

# Boosting Social Inclusion

through  
**TARGETED  
ACTION**



**POLICY BRIEF**



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# Introduction

Establishing financial skills early in life can lay the groundwork for future financial stability. Formal and informal institutions play a crucial role in imparting financial knowledge, and those involved in financial education and policy must make informed decisions on its implementation. Well-founded research can serve as a valuable reference point for these decisions. In the post Covid-19 era, both developed and developing countries have become concerned about financial literacy amongst their citizens - particularly among young people who in the meantime, have become direct consumers of financial services.

Financial education as relatively young field is still undergoing development, and there are many diverse methods of providing access to it. Researchers are working to identify the most effective educational approaches, as well as understand which methods work best in different contexts. This diversity allows for experimentation and learning from different practices.

This policy brief features a summary of the Erasmus+ funded project, which implemented an innovative financial education program in three different countries (Serbia, Slovakia and The Netherlands). It shows a cause-and-effect explanation supported by a well-designed before-and-after study.

All of the recommendations have been designed to take into account the needs of children, young people and their families, as well as the diversity of minorities and the needs of disadvantaged and vulnerable populations (both children and adults).

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## How to use this policy brief?

This brief aims to assist education policymakers, program leaders, financial educators, and academic researchers in making informed decisions regarding policy, programs, and resources related to formal and non-formal financial education. The core aim of this policy brief is to inspire evidence-based decision-making, directly drawing on the evidence generated through the above-mentioned project.

In **section 2** we shall briefly introduce the Erasmus+ funded project.

In **section 3** we shall discuss the evidence generated and the project results. The reader can refer to tables and graphs for for a quick overview.

In **section 4** we shall provide general recommendations for the European Union, as well as specific context-based recommendations for the Netherlands, Serbia and Slovakia.

# The Erasmus+ Project






## Need for the project

The project is focused on developing the competences of primary and secondary school children, with a particular focus on social and civic competences by implementing an innovative program of integrated social and financial education based on the "Aflatoun" programme in the 3 participating countries (Slovakia, Serbia, and The Netherlands).

## Project objective

The general objective of this project is to empower children and their parents through civic and social competence development to become agents of change for themselves and for their communities.

## Project activities

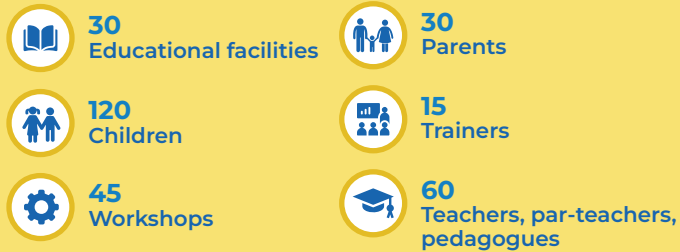
-  **STEP 1**  
Train the trainer
-  **STEP 2**  
Train other teachers / professionals
-  **STEP 3**  
Carry out workshops in schools / facilities with children, young people and parents
-  **STEP 4**  
National roundtables on social and financial education in 3 participating countries
-  **STEP 5**  
Final conference

## What did participants learn during training?

- 5 core elements / pedagogical themes of the "Aflatoun" program, focusing on the method, content and communication with children and parents, with a particular focus on those from socially disadvantaged communities (minority groups and migrant communities)
- How to use these elements in social and financial education in formal and non-formal settings
- Special emphasis was put on the post-Covid-19 context: how to ensure the wellbeing of children and parents and how to adjust the teaching of financial education to a potentially changed financial situation

## Reach of the project

### Direct



### Indirect



## Intellectual outputs

- 1** 4 Training manuals on **Social and Financial Education** on how to conduct Trainings of Trainers (English, Dutch, Slovak, Serbian)
- 2** 4 Training manuals for **Social and Financial Education** on the training of teachers, teaching professionals and paraprofessionals (English, Dutch, Slovak, Serbian). The manuals are linguistically, culturally and developmentally adjusted for the specific children and parents (including those with Roma and migrant backgrounds).
- 3** Policy recommendations for international and national stakeholders (in 4 languages - English, Dutch, Slovak, Serbian).

## Evidence & Project Results

This section discusses the available evidence. Important key messages that are discussed in the brief are the following:

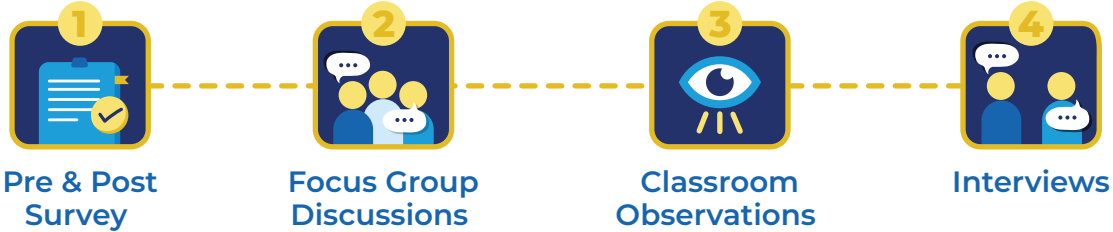
The importance of social financial education for children and parents

SFE can take place in both formal and informal settings

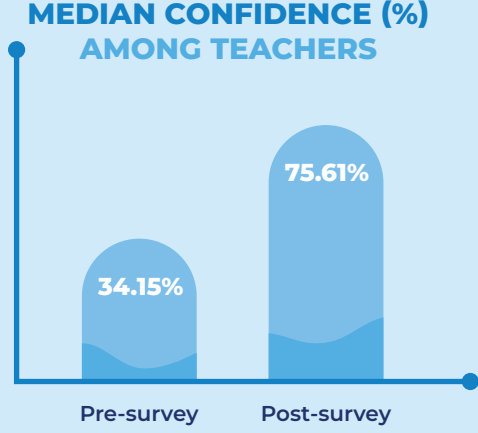
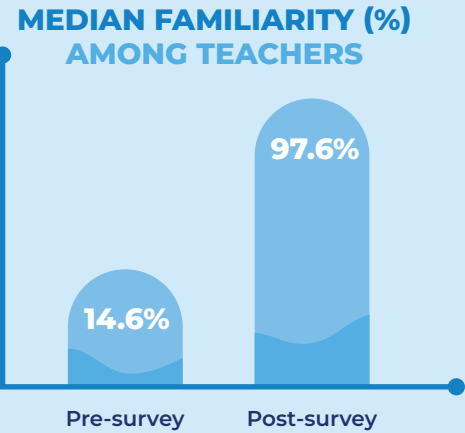
SFE is crucial in all communities

Challenges of this type of education / what can be addressed by SFE

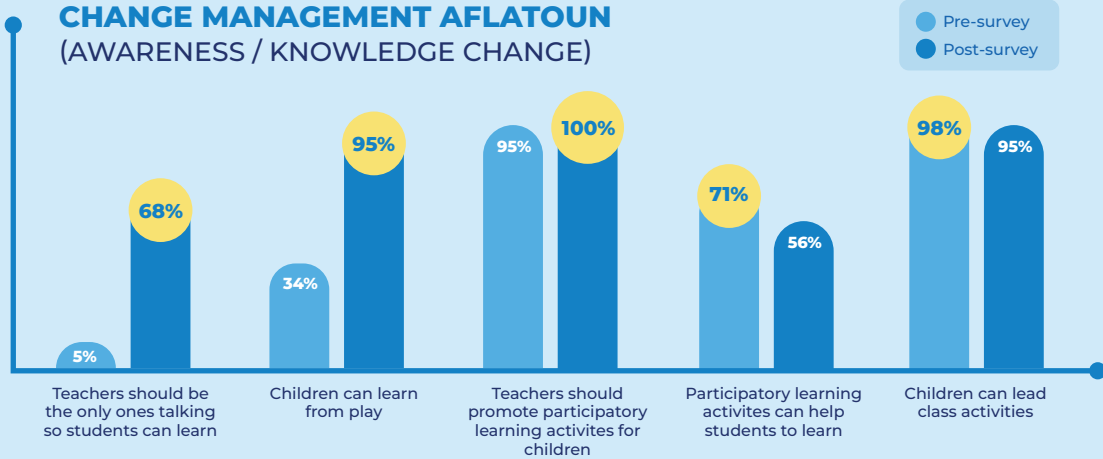
# Monitoring & Evaluation Methodology



**Teachers & Active Learning Methods - Slovakia**  
 Familiarity and Confidence (%) among teachers has improved consistently across all platforms with a clear statistically proven difference. (\*Pair-wise t-test done for statistical proof)



## Teachers - Awareness & Knowledge of SFE

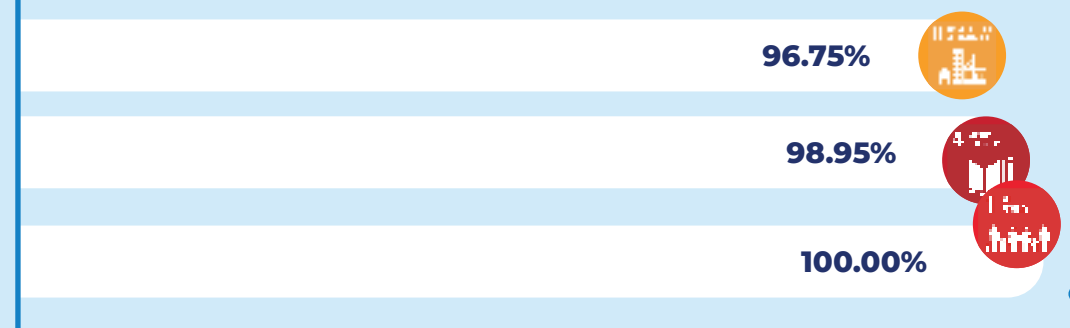


Aflatoun driven content / workshops ignite attitude change in participants. In the first two attitude-based statements measured we see a substantial Pre-to-Post survey change.



## Erasmus+ Impact on Sustainable Development Goals (SDGs)

### ERASMUS REFLECTION ON SDGS



## Erasmus+ Project and its relevance to National Curricula (The Netherlands)



Despite being one of Europe's economically prosperous nations, the Netherlands still grapples with low levels of financial literacy. Approximately 20% of Dutch households have no savings, and one in three lacks emergency funds for unexpected expenses. These financial challenges are even more pronounced among young people, with 19% of Dutch youth lacking basic financial knowledge for self-sufficiency. Alarmingly, there is a significant disparity in financial knowledge among students from different social backgrounds, particularly those from disadvantaged or immigrant families. Furthermore, young people in the Netherlands are considered financially independent at 18, yet they often enter adulthood ill-prepared to navigate the country's complex financial landscape, which can lead to debt and financial difficulties in their early twenties.

Financial struggles are however not just a problem in the less wealthy parts of the Netherlands; they affect big cities too. For example, 24% of people living in Amsterdam have debts, and 11.2% of households in the city struggle with money problems. Among young people under 25 in Amsterdam, 20% are dealing with financial issues and debt. It is also important to note that the number of young people facing these problems has doubled from 2015 to 2020.

In the Netherlands, financial education isn't currently a required part of regular school lessons. That is why Aflatoun International, through their program "Money Makes Happy", is working to teach Dutch kids and teenagers about money matters. Aflatoun teams up with schools, clubs, youth groups, towns, and businesses to help young people learn how to manage their money wisely. Aflatoun's lessons can be a part of subjects like economics and social studies or

given separately. These lessons can be adjusted to fit different kinds of schools.

The Erasmus+ project is helping Aflatoun reach even younger kids (6-14 years old), therefore enabling an even earlier start to learning important life and financial skills.

The impact of the Aflatoun programme in the Netherlands, albeit small in scale, has already been recognised by multiple educational organizations. In 2021, Aflatoun has been chosen by the VO-raad, PO-raad, School & Safety Foundation and Academische Werkplaats Sociale Kwaliteit van Onderwijs as one of the best practices for good citizenship education. In addition, Aflatoun has also been named as one of the key solutions against inequality in the publication *Omggaan met armoede op scholen*.

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## Erasmus+ Project and its relevance to National Curricula (Slovakia)



Slovak schools are guided in financial literacy education by the National Financial Literacy Standard, which describes the minimum requirements for financial, economic and legal education of students. However, majority of schools do not innovating their curricula or use services and expertise of other institutions to teach financial literacy.

In PISA 2018 Slovakia, scored in financial literacy below the average of participating OECD countries. Surveys have shown that the level of knowledge of the Slovak population in this area is one of the lowest in the EU and 34.7% of students are unable to solve problems related to finance. According to the National Bank of Slovakia, the Slovak Republic belongs to the group of countries where students from weaker socio-economic backgrounds achieve significantly worse results in financial literacy skills. The low financial literacy of young people represents a huge problem, especially as in a few years they will be adults who will start to make their first financial decisions that can have a major impact on their lives.

The Ministry of Education of the Slovak Republic recommends that financial literacy should be taught from kindergarten onwards. In a binding document to guiding education and training - the Guide to the School Year - recommends to implement Aflatoun programme to teach children financial literacy This programme links financial literacy with social literacy and sustainability – all of there topics are important for everyone, but especially for people from socially disadvantaged backgrounds of marginalised Roma communities.

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# Erasmus+ Project and its relevance to National Curricula (Serbia)



Although in Serbia, as in the majority of countries, financial literacy is not a separate school subject, its role in ensuring the financial well-being of an individual is increasingly recognized. Children grow up in an increasingly complex financial world, and it is important that we all should support them - from parents, through teachers and educational institutions to financial institutions. When they successfully master the basic principles of saving and budgeting, it will be easier for them later to make decisions within the financial world and financial products, which is constantly becoming more complicated with the arrival of new technologies.

In PISA 2018, Serbia scored in financial literacy (444 PISA score) as one of the lowest among the countries/economies participating in the PISA financial literacy assessment. Lack of financial literacy in young adults has lasting effect. Therefore, we should empowered them with the knowledge and skills required to make responsible financial decisions. Only financially educated individuals will build the financial stability necessary for a successful future.

While there is no national strategy in place, financial education is an inter-disciplinary subject at schools, integrated into other subjects. There have been successful action in the country demonstrated through several initiatives, and represents a significant step toward promoting financial education in Serbia given the systematic approach. Nonetheless, there is room for improvement in Serbia as financial literacy is not a discipline yet, and secondary schools do not partake in financial education. Youth asides, financial education of other categories of persons is equally important.

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## Excerpts from the roundtable

### Slovakia

#### 1 What areas of a person's life are affected by a lack of social and financial literacy? Does it affect social inclusion?



Insufficient social and financial literacy has a profound impact on individuals across multiple facets of life. Financial stability, a cornerstone of personal well-being, is jeopardized when individuals struggle with managing their finances, leading to debt accumulation and financial stress. Employment prospects are also affected, as low financial literacy can hinder an individual's understanding of job contracts,

benefits, and retirement plans. This, in turn, influences their employability and long-term financial security. Housing decisions become challenging, with difficulties in comprehending mortgages, rental agreements, and property ownership potentially resulting in housing instability or inadequate living conditions. Moreover, accessing education becomes problematic, with financial literacy playing a pivotal role in funding educational pursuits, managing student loans, and making informed choices about educational investments. Inadequate financial literacy can also lead to healthcare-related complications, as individuals may make suboptimal healthcare coverage decisions, limiting their access to quality healthcare and exposing them to unexpected medical costs. Furthermore, retirement planning is adversely affected, with insufficient knowledge hindering effective retirement savings, investment, and pension management.

Beyond the individual level, the consequences of limited social and financial literacy reverberate through society. Social inclusion - a fundamental aspect of community well-being - is threatened, as individuals lacking financial literacy may also struggle with understanding social norms, networking, and engaging in community activities. This creates a cycle of isolation, obstructing their participation in social and economic opportunities. To mitigate these far-reaching challenges, it is imperative that policymakers recognize the critical role of social and financial literacy. Implementing comprehensive educational programs and support systems is crucial to empower individuals with the knowledge and skills required for informed decision-making in various aspects of life.



Addressing these literacy deficits is not only a matter of personal well-being, but also a societal imperative for fostering financial stability, employment opportunities, housing security, educational access, healthcare equity, and social inclusion. By prioritizing social and financial literacy, policymakers can chart a path toward a more financially secure, inclusive, and prosperous society for all its members.

## **2 What links do you see between social literacy, financial literacy and the right to participation?**

Social literacy and financial literacy are closely intertwined with the right to participation in several critical ways. Firstly, these literacies empower individuals with the knowledge and skills to make informed decisions, whether in social interactions or financial matters. Informed decision-making is the bedrock of active participation, enabling individuals to engage effectively in their communities and manage their financial resources wisely.

Secondly, both literacies play a pivotal role in ensuring equitable access to resources. Socially literate individuals are more likely to access support networks and community services, enhancing their quality of life and promoting social inclusion. Financial literacy, on the other hand, facilitates access to and management of financial resources, reducing economic disparities and ensuring that financial participation is not hindered by a lack of knowledge.

Lastly, these literacies contribute significantly to reducing vulnerability. Social literacy helps individuals build strong social networks and resilience, while financial literacy equips them to manage financial risks and avoid exploitative practices. This combination of literacies enhances individuals' ability to participate actively in all aspects of life, from community engagement to economic activities, ultimately safeguarding and promoting the right to participation.

### **3 What links do you see between social literacy, financial literacy and decent housing?**



#### **Thoughts from teachers and stakeholders**

Social literacy and financial literacy are intrinsically linked to the attainment of decent housing. Firstly, social literacy enables individuals to navigate complex housing systems and engage effectively with relevant institutions and organizations. It empowers them to advocate for their housing rights, participate in community decision-making processes, and access social support networks that can help secure suitable housing arrangements.

Secondly, financial literacy plays a critical role in achieving and maintaining decent housing. It equips individuals with the skills to manage their finances efficiently, save for housing-related expenses, and make informed choices about housing options. Financial literacy also enhances their ability to secure mortgage loans or rental agreements with favorable terms, reducing the risk of homelessness or inadequate housing.

Lastly, the combination of social and financial literacy contributes to housing stability. Socially and financially literate individuals are more likely to maintain stable employment, access housing-related benefits and subsidies, and avoid eviction or foreclosure. This stability, in turn, fosters a sense of security and well-being, aligning with the principles of decent housing and promoting housing as a fundamental human right.

In conclusion, fostering social and financial literacy is essential for ensuring that individuals have the knowledge and skills needed to secure and maintain decent housing. These literacies empower individuals to engage actively in housing-related decision-making, access suitable housing options, and maintain housing stability, ultimately contributing to the realization of the right to decent housing.

## 4 What links do you see between social literacy, financial literacy and health?

After the discussion, we agreed that the area of social literacy also includes the correct processing of emotions, functioning in healthy relationships, etc. (it has a huge impact on mental health, human psychosomatics, the emergence of civilizational diseases, etc.). Its proper development affects health and financial literacy. The link between health, social and financial literacy is therefore not only seen as a health handicap in which a person suddenly finds himself or herself and 'suddenly' begins to seek social or financial help in society. It is a stronger link - these areas also apply to individuals without health problems or disadvantages who are able to earn an adequate and decent living, because without proper social literacy (which includes working with emotions, etc.) the individual is not able to be fully healthy and financially literate (it is only a matter of time before psychosomatic health problems can be triggered).

### Serbia

The national roundtable in Belgrade united different stakeholders - charity organisations' representatives, educators, teachers, pedagogical assistants and other professionals to discuss the topic of scaling vital social and financial education for children and young people.



### Main recommendations

- Social and financial education should start as early as possible, ideally from the beginning of formal schooling, and carry on until the end of the students' time at school.
- Most of the roundtable participants agreed that financial education that includes opportunities for child participation in the learning process, discovery, and exploration can have a strong, positive impact on social and financial literacy. They shared that this program provides an opportunity for the active engagement of children, which can compensate for a lack of opportunities in other areas, thus helping address disparities in financial literacy that exacerbate socio-economic inequalities.
- Teachers / pedagogical assistants / other educational staff should be equipped with adequate training and resources, as well as made aware of the importance of combined social and financial education and active learning methods. They should be constantly supported and re-trained in order to be able to transfer their knowledge of teaching social and financial education through these innovative methodologies.

- It is recommended the teachers' social and financial lessons are recorded and made available to the other newly involved professionals who will implement the program in the future.
- Parental involvement in social and financial education of their children is crucial.
- The horizontal learning among the people who implement the program is essential, especially the inclusion of values that “Aflatoun” promotes during the whole schooling of children and through direct work with them.
- The participants underlined that social and financial education for children and their parents is very important and very welcome in Serbian society, especially for children who come from marginalised societal groups.
- Participants expressed extensive interest to continue with the activities after the project has officially ended. They recommended that the professionals who implement the program receive continuous support from mentors in order to improve the contextualisation of the program as well its effective implementation.
- The participants recommended the scaling up of this program to more children, as many other stakeholders expressed interest in receiving the program in the future.
- It was recommended to scale up the involvement of parents even further, with the participants agreeing that the cooperation with parents has been one of the greatest achievements of the program. The positive effects of social and financial education can be enhanced by making parents aware of the critical role they play in their child's financial literacy, asking for their support and participation. Another way to include parents is through take-home tools and resources, like parental guides and participatory child-parent activities, which provide families with the opportunity to boost the knowledge and skills their children learn through the program.
- Some teachers shared their enthusiasm for the lessons going beyond the programme, and their plans to include these books and individual lessons in their work independently of this program.
- Parental Involvement - Parents play an important role in how children develop financial attitudes, knowledge, and behaviors, perhaps even more so than other factors such as youth work experience or financial education itself. It is very important that parents are involved in the programme. This approach may be particularly effective for children



from socioeconomically disadvantaged families, in which parents tend to have lower levels of financial literacy. They may also raise parents' confidence and interest in social and financial literacy, and increase the likelihood that they engage with their children on financial topics and behaviors.

- Active learning methods: The methodologies in this social and financial program make the lessons interactive, fun and interesting for children/young people, as well as relatable to their lives and future choices. The Aflatoun curriculum provides children with the opportunity to engage in participatory learning without having to leave the classroom. Throughout the program, students learn about key financial literacy topics, such as budgeting, saving, and investing through the lens of their career choice, considering both the opportunities and constraints associated with their choice.





# Testimonials from implementing countries



## SLOVAKIA



Dasa

A big positive is the already prepared methodology, which clearly defines the steps and procedures that I have to implement for each activity

We try to make activities as active as possible - we include lots of movement activities, lots of activities where children have to work creatively on their own



Gabriela

## SERBIA



Ajsa

I am proud of these children and this is a very good and nice experience. It was good except for that little language barrier that was mentioned. The interest of the parents was very good

The Aflatoun curriculum is brilliantly conceived and can be implemented into the existing curriculum in primary schools



Jadranka

## NETHERLANDS



Teacher A

Context is one thing that can be further improved especially if you want them to do assignment is should be in the Dutch context

## Parent's Feedback from Serbia

My child loves the workshops, I can see that children love when their parents are there and they love working together. It is interesting for them that parents participate in these activities. I think that they absorb much more knowledge through those workshops, through the game, through the story, and not through the dry drumming of a typical lecture. They tell the rest of the family what they learned here. They talk about having the Aflatoun character as a friend and stuff like that. The child's character is manifested and seen as he thinks about a topic

# Overall recommendations

**Establish** institutional and coordination mechanisms

**Establish** formal mechanics between financial regulatory authorities, other public institutions (such as the Ministry of Education)

**Create** a clear cooperation framework with the Ministry of Education and/or other national educational authorities from early stages and to ensure high level political support for financial education in schools

**Coordinate** activities of public, private and not-for-profit organizations to support successful implementation of programs and projects that avoid duplication and increase efficiency of financial education delivery for children and young people

**Design** financial literacy curricula and programs for different age groups and regions. Promote financial literacy education for parents (including the development of their entrepreneurial skills).

**Devise** and **deliver** contextualized financial education in and out of schools

**Assess** financial literacy and evaluate impact of financial education programs

**Establish** 'Code of Good Financial Practices' outlining the principles for the delivery of financial education in alignment with country's financial inclusion strategy

**Provide** mandatory Financial Literacy courses in school from early years

**Ensure** that teaching resources are available and that teachers are trained and confident in delivering the financial education content

**Develop** and/or **disseminate** information about digital tools for delivering financial education (web portals, e-learning platforms and videos, gaming, digital budgeting tools, mobile apps, investment simulators or financial goal trackers, online courses or other digital gadgets)

**Provide** online support, through which resources on subjects which are likely to change frequently can be made available to practitioners, thus helping them to stay updated on current topics

**Increase interest** of countries in taking part in credited evaluations like PISA; use results of evaluations while deciding and designing the content of education

**Encourage countries** to exchange experiences and examples of good practice in order to improve the quality of education provided.

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