing children with a basic understanding of financial and economic principles and concepts, as they grow they will have a strong foundation and be better prepared to handle their own personal finances in the future.

Pupils who are exposed to an economic way of thinking and to personal financial concepts at age appropriate levels, will find it easier to adapt to real-life situations and as a result will be able to make better financial decisions and be more likely to develop solid saving and spending habits, he says.

“While South African children are taught about money, bank accounts and basic savings skills while at school, they are not really exposed to matters such as insurance, medical aid or investments. It would be hugely beneficial if high school children could leave their primary education years feeling informed about such matters,” concludes Joubert.