



everyone's family

Certificate 1 - Financial Services 2015 Outcomes Report

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1 Introduction

1.1 The Smith Family

The Smith Family is a national, independent children's charity helping disadvantaged young Australians get the most out of their education. The Smith Family helps young people to fully participate in their education so that they can create better futures for themselves and break the cycle of disadvantage, through the provision of:

- Financial support through the *Learning for Life* scholarship;
- A relationship with a *Learning for Life* Program Coordinator; and
- Access to a range of evidence-based programs, such as the Financial Literacy program.

1.2 The challenge

In Australia, public, private and not-for-profit sectors have long-recognised the importance of financial literacy, the need for coordinated support, and challenges in tailoring support to specific groups such as disadvantaged youth. Most broadly, financial literacy relates to an individual's competency for managing money, including knowledge of financial concepts, ability to make financial decisions, and aptitude in managing personal finances¹.

Financial literacy is essential for full participation in modern society, where access to, and complexity of, credit and other financial products are continually expanding. Young people in particular face increasingly complex decisions around:

- Significant financial decisions that they encounter for the first time (e.g. income tax, and superannuation);
- Whether and how to fund tertiary education; and
- Advertising that increasingly target their age group².

1.3 The solution

The Smith Family has identified financial literacy as a core capability required for young people to succeed, and as such incorporated the Certificate 1 – Financial Services as part of its *Learning for Life* suite of programs.

Since 2007, The Smith Family has delivered the Certificate 1 Financial Services program to disadvantaged young people. The program was designed to support young people make informed decisions and manage their finances successfully

1.4 How the program works

The program has been tailored to run in high schools located in *Learning for Life* communities with students in Years 9 to 11. The course was reaccredited at the beginning of 2012 to meet new national training package standards to ensure that participants can:

- Develop and use a personal budget and savings plan; and
- Understand debt and consumer credit products, superannuation, the Australian financial system and markets, and taxation.

The program is delivered by Certificate IV qualified facilitators, typically over five 2-hour sessions made up of six units of competency, containing case studies, activities to apply knowledge, and group discussions. This approach is interactive and aims to empower participants to take charge of their finances. Facilitators help students to identify positive saving and planning principles and to provide age-relevant understanding of credit, superannuation and financial planning concepts using appropriate language and suitable vignettes.

¹ David L. Remund (2010), 'Financial literacy explicated: The case for a clearer definition in an increasingly complex economy', *Journal of Consumer Affairs*, 44(2), pp. 276-95

² Thompson et al. (2013), 'PISA 2012: How Australia measures up', Australian Council for Educational Research, Melbourne



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Upon completion of the course, participants who demonstrate that they meet the required competencies are eligible for a Certificate I in Financial Services.

2 Evaluation methodology

2.1 Overview

The Smith Family applies an Outcomes Based Accountability (OBA) framework to all core programs. As part of The Smith Family's ongoing process of evaluation and continuous improvement, the Financial Literacy program is evaluated every year to assist the ongoing improvement of the program's OBA and evaluation tools.

A range of data collection tools are used to evaluate the program against the evaluation framework, including:

- *Program data*: Captured through course registration, attendance and completion data;
- *Pre-survey*: Completed before participants begin the course via paper-based surveys;
- *Post-survey*: Completed immediately following conclusion of the program via paper-based surveys;
- *3 month post survey*: Completed online, 3 months after the program

2.2 Methodology

Three methodologies have been used to analyse data collected from the tools identified above, including:

1. *Analysis of program data*: Data from all participants in The Smith Family's database was analysed to assess program inputs (e.g. number of participants, Learning for Life participants)
2. *Pre-post paired data analysis*: Pre and post surveys were matched. Unique anonymous codes were included in surveys, allowing results to be matched. This approach decreased the sample size since not all participants complete both surveys; however, it allowed for stronger conclusions to be drawn from the data. In the 2014 evaluation, a total of 350 pre and post surveys were matched
3. *Measurement of long-term impacts*: The Smith Family also matches surveys conducted 10 weeks and six months after the completion of the program, in order to measure medium-term impacts. Because of the relatively smaller numbers, the findings from the 10 week and six month programs have not been matched.

2.3 Response rate

Figures relating to program participation, and the sample size of each survey, are provided below.

Table 1: Total sample, and survey responses, 2015

Total program	Pre survey	Post survey	Matched pre and post	3 month post
974	613 (62.9%)	472 (48.5%)	435 (44.6%)	79 (8.1%)

2.4 Data limitations and comparability

There are some caveats and limitations to this analysis. In particular, it is noted that the matched pre and post surveys only represent 44.6% of the total program sample size. Further, the 3 month post survey represents only 8.1% of all program participants, and is also limited to those students who supplied an email address.

The questions and sample are broadly comparable to the outcome reports of various years. It is noted, however, that in previous years there was also a six month survey for the Financial Literacy program.

2.5 Program Quality Approach

It's also important to understand the role of this outcomes report in reference to changes associated with the Program Quality Approach.



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The Smith Family uses a Program Quality approach to underpin the delivery of programs such as *iTrack*. This approach is based on the theory of Implementation Science, which holds that program quality implementation is crucial to the program being able to bring about the intended positive change for program participants.

As part of this process, The Smith Family is currently defining what aspects of *iTrack* delivery are crucial for the success of the program. These are also known as 'Core Elements'. In order to continually improve the implementation of the program, and therefore its quality, each core element is linked to one or more measurable output, also known as an Implementation Quality Benchmark.

The Implementation Quality Benchmarks are available in Appendix C.

3 How much did we do?

3.1 Demographics

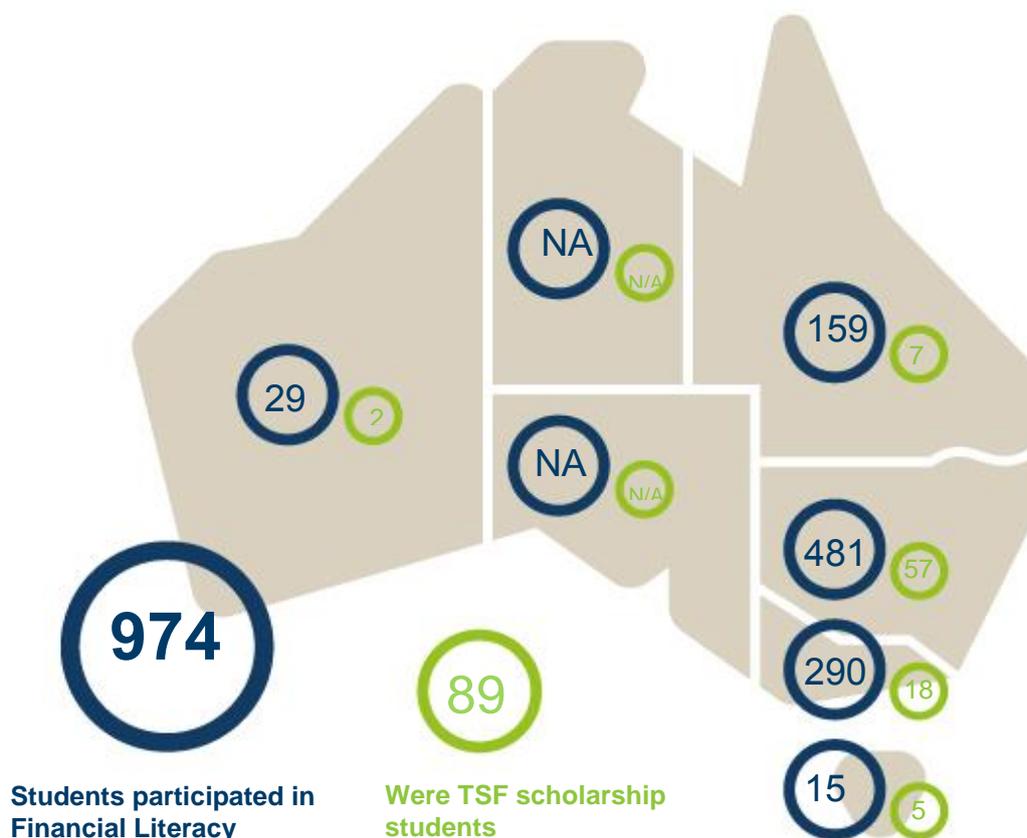
A total of 974 students took part in the Financial Literacy program in 2015. Of these students, 84 (8.6%) failed to complete the program. Reasons for non-completion included non-attendance and student withdrawal of interest in the program. Of the remaining 890 students, the vast majority ($n=789$, 88.6%) achieved a Certificate I in Financial Literacy. The survey did not provide any information as to why the remaining 101 students failed to achieve a Certificate I in Financial Literacy.

Of the 974 students who enrolled in the Financial Literacy program in 2015:

- 537 were female and 435 were male;
- 55 identified as Aboriginal and/or Torres Strait Islander;
- 173 were from a background other than Australia;
- The mean age was 16.0 years
- 89 (9.1%) of students were *Learning for Life* scholarship students

The following provides a regional snapshot of the students who participated in the Financial Literacy program in 2015.

Figure 1: Geographical distribution of Financial Literacy participants, 2015



4 How well did we do it?

4.1 Achievement of a certificate

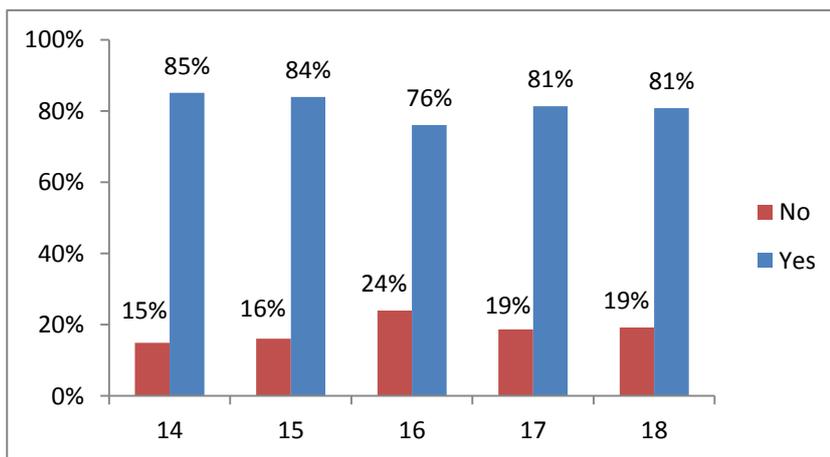
In 2015, of the 974 students enrolled on the Certificate I Financial Services course, 789 (81%) achieved the Certificate I qualification. This is consistent with the 2014 outcomes, where 83% of participants ($n=679$) achieved the qualification.

Subsequent analysis was carried out to determine whether or not differences in participant demographics had an impact this outcome. This analysis showed that there was little difference in terms of outcomes by gender: 82% of female participants and 80% of males achieved the qualification. The same is true in the comparison between *Learning for Life* scholarship students (78%) and non- *Learning for Life* scholarship students (81%).

There was, however, a slightly wider variance between Aboriginal and Torres Strait Islander students (73%) and non-Aboriginal and Torres Strait Islander students (81%).

The analysis carried out below examines how outcomes corresponded to participant age. This graph shows a fairly consistent distribution of outcomes across the participant age range, suggesting the program is equally applicable and relevant to students across the target age range.

Figure 2: 2015 Certificate I Financial Services participants, certificates achieved, by age, percentage ($n=960$)



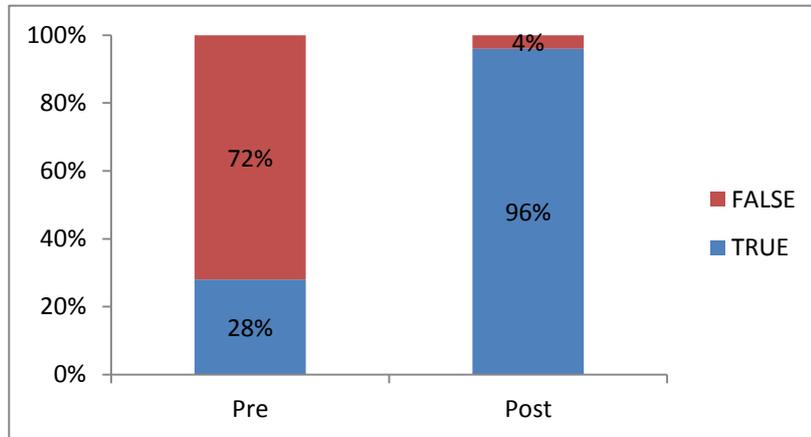
4.2 Knowledge

Having a good understanding of the types of financial products that are available is important in ensuring individuals make informed and effective decisions about their finances. The growing sophistication of financial products means that, particularly when making large purchases, consumers are potentially making decisions that will have a major impact on their future finances and quality of life. In recognition of this, the Financial Literacy course includes content which is designed to increase knowledge about financial products and services.

Perhaps the strongest indication of participants' growth in financial knowledge is the high achievement rates of the Certificate I in Financial Literacy. In total, 789 students received a certificate in 2015, representing 88.7% of students who were eligible for this certification (that is, they completed the course).

The pre and post surveys also included questions to measure changes in financial knowledge. Analysis revealed particularly strong results in relation to young people's knowledge about superannuation. For instance, there was a huge jump in the numbers of young people who agreed that they knew what superannuation is between the pre and post surveys – from 28% to 96%.

Figure 3: I understand what superannuation is, pre and post surveys, matched (n=435)



Similarly strong findings were reported in relation to understanding how superannuation works. Whereas prior to the program, a little over 1 in 4 (27.6%, n=120) of students understood how superannuation works, post-program the number had jumped to 416 (95%) – an increase of 68%.

After completing the program...	Pre survey	Post survey
I am knowledgeable about debt	60%	96%
I am knowledgeable about consumer credit	16%	81%
I am knowledgeable about superannuation	30%	92%
I know where to get help with financial decisions	40%	93%
I know about what rights I have when making financial decisions/transactions	20%	82%
I know what questions to ask myself	29%	89%

The positive changes in financial knowledge are also reflected in student's comments about the course, recorded in the post survey.

Was a great course and I learned a lot, thank you 😊

I learned a lot by knowing what my rights are and superannuation...thank you 😊

It was a great course that I enjoyed as I learnt many things that school itself would not have been able to teach me.

Results from the post three month surveys also show positive impacts around knowledge retention. Three months after completion of the course, strong findings were reported across all knowledge-based questions, particularly in relation to knowledge about debt and where to get help with financial decisions

After completing the program...	3 month survey
I am knowledgeable about debt	98%
I am knowledgeable about consumer credit	79%

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I am knowledgeable about superannuation	79%
I know where to get help with financial decisions	92%
I know about what rights I have when making financial decisions/transactions	86%

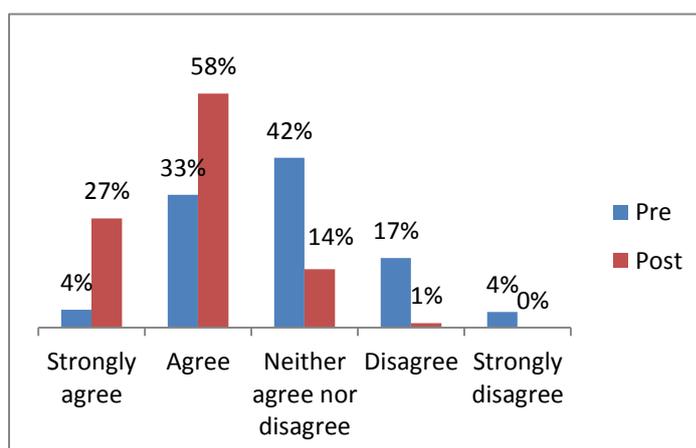
4.3 Attitudinal change

The Certificate I Financial services course aims at improving knowledge in regards to personal financial management, as well as through exposure to broader financial issues and concepts. As such, a key outcome of the course is increasing participants' confidence making financial decisions and managing their personal finances.

Whilst, in the pre survey, some 64% of respondents reported that they were 'sure' that they could manage their finances' as they went through life, by the post survey this had risen to 94%.

Similarly, students indicated that they were considerably more confident making financial decisions, after completing the Financial Literacy program.

Figure 4: Percentage of respondents indicating that they were more confident making financial decisions, pre and post surveys matched (n=361)



Long-term impacts of the program on confidence and attitudes were also strong. Three months after completing the program, 91% of respondents reported that they felt confident making financial decisions while 87% responded that they have the ability to deal with or manage financial problems.

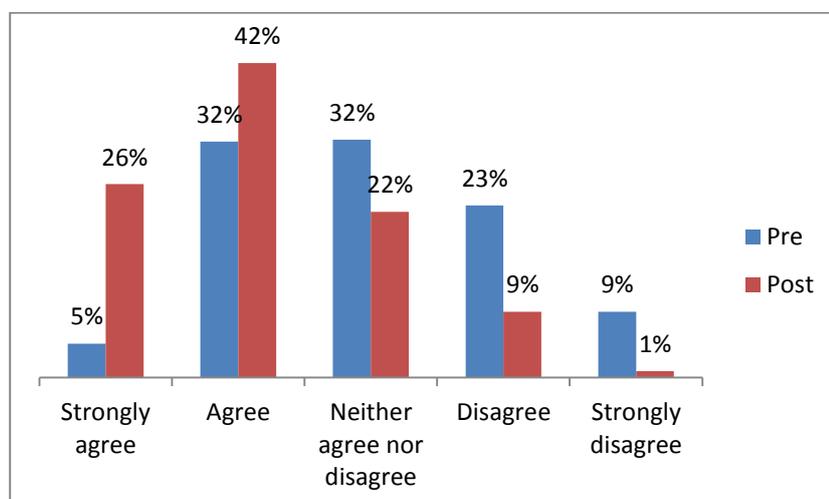
After completing the program...	3 month survey
I am confident making financial decisions	91%
I am equipped to deal with unexpected expenses	78%
I have the ability to deal with or manage financial problems	87%

4.4 Behaviours

Finally, we measured behavioural changes, which were thought to be indicative of better financial literacy for young people. For example, as shown in the Figure below, whilst before the program only 37% of students used a savings plan often, at the end of the program 68% of students did.

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Figure 5: Proportion of young people agreeing with the statement 'I use a savings plan often', pre and post surveys (n=351)



Similarly positive results were observed in relation to behaviours around using a budget often, and shopping around when buying products.

After completing the program...	Pre survey	Post survey
I use a budget often	36%	65%
I shop around when buying products	56%	79%

Analysis of the 3 month surveys also showed positive impacts regarding behavioural changes. There were notable increases in the numbers of students who shopped around more often when buying financial products or services, and those who used a budget plan. However, the other indicators revealed more modest impacts on increasing the value of savings and assets, using a savings plan more often, and improved control over finances.

After completing the program, compared to before the program...	3 month survey
I shop around more often when buying products or services	87%
I use a budget plan often	74%
I use a savings plan often	79%

In addition to the quantitative analysis provided here, 72 students provided qualitative feedback as part of the post 3 month survey. The participants were asked whether they had made any financial changes as a result of taking this course (e.g. saving more, being more financially confident, using their financial knowledge). Some consistent themes amongst the respondents included; improved saving and spending habits and increased confidence and financial planning. Examples of the student feedback are provided below.

I have begun to use my debit card to store money rather than keep it in cash; I find it easier to save that way as I am less tempted to spend it.

I have made financial changes as a result of taking this course as I am more financially confident and I am saving more often to reach my goals and to ensure I have the ability to plan for my future financially.

Opened a second bank account and deposit \$150 each pay into this account and it is continuing to look better and better each time.

I now save more and budget often. I only spend when I need to and don't spend money unnecessarily

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5 Conclusion and recommendations

Similar to previous years, the 2015 Financial Literacy outcome report has shown the positive impact of the program on the financial behaviours, attitudes, and knowledge of young people. Matched analysis of the pre and post surveys in 2014 revealed several positive impacts on knowledge, confidence and behaviour as a result of participation in the program, including:

- 81% of enrolled students achieving a Certificate I in Financial Literacy
- 91% reporting that they were confident making financial decisions after completing the program
- 79% making use of a savings plan often after completion of the program

These are strong findings for the program, indicative of a real impact on the financial literacy of the young people who participated. The inclusion of data from three month survey clearly shows that participants are retaining long-term benefits in knowledge, confidence and behaviour as a result of the Financial Literacy program, ultimately normalising these important impacts of the program.

A Financial Literacy evaluation framework

Evaluation criteria	Program Data	Compare Pre and Post Surveys	3 month survey
Effort (Inputs): How well did we implement the program?			
<ul style="list-style-type: none"> % of funded participant places filled 	X		
<ul style="list-style-type: none"> Key demographic information 	X		
Effect (Outputs): Are participants better off?			
Knowledge:			
<ul style="list-style-type: none"> Short-term change: Attainment of the Certificate I 	X		
<ul style="list-style-type: none"> Medium-term change: Participant's assessment of changes in knowledge before the program and after three months 		X	X
Attitudes/Confidence:			
<ul style="list-style-type: none"> Short-term change: Participant's attitudes and confidence before and after the program 		X	
<ul style="list-style-type: none"> Medium-term change: Participant's assessment of attitude changes before the program and after three months 			X
Behaviours:			
<ul style="list-style-type: none"> Short-term change: Participant's behaviours before and after the program 		X	
<ul style="list-style-type: none"> Medium-term change: Participant's assessment of behaviour changes before the program and after three months 			X

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B Key program outcomes – 2013-15

	2015	2014	2013
Demographics			
Percentage of male students	45%	44%	54%
Percentage of Learning for Life scholarship recipients	9.1%	8.5%	11%
Percentage of students identifying as Aboriginal or Torres Strait Islander	6%	7%	7%
Short-term outcomes			
Eligible percentage who achieved Certificate I in Financial Services ³	89%	92%	87%
Percentage who understand how superannuation works	92%	85%	86%
Percentage who are sure they can manage their finances as they go through life	94%	93%	83%
Percentage of students who will try to save on a regular basis	68%	56%	55%
Medium-term outcomes			
Percentage more confident making financial decisions	91%	87%	88%
Percentage who use a budget plan more often	74%	70%	76%
Percentage who use a savings plan more often	79%	72%	82%
Percentage who have improved control over their finances	87%	90%	88%
Percentage who know more about their rights	86%	90%	86%
Percentage who know more about where to get help with financial decisions	92%	93%	86%

³ This figure is a percentage of all students who *completed* the Financial Literacy program, not all participants who *started* the program

C Program quality benchmarks

Implementation Quality Benchmark	Result	Progress against benchmark	Data source
No less than 90% of Cert I Financial Services participants are aged 15 or over	NA	NA	CONNECT
100% of Cert I Financial Services facilitators have Cert IV qualification relevant as per position description	100%	Met benchmark	CONNECT
100% of facilitators have completed The Smith Family's Cert I Financial Services training	100%	Met benchmark	CONNECT
90% of Cert I Financial Services facilitators report they received appropriate training, resources and support at critical points in program facilitation	(Waiting on Marie)		Facilitator Survey
No less than 10 hours are scheduled to deliver the core units of the Cert I Financial Services course	100% (to confirm with Marie)	Met benchmark	CONNECT
80% of participants report positively towards the facilitator's delivery of the Cert I Financial Services program	91%	Exceeds benchmark	Student post program survey
Cert I Financial Services Resources and course content verified to ensure it meets national curriculum standards	NA	NA	NA