'Assisting parents and guardians to teach the children of Australia that essential lesson – thrift – having a splendid moral effect on the minds of younger people'.

This is the original promotion for Commonwealth Bank money boxes in 1921 and an early example of what we now know as financial literacy.

Today, however, over 80 years later we face anywhere between 3,500 and 5,000 marketing messages per day selling all manner of products and services, we deal with financial markets offering a wide range of money management choices, we use complex information technology used to communicate and educate.

Does a money box still cut it in the quest for financial literacy? The concept of thrift has come a long way and we certainly need much more than a money box.

Before any answer to that question can be reached, we must first ask why it is so important to be financially literate?

Financial literacy is an essential life skill for all Australians. There is no doubt that regardless of age, gender or socio-economic status, people make better financial decisions and are more confident in their ability to choose products appropriate to their needs when they have good money management skills.
The Commonwealth Bank Foundation was launched with the principal purpose of encouraging developments in education and financial literacy – in essence helping people develop those good money management skills.

Research undertaken by the Foundation in 2003, which identified younger people as the least financially literate in Australia, has guided much of the Foundation’s activity in the last three years. In that time the Foundation has developed a range of programs and resources that provide our education sector the materials and skills needed to teach this important life skill to our young people.

The Foundation has also launched the annual Australian Financial Literacy Assessment in conjunction with Educational Assessment Australia with over 45,000 Year 9 and 10 students participating in 2005 and over 60,000 registered to participate in 2006. Key findings from the 2005 Assessment include:

- Males and females performed equally.
- 80% of students could understand pricing strategies.
- Around 50% of all respondents could not interpret a bank statement.
- Some 45% – 55% of students failed to understand credit card charges and other forms of charges like surcharges.
- Around half the students did not understand motor vehicle insurance.
- 30% of Year 9 students and 26% of Year 10 students could not calculate best value when shopping.
- Some 15% to 20% of students could not calculate how to withdraw required sums of money from an ATM.
- Between 20% and 30% of all students do not recognise indications of internet fraud.

Key findings of the 2006 Australian Financial Literacy Assessment will be available to launch at this Conference.

Moving from research through to practical application, case studies featuring schools and educational institutions from metropolitan, rural and remote areas who are implementing financial literacy programs will be featured during the presentation.