



8 steps to teach young Hungarians to use their money in a smart way

The work of the Foundation of Financial Self-Reliance

case study

2007 Brussels



Step 0: the reason of establishing the Foundation

Preconception: People in Hungary have a low level of propensity to save, they are not good at handling money.

The Foundation for Financial Self-Reliance was established by the Budapest Stock Exchange in 2003 for the following purposes:

- to achieve a long-term change in the approach of Hungarian people toward financial issues and money saving,
- to change the attitude toward the concept of financial self-reliance: to make it widely-accepted and habitual
- to have people recognize that they themselves are responsible for their own financial safety and financial future
- to teach people how to use their money in a smart way and to explain them the different savings and investment possibilities

The most important initial objective was of the Foundation: to appear and be involved in the educational system.

Step 1: Researches

What is Hungarian monetary culture like? According to the findings, Hungarian people:

- can hardly understand economic news: only **6%** fully, **41%** to a minimal extent, and **28%** can hardly understand them
- are not aware of the basic terms: only **70%** of them are aware of the meaning of *inflation*
- 48%** of them feel that they do not have sufficient information to make a decision on investments, **47%** are aware of the process of share transaction, **44%** of the securities
- 34%** could not make a living from their savings for any time, **16%** could make a living for one month only, **27%** for a few months
- Of those surveyed, **70%** were interested only in the safety of the investment rather than the extent of profit, **54%** preferred options which allow accessibility to their money (albeit at a lower interest rate)



Findings of researches at highschoools

The importance and the rank of subjects has been changed: today students feel finance to be a more important subject than geography or biology.

The rank of preferred subjects today (by the students):

- foreign language
- Informatics
- mathematics
- finance

Money is the third important issue for **20%** of the students.

Students feel that the major factor to become successful is hard work (**43%**), self-confidence (**34%**), wanting the success (**37%**). **38%** of them think that financial wealth can be achieved by being smart with money

90% of the current young generation believe they have a better understanding of financial matters than their parents' generation.



What do university students think about money?

Findings show that of today's students:

- 78%** want to find a very well-paid job
- 62%** want to become rich and wealthy
- 43%** feel that attaining financial prosperity is the most important objective
- 25%** are certain that success is primarily measured by money
- 83%** think that smart money handling and becoming rich can be learnt
- 87%** think that if they have sufficient money savings, people are less vulnerable to their employer
- 70%** think that having money savings ensures a healthier and less stressful life



Step 2: Sponsors to achieve the goal

As a first step the Foundation searched for financial sponsors to achieve its objectives.

In order to do it, the Foundation:

- contacted almost the whole financial and capital market,
- held presentations and conferences,
- placed advertisements in various forums to draw attention to the importance of the issue.

The outcome: several banks, insurance companies, market representatives supported the initiative both with money and morally.



Step 3: Drawing attention to the issue

The Foundation's national media campaign included:

- Radio and television spots, newspaper advertisements
- Leaflets, brochures
- An interactive web site.

The issue of „achieving prosperity and being smart with money” appeared in one of the most popular reality shows on TV.

For four nights, as an average **1.5-1.7 million people** met the issue.



Mindenki pénzember.

Kriszta a szerelemben romantikus, de a hétköznapiakban realista. Szerelemből akar férjhez menni, de anyagi függetlenségéhez is ragaszkodik. Tudja, hogy a pénz legalább annyira fontos, mint az érzelmek. Még nem keres túl sokat, de már tudja, hogyan kell meggazdagodni. Egyszerű módszere van: minden tíz forintból kettőt félretesz, befektet. Még az is lehet, hogy ő lesz a családfenntartó.



Gondoskodom, tehát vagyok.

www.ongondoskodas.hu

Step 4: The Foundation convinced politics

- In order to include general finance studies in the education system, the Foundation has convinced the representatives of politics: consultants, ministers of education, ministers of economy to support the issue.
- Objective: the next generation should acquire basic finance knowledge during the school years.



Step 5: interactive web site

The site includes all the information that a beginner investor may need.

- What should you take into account in each life segment?
- What investment opportunities do you have?
- Calculators
- Lexicons
- Links



The screenshot shows the website interface in Microsoft Internet Explorer. The browser title is "Öngondoskodás Alapítvány - Microsoft Internet Explorer". The address bar shows "http://www.ongondoskodas.hu/". The website layout includes a top navigation bar with the logo and the slogan "Gondoskodom, tehát vagyok." (I take care, therefore I am). Below this is a main content area with several circular icons representing different life stages: "KÖZÉPISKOLA" (High School), "EGYETEM" (University), "GYEREK A HÁZNAL" (Children in the Home), "AKTÍV FELNŐTTKOR" (Active Adulthood), and "VÁLLALKOZÁS" (Entrepreneurship). A central text block asks "GONDOSKODJAM MAGAMRÓL? HOGYAN? SEGÍTÜNK VÁLASZNI KL. HOGY MELYIK ÉLETHELYZET A LEGJELLEMZŐBB ÖNRE!" (Do I take care of myself? How? We help you choose which life stage is most characteristic of you!). The right sidebar contains a section titled "Befektetésről könyvelőknek" (Investment for accountants) with the text "Sokkal nagyobb szükséged van vagyona, mint egy férfinak." (You need more wealth than a man), a "nők évszázada" (Women's century) section, and a "FRISS HÍREK:" (Latest news) section with headlines like "Mi a lakosság legnagyobb tevékenése?" (What is the population's most active activity?). The bottom of the page features a search bar and a "Keresés:" (Search) button. The Windows taskbar at the bottom shows the Start button, several application icons, and the system tray with the date and time (7:16).



Step 6: digital finance modules

The Foundation managed to achieve that the module is now included in the dynamic (on-line) database of the official curriculum of the Ministry of Education.

By now, finance studies appeared beside „classical” studies such as history, mathematics, physics, chemistry or literature.

Every primary and high school students can learn the basic terms of the financial and investment world.

The first phase covers 8 financial, investment topics: **Stock Exchange and Broker Companies** · **Trade banks** · **General finance studies** · **Investments funds** · **Insurances** · **Pension Funds** · **Hungarian National Bank** · **Euro**

The modules were prepared by teachers of the topic, and the supervision was provided by finance and investment professionals.

Serious content, playful design





The modules

Almost 1 400 000 students of 5 300 primary schools and high schools can access the modules via the internet at their schools.

As the modules are online, students and teachers can access them from anywhere.

The modules are free, so anyone can have access to the material, even those who otherwise cannot afford to pay for such education.

A tutorial class was broadcasted by the Kids' News of Hungarian Television.

The Foundation held conferences, press meetings in order to communicate and present the modules in a wide forum. Many articles and interviews dealt with the issue.



Step 7: put the modules in practice

The Foundation together with the Ministry of Economy and Transportation invited highschool entries for a competition.

The competition was open to secondary schools that agreed to incorporate the new modules in their curriculum: classroom as well as extra-curricular studies.

84 schools applied from which the Foundation selected 60. The selection was based on the following factors:

- the number of students taking these studies;
- if the school had experience in this field of education
- if the school was primarily not a school of economics and finance

The Foundation prepared 120 teachers for the education of the modules, and ever since, regularly visits the schools, and provides them with professional support.



Step 8: incorporating into the National Curriculum

The Foundation is actively involved in the preparation of the revision of the National Curriculum due every third year. The Foundation

- prepared a list of the major finance studies (competencies) which are to be considered important in the new National Curriculum
- discussed the modules with experts, consultants of the Ministry of Education
- managed to achieve that the Hungarian Financial Supervisory Authority, the National Bank of Hungary, the Customer Prevention Authority and the Ministry of Finance drafted a proposal for the Committee of the National Curriculum.

The Foundation published several articles and reports in the subject and initiated to set up a committee to coordinate the responsibilities of financial education.



Epilogus: Where are we now?

The module will be included in the National Curriculum. In the new regulation, the economical-financial issues received greater emphasis. There are 136 entries included in total now, out of which 12 references are related to financial issues.)

Within the framework of social study classes, students can now acquire knowledge about economics, businesses as well as finance.

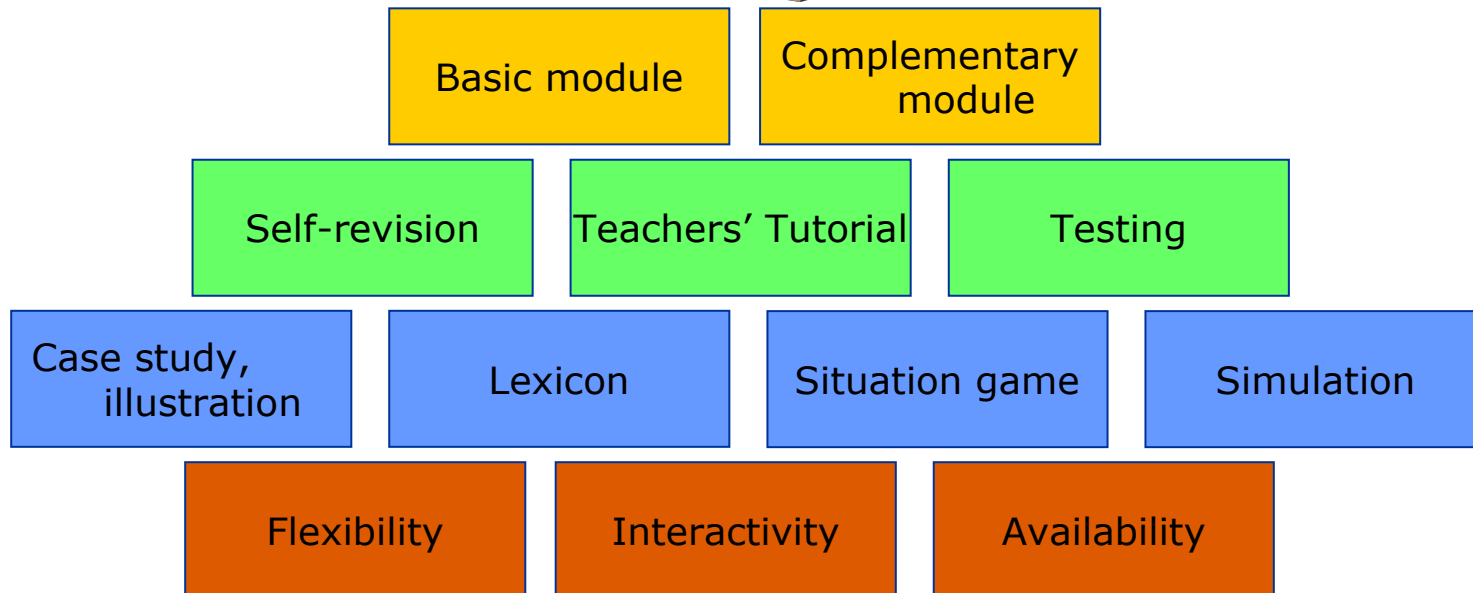
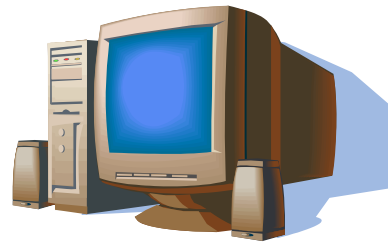
A new, extended, advanced module is under preparation by the National Bank of Hungary, the Foundation and the International Brokers' Training Center.

In order to popularize the module, the Foundation will initiate a trade competition (based on the American „The Stock Market Game”) for students from the next school year.

The Foundation will organize a national competition for secondary school students. The objective of the competition is that students have the opportunity to compare their creativity and research skills in the field of investment and financial ideas.

Final objective: finance studies should be incorporated in the final exam of the secondary education system.

What's next? The new module





Tematics of the new module

Basic ideas on economics

We live in the world of goods and money

Money almighty

From caori shell to bank card

Players of business life

Household finance

Companies – from a garage firm to multinational companies

The State

Financial Mediators

The role of banks

The role of capital market

Financial decisions

Income – financial planning

Spending money in a smart way

Get into dept in a smart way

Everything about savings

Everything about investments – from real estates to securutities.