



## ***From Piggy-Banks to Portfolios*** **Investing in a Financial Literacy Continuum**

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Financial literacy is an essential part of our economic prosperity, competitiveness and the everyday lives of Canadians.

As a basic life skill, financial literacy is a cumulative process. Programs and services offered in the community and at all levels of public education support the progress of youth from being dependents to young independents. Financial literacy of youth is essential to their personal economic well being and the competitiveness our nation.

A continuum of education that builds the awareness, skills and confidence in making financial decision is a critical part of establishing life long behaviours and one's ability to achieve their potential.

### **About JA**

JA inspires and prepares young people to succeed in a global economy.

JA is a partner of choice for businesses, educators and policy-makers around the globe seeking to expand workforce and economic development. We provide experiences that promote the skills, understanding and perspectives students will need to succeed in a global economy and become productive, contributing members of society.

For over 55 years JA Canada has provided educational business programs and conferences to youth with an emphasis of three educational pillars of success:

- 1) Financial Literacy
- 2) Entrepreneurship
- 3) Work Readiness

JA Canada offers a suite of nine national programs delivered to over 240,000 students annually by 14,000 qualified business volunteers in Elementary, Middle and Secondary school classrooms across Canada.

Together with educators and the business community, JA programs give youth the confidence, belief and direction they need to succeed as leaders and citizens in a global community.

## Early Education Pays-off

Our society is consumed by debt. Youth are entering their independent life stage (18-29) with significant financial burden and the majority of debt is purchase or consumption-related, directly followed by student loans.

*Six in ten young Canadians report they currently have some debt, with credit card debt by far the most common, followed by student loans.<sup>1</sup>*

Critical choices are being made at an early age that influence what the cumulative debt load of young people will be over the early stages of their post-secondary education and careers.

*Half of young Canadians feel that their debt load is as much as (34%) or more (15%) than they can handle financially.<sup>2</sup>*

While there is awareness for the need to manage money more effectively, the majority of students do not feel prepared, most turning to their parents for financial information. This dependency upon parents and even peers also extends into borrowing to cover shortfalls and the use of credit cards to carry the remaining debt load.

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***A young person's appreciation of the larger enterprise system, their personal financial situation, and awareness of the options (programs, products and services) available to them, affects the choices they make to pursue further education and advance their career.***

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Junior Achievement programs at the elementary, middle and secondary school levels bring awareness to money management techniques, products, services and options available. Students learn the basics of saving, budgeting and making informed decisions about how to spend their money.

*...less than half know how to create a budget (43%) and less than a third (28%) believe they make good spending decisions.<sup>3</sup>*

Financial independence and security directly affects larger economic factors such as market competitiveness, growth and a skilled workforce, especially when critical choices are being made in High School for post-secondary study and career directions.

Early financial education encourages positive behaviours and attitudes toward finances that throughout life lead to responsible consumerism, increased savings, reduced debt and smart investments.

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<sup>1</sup> Source: Environics Research Group, Youth Financial Literacy Study Prepared for: Financial Consumer Agency of Canada, August 2008

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Organizations with broad community acceptance, reputation and understanding of age-appropriate learning modalities can offer significant reach and access to youth.

Financial education programming provided by trusted intermediaries can bring relevant knowledge and experience into the classroom to enhance curriculum and support educators. A public-private-nonprofit partnership leverages existing delivery infrastructure, sponsorship and networks in providing greater awareness of financial literacy concepts, resources and expertise.

*Financial literacy initiatives work when they are integrated into the education system, when they are delivered through community organizations, when the delivery modes are adapted to the target market and when the initiatives do more than educate consumers about financial products.<sup>4</sup>*

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***Integration of financial education into established curricula, in partnership with youth-service organizations, leverages the expertise and resources available to teach these valuable concepts.***

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JA programs are designed to bring real-life experiences and challenges to students that model the free enterprise system so they can gain an appreciation of what is required to be successful in their personal lives and in the workplace. Applied financial literacy concepts and exercises, integrated with a young person's development in the public education curriculum will have a lasting impact, reflected in their everyday lives.

JA's network of over 14,000 volunteer business leaders across Canada make the real-world of difference in the classroom. Professionally screened and trained, these mentors and advisors bring practical personal and industry perspectives to students in an interactive educational format.

*"Canada's economic and social prosperity depends on the strength and skills of all Canadians. If financial literacy is a critical set of life skills, then our goal should be to ensure all Canadians have access to adequate financial information, education and advice."*

Sonia Baxendale, Senior Executive Vice President,  
CIBC and President, CIBC Retail Markets

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***Equipping students with the essential finance skills leads to sound money management and decision making throughout life.***

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Junior Achievement is uniquely positioned to be a significant partner in a national strategy on financial literacy. JA offers a continuum of career and workplace-relevant education programs that enrich the public school curriculum and support educators in preparing our young people to become productive, contributing members of society.

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<sup>4</sup> Moving Forward with Financial Literacy, Synthesis Report on Reaching Higher: Canadian Conference on Financial Literacy

Community-based education can reach youth with non-traditional methods. Students receive instruction designed to complement in-school programming. Junior Achievement, a nonprofit youth development organization with over 50 years in Canada, gives students financial skills inside and outside of the classroom with experienced volunteers sharing their career and life experience in an interactive program format.

JA programs are more relevant today than ever. Educators, employers and parents alike are calling for increased availability and integration of JA programming in the public education system across Canada.

Financial Literacy, Entrepreneurship and Work Readiness are the three educational pillars of all nine of our national JA Canada programs. Two of these national programs focus exclusively on Financial Literacy and reach over 150,000 students annually in the Middle and Secondary school levels:

**Economics for Success** encourages junior high school and high school students to reflect on the advantages of remaining in school to acquire the knowledge, attitudes and skills needed for long-term career success.

This program helps students explore and manage their job and career choices by focusing on the direct links between further education and personal goals. Economics for Success gives students a new perspective on how informed choices can jump-start their future and:

- Understand how every opportunity is a stepping-stone to success
- Realize the financial constraints and demands of independence
- Develop employability and interpersonal effectiveness
- Identify resources needed to support a life-long career journey

**Dollars with Sense** gives junior high school students personal money management skills and challenges them to apply these concepts in their own life.

This program demonstrates how students can financially manage changes in career and life directions and provides them with the experience they need to make better economic decisions. Students play an investment strategies game to learn about effective spending, how to avoid credit and debt pitfalls and:

- Link future goals and success to proactive financial planning
- Explore ways of investing to suit personal goals and needs
- Discover the advantages and risks of different investments
- Understand the tools and options available for better decisions

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