



Empowering young people to make positive financial choices

New Zealand 2020

IMPACT AND OUTCOMES

SMART\$ is a Theatre-in-Education (TiE) interactive performance designed to provoke thinking and conversation around every day financial decisions and opportunities impacting young people.

Created specifically for New Zealand rangatahi and the financial challenges they face, SMART\$ is delivered to year ten students in a school setting.

The interactive 50 minute performance follows the decisions and behaviour of characters focusing on traditional needs versus wants and opportunity costs covering; saving vs deferred payment schemes, credit cards and KiwiSaver.

The SMART\$ trial was launched in July 2020 and delivered nationwide with a tour operating from July to October (delayed due to lockdown), reaching over 4,000 students.

OUR REACH

4,025 students

from Auckland to Otago



WHY FINANCIAL EDUCATION IS CRUCIAL

New Zealand's financial environment is challenging for young people growing up today. Financial education is patchy in schools despite widespread recognition of its importance.

Life Education's interest is teaching life skills. The poverty trap and intergenerational impact of poor financial skills is real. Without 'skills and knowledge to apply to real life situations involving financial decisions'¹; strategies to lift household income will have limited impact.

Ongoing life challenges from poverty include addictions, mental health challenges, family violence, long-term unemployment, and ill-health/disability. People in financial difficulties are often under considerable stress. The accumulation of hardship-associated problems may result in family breakdown. Some families do not seek help for financial problems because of the stigma (Families Commission, 2012).

1. Financial Capability of Secondary Students and the place of financial capability in schools – NZCER 2015

THE PROBLEM

The Commission For Financial Capability (CFFC) contracted the New Zealand Council for Educational Research to assess financial capability in secondary schools.

Teachers believe that students' money management skills are low. Importantly though, 82% of secondary students want to learn more about how to manage their money, and see the value of obtaining advice on money issues.

And, while school leaders see the importance of teaching financial skills across the curriculum, just five percent strongly agreed that their school has a strong emphasis on it.

By teaching students about money and making financial decisions we can prepare students to contribute to our society and our economy in a meaningful way.

SMART\$ supports a teaching plan, rather than learning in isolation. It supports teachers by introducing key concepts and providing a platform to continue the learning in class, including teacher resources ensuring the learning extends.



Life Education partner with Banquer to support teachers – bringing every day decisions to life.

Banquer High provides an online simulation of real life financial concepts, giving students the opportunity to manage a budget, explore career paths, go flatting and dabble with investing. Through the simulation learnings from SMART\$ can be put into practice.

DIFFERENT LEARNING STYLES

SMART\$ uses powerful interactive live theatre to follow the decisions of young people and how financial decisions can affect their lives, consistent with the competency and values of The New Zealand Curriculum.

Theatre in Education (TiE) delivers key messages utilising well-known education and psychological theory – Social Cognitive Theory (SCT). SCT contends that in addition to direct experiential learning, people learn vicariously by observing models of behavior. And, it's a tool that can aid a 'whole of school approach' enabling the conversations that flow to transcend all subject areas.



SMART\$ SURVEY SUMMARY OF FINDINGS

INTRODUCTION

This summary highlights the key findings from the 2020 SMART\$ surveys conducted both pre and post programme delivery by students, and also post delivery by teachers. Surveys were conducted online during the tour period of July to October 2020.

SURVEY PARTICIPANTS

The 2020 SMART\$ tour visited 25 schools across the country from Auckland to Otago performing to 4,025 year 10 students.

Students involved were aged 12 – 16 years old, with 97% falling into the 14 - 15 year old age group.

STUDENTS' CURRENT FINANCIAL POSITION

- 75% of students have a bank account
- 18% of students have a part time job
- 57% of students receive regular 'pocket money'
- 78% of students have purchased something online before, and of this group:
 - 28% used money from their bank account to make the transaction
 - 33% used someone else's credit card when purchasing online
 - 16% borrowed money from a friend or adult
 - 23% used a different method from those above

PERCEIVED VALUE OF SMART\$


83 PERCENT
of teachers strongly agreed or agreed that they would like SMART\$ to visit their school again next year.

After seeing SMART\$
66 PERCENT
of students felt they understood more about interest on things like credit cards.



- 100% of teachers strongly agree or agree that it is important that programmes like SMART\$ exist and visit schools.
- 84% of teachers thought the key learning points in the SMART\$ performance provided them with a springboard for further discussion.

KNOWLEDGE ABOUT SAVING, BORROWING AND DEFERRED PAYMENTS

After participating in SMART\$, 83% of students said if they saw something online that they really wanted to buy, they would wait and save for it, compared to 67% before participating. Only 2% of students would use a deferred payment scheme in the same situation, versus 6% before seeing SMART\$.

Students showed an understanding of deferred payments after seeing SMART\$, with 88% choosing to wait to save up for an item valued at \$100, versus paying \$120 in small payments. This is an 8% increase from before participation.



ENROLLING IN KIWI SAVER

After participating in SMART\$ 80% of students said if they started a new job they would enrol in Kiwisaver, or that they already had enrolled. This increased by 28%, from 52% prior to participation.

ONLINE PURCHASES

41% of students were more aware to check the currency of items when buying something online after participating, while 59% said they had always checked the currency.

BUYING A FIRST HOME

After leaving school and entering the workforce 10% of students thought they would be able to buy their first home between the ages of 18-20 years of age, 47% thought between ages 20-25 and 31% thought between ages 25-30. Just 3% thought they wouldn't buy a home in the future.

LEARNING AT HOME

Significantly 34% of students said their parents or caregivers didn't share household budgeting with them, such as the cost of power, food, rent or mortgage payments. 43% felt that these topics were discussed but they didn't know a lot. Just a quarter thought they knew 'quite a bit about what things cost'.

STUDENTS KEY LEARNINGS

The common themes in response to the most important learning taken from SMART\$ were:

- It's better to save than borrow or make deferred payments for the things that you want
- The benefits of having KiwiSaver
- How interest works on credit cards and Pay Later schemes



Response examples:

- "How using pay later isn't always a smart decision - it can be easy to miss payments. Pay later/credit cards should only be used for emergencies."
- "I learnt more about kiwiSaver, I didn't know it was that beneficial."
- "That pay later costs more in the long run."
- "I learnt to save money for the future."
- "That if you don't pay your dept before the deadline they add on more to the cost."



TEACHERS' FEEDBACK

- 79% strongly agreed or agreed that the SMART\$ performance explored issues which are relevant to this age group.
- 84% strongly agreed or agreed that key learning points around the use of credit cards were clearly presented.
- 68% strongly agreed or agreed that key learning points around Kiwisaver were clearly presented.
- 84% strongly agreed or agreed that key learning points surrounding deferred payment systems were clearly presented.
- 89% strongly agreed or agreed that key learning points around saving money were clearly presented.
- 89% strongly agreed or agreed that the SMART\$ performance was well produced and presented.

Teachers reported that students gained new learnings about (response examples):

- "Interest, credit card fees, importance of saving."
- "More awareness of making smart decisions with their use of money."
- "I think students learnt that they need to plan before they spend money and not to spend money they don't have."
- "The idea of accruing interest on credit cards, other long term financial disadvantages to things that seem like a good idea at the time."
- "KIWISAVER! Huge learning curve for them."
- "I think this is important to level the playing field in debt understanding at our lower decile schools as few students willingly choose accounting economics and business studies because they find it overwhelming and distant and boring so they need these sorts of interactions."



CONCLUSION

Consistent with the NZ Curriculum objectives SMART\$ aims to increase young peoples life skills and knowledge. In turn supporting them to become more responsible, confident and independent managers of money helping them to live, learn, work, and contribute as active members of their communities.

SMART\$ aims to build financial capability by creating authentic learning experiences to explore.

75% of students have their own bank account and 78% have made online purchases. They are taxpayers so are already actively emersed in making day to day financial decisions.

In this trial in 2020, SMART\$ survey results show students increased understanding of the key learning objectives:

- Understanding the importance of making positive choices - how decisions made now can make an impact in later life.
- Understanding the importance of saving for the future.
- Knowledge of how KiwiSaver works and the benefits of involvement.
- Able to recognise the opportunity costs involved with using credit cards and deferred payment schemes.
- Raised awareness about the importance of budgeting and money management.

Teachers valued the concepts of SMART\$ with 100% strongly agreeing or agreeing that it is important that programmes like this visit schools. 89% strongly agreed or agreed that key learning points around saving money were clearly presented.

Throughout teachers' feedback it was evident that students' financial literacy knowledge was varied, with existing knowledge levels differing greatly from student to student, and school to school.

Students' knowledge about KiwiSaver increased after seeing SMART\$, with 80% of students keen to enrol if starting a new job - showing an interest in saving for the future.

Students' understanding about deferred payments increased, with 88% choosing to wait to save up for an item, rather than paying in small payments at a higher value. Students show greater understanding of the value in saving for something versus paying by credit or deferred payment schemes.

After this trial in 2020, with the feedback gathered there are sound learnings for Life Education to make improvements. Teachers' feedback identified that the storyline of the script was complex and could be simplified. There is value in expanding the real life scenarios presented and strengthening the process to explore these through more interaction within SMART\$.