

FINANCIAL LITERACY IN SCHOOLS

Financial literacy is the ability to understand finance. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions through their understanding of finances. Raising interest in personal finance is now a focus of state-run programs in countries including Australia, Japan, the United States, India and UK.

The Organization for Economic Co-operation and Development (OECD) started an inter-governmental project in 2003 with the objective of providing ways to improve financial education and literacy standards through the development of common financial literacy principles. In March 2008, the OECD launched the International Gateway for Financial Education, which serves as a clearinghouse for financial education programs, information and research worldwide. In the UK, the alternative term “financial capability” is used by the state and its agencies: the Financial Services Authority (FSA) in the UK started a national strategy on financial capability in 2003. The US Government also established its Financial Literacy and Education Commission in 2003.

In July 2010, the United States Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which created the Consumer Financial Protection Bureau (CFPB). The CFPB has been tasked, among other mandates, with promoting financial education through its Consumer Engagement & Education group.

In 2010, the Reserve Bank of India initiated a project on Financial Literacy. The objective of the project is to disseminate information regarding the Central bank and general banking concepts to various target groups including school children, women, rural and urban poor, defence personnel and senior citizens. The project is designed in two modules – one on role and functions of RBI and one on banking concepts. The two comics are available for download. Teachers are expected to download the comics from the RBI website (<http://www.rbi.org.in/financialeducation/home.aspx>) as well as involve the kids in visiting the website and utilizing all resources available for kids including games with a view to impart financial literacy to students of classes 6th and onwards.

The department shall later organise block, district and state level competitions on financial literacy to raise awareness among the children.

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[Comic-1](#)

[Comic-2](#)