

Hong Kong Financial Education Landscape Research Final Report



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Executive Summary

Introduction: Improving Financial Literacy through Financial Education

1. Organisation for Economic Cooperation and Development (OECD), an international platform for advocacy in financial education, has defined financial literacy as ‘a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.’ (Atkinson and Messy, 2012:14).
2. Financial literacy can be strengthened through financial education. Defined by the OECD, financial education refers to “the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being” (Organisation for Economic Co-operation and Development, 2005).
3. Improving financial literacy through financial education has also been considered an alternative approach to poverty reduction. With the goal of tackling asset poverty, financial education helps improve vulnerable groups’ financial literacy to make sound money decision from daily money management know-how to choosing the right investment product. With proper concepts of money management delivered, financial education serves as a service intervention which helps the poor to acquire and practice money management skills, build their own assets, tangibly improve their financial outcomes and to get out of poverty with strengthened financial security.
4. Awareness of the importance of financial education is gaining momentum among policy makers across the globe. The OECD Council developed and adopted the “Recommendation on Principles and Good Practices for Financial Education and Awareness” in 2005, which outlines the key principles and good practices in delivering financial education. Key principles include:
 - Financial education should be considered as financial capacity building based on proper financial information and instruction with the ultimate goal of improving one’s financial well-being;
 - Financial education should be delivered in a fair and unbiased manner with coordination and efficiency;
 - Financial education should be institutionalized into regulatory and administrative framework;
 - The role of financial institutions in delivering financial education and awareness should be promoted;
 - Financial education programs should be designed to meet the needs and the financial literacy level of target audience;
 - Financial education should be regarded as a life-time, on-going and continuous process.

5. The above principles offer international benchmarking for this study to assess the landscape of financial education in Hong Kong, which help us to explore whether Hong Kong:
- Has initiatives provide sufficient and balanced financial information and instruction with the ultimate goal of improving one's financial well-being;
 - Has financial education delivered in unbiased manner and meet the needs of different stakeholders, with co-operation and co-ordination;
 - Has financial institutions, as well as stakeholders of other sectors, delivering financial education;
 - Has financial education initiatives tailor-made for audiences of different financial needs and backgrounds, especially the vulnerable groups such as low-income families;
 - Has on-going initiatives with sustainability rather than programs which are one-off in nature.

Putting Financial Education in Hong Kong's Context

6. As an international financial center, Hong Kong has developed a financial system with stability and integrity to attract capital and inflow of investment all over the world. With the well establishment of the financial infrastructure, the stock market capitalization of Hong Kong came 6th largest in the world in 2014.
7. Although Hong Kong has great achievements in developing her financial market, unlike other international financial centers such as U.S., U.K., Australia and Singapore, there is still no strategy to offer a direction for engaging different stakeholders to develop financial education in the city.
8. Tailored national strategies of financial education, based on dedicated national assessment, help offer framework to steer financial education at a policy level, allow the development of articulated roadmaps with measurable and realistic objectives to promote a smoother and more sustainable co-operation between interested parties and stakeholders and avoid duplication of resources. Therefore, a national strategy is crucial to identify national high-priorities issues to promote financial education strategically.
9. Without a national strategy, however, different stakeholders still contribute their efforts in providing various initiatives to improve the financial well-being of their targets in Hong Kong. Yet, there is no full picture to illustrate the city's situation and the development of financial education.
10. At the same time, Hong Kong is an affluent society, yet poverty and deprivation abounds. According to the latest official statistics, before policy interventions, the city's poverty rate hits 19.6% (before policy intervention) and the total number of poor households in Hong Kong reached to 550,000. Apart from the conventional threefold approaches for poverty reduction, namely promoting opportunity among the poor, creating a social safety net and offering public services, the society is also exploring alternative ways for poverty alleviation and prevention, including financial education for the low-income families.



Research Objectives & Methodology

11. In view of the international experience in strengthening financial literacy by having the best practices in financial education, and exploring the possibility to have financial education in Hong Kong as a mean to combat poverty, a landscape research has been conducted by the Hong Kong Council of Social Service with the support from the Citigroup:
 - to review the financial education in Hong Kong (from January 2008 to August 2015); and
 - to explore the possibility of promoting financial education as a mean of poverty reduction.
12. The landscape research adopted an integrated research design to collect both quantitative and qualitative data to depict the multi-dimensional landscape of financial education, which includes:
 - Documentary review such as academic literature review and research reports which illustrate overseas experience in promoting financial education, as well as curriculum review to map the financial education delivered in overseas and local schools;
 - Desktop research to review the financial education initiatives conducted in the period of January 2008 to August 2015;
 - Nineteen in-depth interviews with major stakeholders in financial education, including government officials, funders, program organizers, teachers, and social workers;
 - Two focus group discussions with low-income families to identify their needs and perception towards financial education;
 - Two roundtable discussions with funders and program organizers to identify the needs of vulnerable groups and to explore possible ways to improve their financial literacy;
 - A territory-wide public poll on the financial management of young adults at work and their needs in financial education;
 - A media search to study whether newspapers, being one of the major print media in disseminating information related to personal finance and money management, has fulfilled its functions in improving the population's financial literacy.
13. For the desktop research, both online and offline methods were adopted to collect information on financial education initiatives. Online sources include websites and online materials provided by banks, insurance companies, industry association, investment companies, regulators, non-governmental organizations, media (electronic, print and social media) and education sector, while offline sources include submission of information about financial education initiatives by agency members of the Hong Kong Council of Social Service (436 NGOs providing social services in Hong Kong), and the print publications and brochures provided by the financial education providers the research team had approached.
14. Initiatives not for financial education but promotion of financial planning, banking, insurance, investing, lending services are excluded in this research.

15. Categorization of organizers, themes, target beneficiaries, mode of delivery, program sustainability and evaluation and assessment are conducted through identifying major keywords in materials that correspond to the concepts mapped in the research design.
16. The categorization includes:
- Organizers of the collected initiatives by their business nature, including the government department, regulator, non-government organizations, education sector, financial agencies as well as media. It helps to illustrate who the key driver(s) of financial education in the city is.
 - Target Beneficiaries of the collected initiatives. The initiatives are categorized by their target groups to illustrate who are the most concerned groups in the landscape of financial education in Hong Kong, and who are being neglected.
 - Theme of the collected initiatives. With the categorization of the theme of the initiatives by their content and main message delivered, it helps to provide a larger picture of the main foci of financial education in Hong Kong, and whether the coverage of the theme is balanced to offer the audiences the knowledge they need for their financial wellbeing.
 - Format of Delivery. The initiatives are categorized by whether they are offered in one-way or in face-to-face/interactive way. For the latter, it provides room for the organizer to offer more in-depth trainings and interventions which accommodate the needs of the audiences in an interactive manner.
 - Mode of Delivery. The initiatives are categorized by whether it is carried out by sole organizers, or it is a collaborative move. It helps to show whether multi-organizer collaboration is widely applied in the city.
 - Scale by number of participants. The categorization can help to illustrate whether effort are made for offering different scales initiatives.
 - Program Sustainability. By categorizing the initiative into one-off or on-going in terms of program sustainability. It helps to illustrate the effort Hong Kong society made in providing sustainable, ongoing and continuous financial education.
17. While in-depth interviews were arranged to explore the picture behind the landscape - driving forces in delivering financial education, the keys in collaboration and whether the current initiatives target poverty reduction are explored in a detailed manner. Snowball sampling was used during the process to further engage with major stakeholders under different categorizations of this study.
18. Media search attempts to answer what kind of financial-related information that newspapers, the chosen mainstream print media for the media search in this study, helps disseminate. It also intends to assess whether the existing information related to money, finance and wealth management help improves the financial literacy in accord to the recommended principles and good practices advocated by OECD.
19. A public poll was carried out to study the wealth management and financial needs of a specific target group which is not being significantly engaged in current financial education initiatives. With this purpose, the Steering Committee of this research recommended to study the characteristics and need of young adults in Hong Kong, to assess whether their needs in financial education are being catered and explore the service gaps of this specific target group.



Overview of Hong Kong Financial Education Landscape

20. A total of 389 initiatives have been conducted between January 2008 and August 2015.
21. The current financial education initiatives are mainly driven by non-governmental organizations (47.6%) and business sector (35.0%). For the detailed breakdown of the latter, banks account for 10.8% while insurance companies organized 10.5% of total identified initiatives.
22. The top 3 foci of financial education lie in investment-related (concepts, tips and planning) (32.0%); money management know-how (saving, spending and budgeting) (25.8%) and financial planning (goal-setting) (15.0%).
23. In terms of target beneficiaries, a greater number of initiatives target general public (29.6%), followed by low-income groups (28.5%) and investors & organizers' customers (17.5%).
24. It is worth mentioning that low-income groups, ranked as the second major target beneficiaries, are largely due to the launch of government-driven Child Development Fund (CDF) projects. Money management and financial planning (goal-setting) are covered in the personal development plan to accumulate their financial assets and management their money wisely.
25. If the CDF initiatives are excluded, only 16 out of 294 initiatives (5.4%) are programs dedicated to low-income groups to improve their financial literacy and money management know-how.
26. Analyzing the major approaches in delivering financial education, it is found that 58.9% initiatives are solely provided by an organization while 41.1% of initiatives are collaborative in nature.
27. A further breakdown of data illustrates that the major collaboration is made between government departments, the business sector and non-governmental organizations (59.4%), followed by the business sector and non-governmental organizations (40.6%).
28. Interactive delivery in various approaches is found in 65% of the identified initiatives while one-way delivery of financial education account for 35%. A further breakdown of delivery tools illustrates that resources focused for the most part on program with multiple activities (33.7%), website and online tools (27.5%) and talks/seminars (16.7%).
29. Half of the identified initiatives (50.6%) do not disclose information about the scale of initiative in terms of number of people reached. 27.2% of initiatives reached 100 to 499 people while 8.7% of initiatives targeted 1,000 people or above.
30. It is found that 56.8% of the identified financial education initiatives are ongoing while 42.2% are one-off in nature.
31. Among the 389 financial education initiatives in Hong Kong, only 1.5% of initiatives reported evaluation and assessment. Among the evaluated initiatives, only one evaluation is publicly disclosed. No public information concerning evaluation and assessment is found among the 97.9% of identified initiatives.

Practice Wisdom of Current Initiatives

32. Findings reveal that collaboration between business and social service sector in promoting financial education helps ensure the credibility of knowledge delivered and neutrality in delivery without hidden agenda related to promotion of financial services.
33. Views captured in in-depth interviews and roundtable point out that direct engagement is crucial to identify the financial needs of target beneficiaries. By understanding the daily life experience and socio-economic characteristics of target groups, it helps deliver relevant financial education which is able to meet the literacy level and the context of everyday life. The study also identifies in-direct engagement approach which children are directly engaged while their parents are indeed the primary targets. By encouraging parents to deliver financial concepts to their children, such 'train-the-trainer' approach offers parents insights to reflect their retirement planning and wealth management.
34. Some stakeholders engaged in the study share the importance of pilot programs with feedbacks from the service users and evidence-based evaluation. The practices are significant in catering the needs of targets and ensure knowledge acquisition with opportunities of practical application given.
35. Whether the content of the financial education links to the daily life of the participants is the key for deeper engagement. Financial education initiatives should facilitate the target group(s) to be aware of the importance of financial literacy associated with their daily lives and life planning, thus facilitate and foster behavioral changes.

Financial Education in Schools

36. School, as the most important platform for knowledge generation, transfer and dissemination, is another key area this study covers.
37. Contrary to the practices adopted by Australia, United Kingdom and United States, which have officially embedded financial education into national curriculums through legislation, there are no centralized or mandatory curriculums that cover financial education in Hong Kong.
38. Nonetheless some concepts of money and personal finance are scattered into a several subjects in curriculums of primary and secondary education, including General Studies of primary curriculum, Life and Society (elective subject with school-based curriculum) for junior secondary, Liberal Studies (compulsory subject), Business, Accounting and Financial Studies (elective subjects) for senior secondary.
39. To fill the gap, other learning opportunities (OLE) to improve students' financial literacy are available with the efforts made by teachers, social workers, and professionals of business, industry associations and the support from Education Bureau.



40. The problems of having financial education scattered in subjects are multi-faceted. First, without a centralized curriculum, financial education is not an on-going or continuous process for students to master financial concepts at different learning stages. Adding to that, financial education remains as a low priority for teachers – who are not confident enough to teach about financial education as no related training was offered to prospective teachers. Given the tight teaching schedule and tremendous workload, as financial education is not exam-related, it is not surprising that financial education has not been a pressing item on schools' agenda. Besides, despite that fact that personal finance has been covered in a discipline-specific subject in senior secondary curriculum, it is apparently not for every student though financial literacy shall be a cultivated life skill for all.
41. Unlike the school-setting in primary and secondary schools, knowledge acquisition in universities or tertiary institutions becomes more discipline-specific. Personal finance, investment and trends of financial markets are mainly accommodated to students majoring in Business and Finance. There is no course related to personal finance that requires mandatory enrollment, which does not favor the non-finance majors in acquiring essential knowledge, skills and attitude towards money and personal financial management upon joining the labor force whereas they will come across major money decisions ranging from loan repayment, MPF management, saving for different life goals and investment for wealth management.

Financial Education in Schools

42. Apart from illustrating the landscape of the financial education initiatives in the city, the study also explore the needs and interventions for the specific target groups which may be neglected, including young adults and low-income families.
43. Recognizing the financial needs of young adults are yet to be explored as shown in the desktop research, curriculum review and in-depth interviews, a telephone survey was commissioned to the Centre for the Advancement of Social Sciences Research (CASR), Hong Kong Baptist University. The survey was conducted by real interviewers with randomly selected target individuals from 21 August to 21 September 2015 to capture the pattern of wealth management and financial needs of young adults (18 – 40 years old) in Hong Kong. Analysis of the survey shows that:
- Financial knowledge acquisition: only 33.7% of the respondents reflected that their school or teacher taught them financial knowledge when they were in school, learning “Building money saving habit” (84.0%) and “Formulating expenditure budget” (63.3%) and “Wise spending and distinguishing needs and wants” through “subject curriculum” (56.7%) and “school talk” (51.6%).
 - More opportunities to receive financial education at school for the younger generations in recent years, as indicated in the survey findings. Most respondents having 5 years working experience or below acquired financial knowledge from their school, which accounted for a much higher percentage than the other groups with more full-time working experience.
 - Without school as a platform to acquire financial knowledge after graduation, most of the respondents learnt “Building saving habit” (72.5%) and “Using credit card cautiously” (58.7%) from their “Friend/Colleague” (60.0%), “Media”(57.2%) and “Family member” (51.1%).

- **Saving:** The vast majority of respondents (92.8%) reported to have money saving habit which demonstrates outstanding willingness to save. Of these respondents, 86.9% of them pointed out that “Saving for rainy day” was the primary reason why they cultivated the habit, which was followed by “Achieving future goal” (66.9%) and “As retirement expenses” (49.5%). Among the respondents who did not have money saving habit, most of them stated the reason was “all money spent to meet the basic necessities of life” (76.3%) and “No saving due to the expenses beyond the basic necessities of life” (47.5%).
- **Budgeting:** As for personal budgeting planning, it is found that more than half of the respondents (56.3%) did not have habit on formulating budgeting plan. There is a positive correlation between education level and the habit and budget planning. Of the respondents who did not have habit on formulating personal budget plan, the major reasons reflected were that they had the plan on their mind (60.1%) and it was troublesome to do the planning (50.8%).
- **Investment habit and knowledge:** The survey found that about 70% of the respondents had investment and the top three investment items are stocks (45.6%), funds (34%) and foreign currencies (30.1%). Overall, “Investment risk management” (28.8%) and “Basic understanding of investment products” (28.5%) were the two aspects that the respondents mostly want to enhance on investment knowledge. Of the respondents who did not invest, the main reason was they did not how to invest (50.6%), worried about the financial loss (46.9%) or did not have surplus money (46.4%). This indicates that in terms of investment, young adults would like to acquire more knowledge on risk management and how to differentiate different investment products.
- **Mandatory Provident Fund (MPF) scheme management and knowledge:** The survey found that the percentage of respondents aged 35 – 40 who have no concern when choosing MPF schemes are 33.3%, which is the highest among the age groups. This age group is supposed to have the longest period to contribute and stay in the scheme. However, a rather significant portion of this group of young adults do not consider any factors when choosing MPF schemes which are indeed highly relevant to their retirement protection.
- **Relatively speaking, a larger percentage of respondents aged 18 - 24 do not know how to handle the benefit of the MPF account from their previous job among the age groups, followed by those aged 35 – 40. Knowledge gaps in MPF management are also identified. For those who have MPF account, “How to understand the performance in return of the fund” (56.5%) as the most-want-to-enhance aspect and the second most selected item was the “Performance of a trustee” (51.8%).**
- **Life event and further acquisition of financial knowledge:** To achieve their life goals, about half of the respondents thought financial knowledge on “Building money saving habit” (55.2%), “Wise spending and distinguishing needs and wants” and “Formulating expenditure budget” (43.7%) would help them to achieve their goal. It is worth mentioning that about 29% of the respondents reflected that they could not think of any aspect on financial knowledge that would help their goal achievement.
- **Preferred channels for acquiring financial knowledge were “Media (newspapers/ magazine/ television/ radio)” (47.1%), “Talk” (45.3%) and “Website” (44.3%). In this regard, fostering financial literacy through active use of mainstream media such as newspapers, television and radio can be further encouraged to engage young adults and the public.**



44. The findings of public poll illustrate young adults' experience and opinions towards wealth management and their concerned financial needs. Young adults in Hong Kong in fact do not start from nothing in terms of financial knowledge acquisition in school or after graduation. The majority of young adults saved regularly and has a strong sense of saving for emergency. Yet, comparatively speaking, with the OECD framework as a reference, they have weaker awareness towards MPF management which is closely related to their retirement planning and protection. Moreover, attitude, knowledge and practical skills of budgeting need to be further polished as more than half of the respondents do not formulate and execute budgeting. They also cannot relate how financial education and the improved financial literacy can play a role at life events and goal achievement. The weak linkage between personal development and financial literacy should be further strengthened through more awareness-building and public engagement.

Financial Education in Schools

45. Low-income families are defined as households living below Hong Kong's official poverty line and the recipients of Comprehensive Social Security Assistance (CSSA), the social security net of Hong Kong. Echo with the international experience, those groups in Hong Kong face mounting pressure over cash flow as a result of low wages and costly essential expenses such as housing, monthly bills and children's education expenses.
46. For groups who live in economically deprived conditions (CSSA households and low-income households living in private rental flats), they barely associate financial education with investment or other related concepts but immediately show skepticism on how financial education can be applicable when they have no extra money to manage. Some of them display hostility towards financial education as they have no extra money to manage. Financial education is something they find irrelevant to master. Yet, it is noteworthy that investment is only one of the wide-ranging themes on the broad spectrum of financial education emphasized by OECD. Financial education goes beyond investment and covers daily-life money management, financial planning, retirement protection, investment and resource management. In this aspect, financial education is highly relevant to the financial well-being of every individual when it comes to forming financial or resource management decisions in daily life and at different life events.
47. Low-income families attempt to cut their expenses by all means; especially mothers are experts in daily money management. Yet, they find it challenging to engage other family members in money issues, for instance, establish common financial goals, reduce unnecessary and family budgeting to ensure family's financial well-being. Saving then becomes a challenging task to combat asset poverty, even though all would agree that saving is a crucial habit to accumulate wealth and prepare for the future.
48. It is found that the deprived group of low-income families displays greater vulnerability towards debt when they have no savings to cope with immediate financial shocks that requires a certain amount of money. It certainly illustrates another dimension of saving – it serves as financial cushion which better prepares low-income households in face of financial shock such as huge medical expenses.
49. For low-income households with relative stable income and living in public housing, as their income are relatively higher and more stable, and bear less burden in housing, they display greater interest in financial education, particularly wealth accumulation through saving and investment products related to their children's education and personal development. Some can afford to buy 'Education fund'. However, the investment decision made rely heavily on the advice from bank staff or people from their social circles and they have no idea about the potential risks involved in the investment.

50. The misconceptions they have towards investment products expose the vulnerability of the low income groups in making investment decisions. For them, investment is akin to gambling which is risk-taking and luck plays a prominent role in successful investment decisions.

The Role of Media in Disseminating Financial Education

51. A media search has been carried out to review how the Chinese mainstream media, newspapers (finance and money news) of print media as the chosen sampling frame in this study, frame and illustrate the information on money management, investment, mortgages, financial goals, insurance and retirement protection in the period January 2008 to December 2014.
52. Keywords are used in the media search to identify themes related to the components of financial literacy with reference to OECD's definition of financial literacy and financial education, including Money Management know-how, Financial planning, Credit Management, Debt Management, Investment, Insurance, Retirement planning and Resource Management.
53. Both header and content of the news are included for content analysis. The term “理財” in Chinese (financial literacy) are included together with the listed keywords in order to have precise, accurate and relevant search results that fit into the context of financial education.
54. Promotion of financial services and information not related to financial education are excluded, for instance the update of a corporate's business.
55. Among the total number of 439,600 piece of news covered, 96,883 pieces of related news were identified in January 2008 to December 2014, account for approximately 22% of the total financial news coverage.
56. Analysis of media search unfolds that:
- Coverage of money and financial news are tilted to financial products and tips in wealth accumulation through investment (74.8%), particularly stocks (30%) and bonds (22%);
 - Coverage related to basic concepts of money management know-how, e.g. saving, rational spending and budgeting only account for 0.3%;
 - Concepts and tips related to credit & debt management (5.2%) are not commonly covered;
 - Comparatively speaking, coverage regarding concepts and practical skills of risk control (16.5%) is limited.



Hong Kong is in need of a Centralized Strategy and Co-ordination in Financial Education

57. Without a centralized strategy, Hong Kong still has quite a number of initiatives on financial education. Reviewing the landscape of financial education in Hong Kong, the themes of financial education has been significantly tilted to investment-related concepts, tips and planning. Beyond investment and money management, initiatives that cover Mandatory Provident Fund, retirement planning, wise use of credit, debt management, risk control and prevention are relatively rare.
58. Such findings imply that there has been an imbalanced coverage over a broad spectrum of financial-related issues advocated by OCED's defined financial education.
59. Financial education indeed goes beyond wealth accumulation and investment. A continuous process of financial education in attitude, skills and knowledge, is crucial in helping individuals to budget, manage their income, save, invest, and avoid becoming victims of fraud.
60. Therefore, without a centralized strategy and holistic approach in identifying the high priorities in Hong Kong's financial education, together with adequate resources and supporting policies, it is likely that financial education results in an imbalanced coverage due to lack of information, co-ordination, as well as unmatched supply and demand in financial education.
61. At such, due to limited capacity, absence of a coherent framework and a well defined 'financial well-being' in Hong Kong's context, program funders and organizers can only cater for the needs that they observe or expertise that they can contribute in delivering financial education, resulting in an imbalanced coverage in Hong Kong's financial education. The organizers need a mapping mechanism for better co-ordination and resource matching to create synergies, and react to fulfill the needs of the neglected target groups.
62. There is no credible and consolidated platform for the organizers to exchange views and share local best practices, which hinder the development of financial education in Hong Kong.

More Collaborative Initiatives Should Be Encouraged

63. Cross-sector collaboration, as emphasized by the OECD, harness the strengths and enthusiasm of stakeholders from different sectors, is a key to delivering coordinated financial education and enhancing the public's financial well-being. It is found that in the in-depth interview, the synergy between business and non-governmental organizations sector helps make advantages of the two parties. However, analyzing the major approaches in delivering financial education, it is found that over half of the identified initiatives are solely provided by single organization. Further collaboration should be promoted to enhance the effectiveness of financial education.
64. Among the identified collaborative initiatives, the key drivers are business and finance sector, especially banks and insurance companies as well as non-governmental organizations. In order to encourage more cross-sectoral collaboration, the role of the government should be taken into further consideration.

Interactive Delivery in Financial Education is Crucial

65. As revealed in the in-depth interviews, interactive delivery provide room for the organizer and instructors to cover important financial concepts that are more complex and abstract to understand, no matter it is online or offline. The OECD also recommends this kind of delivery to allow interactive and effective communication for participants to acquire concepts placed in their learning context.
66. Recognizing there is a diversity of delivery formats, interactive delivery in various means is found in 65% of the identified initiatives while one-way delivery account for 35%. Whether the ratio of former should be raised, especially in accommodating the needs of the neglected groups, should be discussed.

Schools, an Under-used Platform for Delivering Financial Education

67. Primary and secondary curriculum mapping illustrates that elements of financial education have been scattered in subjects that are school-based and discipline-specific in nature. Besides, financial education is not coherently delivered throughout primary and secondary education. Financial education thus appears to be disconnected and the delivery is optional in local curriculum. Even for compulsory core subjects, such as the Liberal Studies for senior secondary students, the coverage over personal finance is very limited and largely subject to teachers' choice and whether it is a hot topic in the open examinations (the Hong Kong Diploma of Secondary Examination).
68. Despite teachers generally recognize that financial education is essential to equip students in making informed money decision with improved financial literacy, frontline teachers express a number of concerns in delivering financial education. They generally do not receive formal training courses on financial literacy which they find no confidence in delivering financial education. The packed curriculum and the culture of specialized teaching also hinder teachers to take role in delivering financial literacy training. Worse still, financial education has been a low priority in schools as it is not examined, and higher priorities are given to issues like discipline, civic and moral education, life and career planning.



69. To fill the service gap, stakeholders of different sectors are eager to engage schools to deliver financial education to students. . Yet, without a coherent strategy and policies to embed financial education into school curriculum and illustrate the importance of financial education for students, schools show hesitation in the engagement. Even for the participating schools, financial education is most likely to be delivered through one-off and uncoordinated workshops, seminars and experiential activities, making program assessment and follow-up difficult.

Specific Targets that Require Due Attention

70. Findings show that initiatives that target specific needs of young adults (who just leave school and join the labor market) and low-income groups are relatively rare.
71. For young adults, the public poll has found that there have been more opportunities to receive financial education at school for the younger generations in recent years. Yet, the demand for financial education is still significant. In terms of money management, young adults generally cultivate strong habit of saving and have the awareness of saving for the rainy days. However, they display a comparatively weaker awareness towards MPF management which is highly relevant to retirement protection. Concretely speaking, budgeting, investment risk management and basic understanding of investment products are three concerned themes that young adults would like to acquire more knowledge on, showing their major knowledge gaps in financial education. Mainstream media (television, radio, newspapers and magazines) as well as talks are two most desirable channels for financial knowledge acquisition, which offer insights for financial education providers to adopt proactive media engagement to reach more target beneficiaries.
72. However, upon graduation and joining the labor force, there is a gap in formal financial literacy training for young adults, given friends, colleagues and media are the most common channels for the young adults to receive financial knowledge after graduation. Despite the fact that getting to work is the crucial timing when they need to take informed money decisions ranging from saving, budgeting, financial planning, use of credit, student loan repayment and even MPF management. It seems that “just-in-time” financial education, interventions right before they get to manage money and make key financial decisions, is rare in Hong Kong’s context. That said, the financial needs of young adults are not being adequately catered with reference to the number of initiatives identified. Such finding may imply that, given the limited intervention to equip their financial literacy, it may increase their vulnerability in financial risk and even social mobility of young adults.
73. As illustrated by the landscape, poverty alleviation has not been given a significant amount of attention in current financial education initiatives. Government-driven Child Development Fund projects focus more on intangible asset-building through nurturing children from disadvantaged background in setting personal goals and developing positive attitudes. At such, the potential of utilizing financial education as a mean of poverty alleviation is yet to be explored.
74. Financial needs of population living in poverty are not cast in stone. For chronically poor households receiving CSSA, the pressing issue is to strengthen their financial security through emergency saving or create extra sources of income. Another intervention is debt education to avoid struggling with debt and dragging further into poverty. For poor households with more stable income and less financial burden in housing, the major goal is staying out of poverty and avoid trapped into poverty again. Emergency saving, risk control in investment, insurance and MPF are themes worth delivering to enhance their financial security and reduce the vulnerability against financial risks.

75. Low-income groups have been found display hostility towards financial education. They find it hard to relate financial education with their daily life when there is no extra money to manage. They find it offensive to discuss financial education when they are struggling with asset poverty. This indicates that their perception towards financial education is limited to financial resources and investment. Such finding implies that financial education should be placed in their daily context and to be introduced in a broader manner – financial education is not only tantamount to investment but cover money and resource management that cater their financial needs in reducing expenses and resource allocation for family's planning and children's development. The ability to engage other members of social network, to get access to information about community resources, and utilize the free existing resources are all essential competencies to reduce expenses, cope with financial stress and allocate resources saved for children' development.

The Role of Media in Financial Information Dissemination

76. The media search that covers news in print Chinese newspapers reveals the relative limited coverage over money management, retirement protection, risk control and wise use of credit. The newspapers, a major type of print media in Hong Kong, does not appear to have properly fulfilled the role of disseminating comprehensive financial information essential to improving one's financial well-being and assisting individuals to make informed and sound financial decisions covering the wide spectrum of financial related concepts. The imbalanced coverage requires the collaborative efforts of various stakeholders such as journalists, columnist and professional in business and finance to shape the norm of delivering proper, neutral and practical information related to money and finance.



Recommendations

77. In view of the identified gaps in Hong Kong's financial education, this study makes the following recommendations requiring the attention and efforts by stakeholders of different sectors to improve the coordination and delivery of current initiatives, develop services and intervention for the neglected groups, as well as to monitor and promote the development of financial education in Hong Kong.

Enhancing 'Hong Kong Strategy for Financial Literacy' (HKSFL)

78. The Investor Education Centre (IEC), a public organization to promote Hong Kong's population financial literacy, launched 'Hong Kong Strategy for Financial Literacy' (HKSFL) and 'Hong Kong Financial Competency Framework' in late November 2015. The Framework has laid down the definitions of the key concepts and goals of financial education that suits Hong Kong's circumstances. However, the findings of this study suggest that further discussions and actions should be taken to:

- Reposition financial education as a life-long, continuous and sustainable process essential for financial decision making at different life stages;
- Identify major knowledge gaps (high priorities in financial literacy) to be filled through financial education;
- Assess the needs, in an in-depth manner, of the identified neglected target groups for providing more targeted financial education support;
- Enrich the competence framework by outlining different learning outcomes of financial literacy for not only schoolchildren and adults, but also other different specific groups with special consideration of their unique social economic backgrounds and needs;
- Identify standardized, specific and measurable outcome indicators to assess and track changes of the general public's financial literacy so to evaluate, and adjust if necessary, the strategy.

Enhancing 'Hong Kong Financial Competency Framework' to Cater the Financial Needs at Different Life Stages

79. Another key area needs to be tackled is the lack of a coherent framework of financial education which fits the circumstances of Hong Kong. The findings of the study suggest that good financial education should offer timely, relevant financial knowledge, skills and advice before people make informed financial decisions. The Hong Kong Financial Competency Framework proposed by the Investor Education Centre has adopted a target-group approach that only specifies the learning outcomes for school children and adults. This study however shows that financial literacy is also life-stage specific, learning outcomes of different target groups could be specified with reference to their financial needs at different life stages. Hence, there is room for further development of the framework. The ultimate goal is to empower people to become competent and financially literate to make informed financial decisions. The framework can provide:

- Apart from learning outcomes that students should demonstrate in the primary and secondary education, it should also cover the content relevant to kindergarten education, thereby serves as a comprehensive and coherent reference for Education Bureau and schools to incorporate important and necessary financial concepts and knowledge in lessons;
- Reference for financial education providers and program organizers to design their interventions for their targeted beneficiaries with special reference to their unique social and economic backgrounds and needs;
- Ideas for the general public to be aware of what kind of financial knowledge and concepts they should be able to master at different life stages;
- To facilitate the formation of an administrative platform to coordinate resource mapping and information sharing for stakeholders involved in financial education;
- The framework should have guidelines to regulate financial education initiatives to ensure credibility and neutrality of financial information and advice. Programs and services that involve the promotion of financial services and products should be excluded and cannot be named as initiatives under the name of financial education.

Enhancing ‘Hong Kong Strategy for Financial Literacy’ (HKSFL)

80. Enrichment of the framework based on the above suggestions requires collaborative inputs from existing financial education program organizers, as well as experts from financial sector, schools and social service sector.
81. A platform coordinating different stakeholders from different sectors shall be established. Resources and working partners in promoting coherent financial education for the public can then be mapped and made accessible for different stakeholders. Such a platform can be maintained and coordinated by Investor Education Centre, as the organization with a mission to promote the financial literacy of Hong Kong. It is also believed to be a neutral and credible organization with publicly recognized position to take up the initiative.

Foster the Cross-sectoral Collaboration by Unleashing the Potential of Social Service Sector and Schools in Delivering Financial Education

82. Research findings reveal that social service sector and schools, as the platforms for delivering financial education, are underused. Further actions are needed to utilize and unleash their potential in delivering financial education.
83. First and foremost social workers and teachers should be actively engaged to understand the importance of financial literacy and why schools and social service organizations are desirable settings for financial education. In addition to this, basic capacity-building initiatives should be provided to social workers and teachers so that they can master the fundamental information and knowledge for them to provide financial education. They should also be informed of the available working partners and resources in delivering financial education.
84. Recognizing the packed school curriculum, it is advised that financial education can be embedded in Other Learning Experience and career planning programs. Synergy between schools, non-governmental organizations and financial experts should be encouraged to provide ‘train-the-trainer’ capacity building and ensure credible delivery of financial-related knowledge and skills. Information and support for schools and social service organizations to identify and line up with partners with credibility is crucial and necessary.



85. As for social service sector, financial education can be considered as a new area of recurrent service catering the unique financial education needs of different target beneficiaries. Given the existing subvention from the government, rooms are limited for developing new services for financial education. The existing initiatives of the social service sector are mainly supported by the funding from the private sector. Whether the government can inject new resources, in terms of financial and personal support to the existing social services to develop and scale up service for nurturing financial literacy of different target groups is therefore important and crucial. As a start, the government should engage the social service sector in assessing the needs of the vulnerable groups and formulating the service development plan with a projection of the resource needed.

Supports for the Neglected Vulnerable Groups with High Financial Needs

86. It is recommended that further baseline researches, especially the longitudinal ones, should be carried out to understand and keep track of the attitude, skills and knowledge towards money matters among specific targets that display higher financial vulnerability – low-income groups, young adults and elderly.
87. The respective consumption patterns of the vulnerable groups also worth detailed examination. These studies will provide insight in answering the question of what kind of financial education different specific targets may need. They may also help shape the engagement strategies; thereby design the tailor-made financial education relevant to their daily life context.
88. Some agencies of the social service sector are helping in nurturing the financial literacy of the target beneficiaries, but they may need further support in better handle the negotiation with other family members to achieve family financial goals and in turn improves family's financial well-being. While 'train-the-trainer' approach is adopted to train up the beneficiaries to disseminate the financial concepts to other people with similar social-economic backgrounds, the approach can be further developed to help equip the target beneficiaries in influencing other family members.
89. Other than teachers and social workers, parents are also ideal agents in delivering financial education to their children. Recognizing the 'train-the-trainer' approach and schools as under-utilized platform for financial education, more capacity-building initiatives can be offered to equip parents the strategies to communicate with their children about important financial issues as well as proper financial education knowledge and skills. Deeper engagement with parents can also help to facilitate behavioral and attitudinal changes of the parents.

More Proactive Engagement with the Printed Media should be Initiated by Financial Education Providers

90. Mainstream media plays a vital role in disseminating financial-related information and knowledge to people. This study has found that information or news about financial education is predominantly related to investment in Hong Kong local Chinese newspapers. Such imbalanced coverage limits the public's access to a more comprehensive financial information that are pivotal in improving one's financial literacy to make wise decisions in money management, financial planning, investment and risk control, etc.

91. A wider and more balanced coverage over proper financial education, as emphasized by OECD, offer the general public with appropriate information to make wise financial choices, understanding the risks, and ultimately improve financial well-being. To shape the norm that financial education is seemingly tantamount to stocks and investment, it is recommended that financial education organizers and providers shall take a more proactive role in media engagement by providing proper concepts and practical skills in a wide spectrum of topics such as money management, risk management, goal-setting and financial security through writing columns and op-ed articles in printed media or organizing media events to engage the media as strategic partner in shaping the norm. The shaping requires stable and coherent collaboration between financial education specialist, journalists, columnists and professionals in banking and finance with shared vision in improving the population's financial literacy.

Forward-looking

92. Investor Education Centre, a public organization to promote Hong Kong's population financial literacy, launched the 'Hong Kong Strategy for Financial Literacy' (HKSFL) in 2015. The move is a being late but still good start for improving Hong Kong populations' financial knowledge and capability. Yet, further actions are needed with evidence support to develop the competence framework in financial literacy, as well as explore the service gaps for necessary follow up interventions.

93. This landscape study provides reference for the Council of Social Service, as well as the social service sector and the Hong Kong society, to understand where Hong Kong is and what Hong Kong needs for enhancing the existing financial education initiatives, which help us to take further actions to response to the existing Hong Kong Strategy for Financial Literacy, as well as fill the explored service gaps.



1 Background

Promote Financial Well-being through Improving Financial Literacy

- 1.1 Financial well-being can be defined as the ability to make wise decisions on earnings, savings, credits and resource management that enables one to attain his personal goals and is highly relevant to one's mobility. Through making informed financial decisions, understanding possible financial consequences, identifying and managing risk, not only can one improve his financial outcomes by taking proper actions and planning, but also prevent from falling into poverty due to sudden financial shocks, unmanageable financial risks or financial mismanagement.
- 1.2 Specific definition of financial well-being for Hong Kong people is defined in the Hong Kong Strategy for Financial Literacy in December 2015¹ by the Investor Education Centre.² The definition is illustrated in five dimensions, namely the management of financial affairs, debt levels and saving, consideration of the basic livelihood, financial security, financial freedom, and retirement preparation. Detailed descriptions of the five dimensions can be found in Table 1.1.

Table 1.1 Definition of Financial well-being for Hong Kong People

Dimension	Description
1. Management of financial affairs, debt levels and savings	Be in control of your financial affairs, debt levels and savings
2. Consideration of basic livelihood	Have adequate means to cover living expenses
3. Financial Security	Have financial security when faced with setbacks
4. Financial Freedom	Have financial freedom to make choices
5. Retirement preparation	Are financially prepared for retirement

Source: (Hong Kong Investor Education Centre, 2015)

- 1.3 Achieving financial well-being is related to one's financial literacy, a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing (Atkinson and Messy, 2012:14). It has been considered a core life skill for everyone and for every stage of life when one faces different financial decisions to achieve personal goals, improve one's livelihood, as well as to avoid taking on unmanageable financial risk or trapped in poverty. Improving financial literacy is thus crucial for contributing to one's financial well-being.

¹ The Hong Kong Strategy for Financial Literacy (HKSFL) is the first initiative of its kind in Hong Kong which aims to harness the enthusiasm and efforts of various sectors by setting common goals that address the financial education needs of Hong Kong.

² Established in 2012 and supported by the four Hong Kong's financial regulators and the Education Bureau, Investor Education Centre is the dedicated organization with the mission of improving financial literacy in Hong Kong.

- 1.4 Financial literacy can be strengthened through financial education, a process helps people “improve their understanding of financial products, concepts and risks, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.” (OECD, 2005)
- 1.5 Financial education has also been seen as an alternative approach to poverty reduction with the goals of tackling asset poverty and strengthening financial security. It helps the poor to acquire and practice money and resource management skills, build their own assets, tangibly improve their financial situations and to get out of poverty with enhanced financial security.

Development of Financial Education in a Global Context

- 1.6 There has been a growing awareness of the importance of financial education among policy makers across the globe. Correspondingly, international principles, standards and best practices begin to flourish in recent decades.
- 1.7 Notably, in 2005, the OECD took the initial lead to develop principles, standards and recommend practices to promote and implement financial education for countries' reference. In 2006, the World Bank started to emphasize financial inclusion for the unbanked poor in access to formal financial services. European Commission also committed to improving the financial literacy of 28 members states subsequently.
- 1.8 In 2008, with the concerns expressed by the governments around the world about the low level of financial literacy among their citizens, the OECD set up the International Network on Financial Education (INFE). The network facilitates the sharing of experience and expertise among countries on the topic and to promote the development of both analytical work and policy recommendations for financial education, with measurement of the level of financial literacy at both national and international levels to fill in the gap of the lack of international comparable data.
- 1.9 Citing the definitions and principles of OECD on financial literacy and financial education, the United Nations advocates the importance of financial literacy as an important and efficient tool for financial inclusion and poverty alleviation. Through financial education, the UN says, the underprivileged will be empowered with knowledge and skills to get access to savings, credit, insurance, and payment services. (United Nations Capital Development Fund, 2012; United Nations Development Program, 2009; 2012).
- 1.10 Upon reviewing the work of the global institutions including the United Nations, the World Bank, the European Commission and the OECD related to financial literacy and financial education, the working foci among them vary. OECD is the institution which attempts to promote the development of financial education around the world focusing on developing concrete definitions, principles, and guidelines in a comprehensive and sophisticated manner.
- 1.11 In specific, the OECD has developed and adopted the “Recommendations on Principles and Good Practices for Financial Education and Awareness” in 2005. It outlines the definitions of concepts, key principles and good practices in delivering financial education. The details will be further introduced in Chapter 2.



- 1.12 To date, 47 countries, including the global financial centers such as United States, Singapore and England, have already developed or been developing their national strategies for financial education adopting OECD principles and standards (OECD, 2013).
- 1.13 Given the consideration of the wide adoption and recognition of the OECD guidelines, key principles and standards, as well as her history of championing in financial education, this study takes OECD as the benchmarks and reference to examine financial education in Hong Kong in a detailed manner.

Putting Financial Education in Hong Kong's Context

- 1.14 As a recognized international financial center, Hong Kong has a well-established financial system with stability and integrity to attract capital and flow of investment across the globe. It provides access to a wide range of financial products and services from different markets. In addition, a significant proportion of Hong Kong people are active participants in financial markets investing in various financial products and using a range of financial services.
- 1.15 Despite Hong Kong's well-established financial infrastructure and vibrant financial market, unlike other international financial centers such as United Kingdom, United States, Singapore and Australia, it was not until the end of 2015 that a centralized strategy was initiated to try coordinating the efforts in financial education with the goal of improving the population's financial literacy and financial well-being.
- 1.16 A coordinated and holistic national strategy of financial education is pivotal in offering a framework to steer financial education at policy level, allowing the development of an explicit roadmap with measurable objectives to promote smooth and sustainable cooperation between interested parties and stakeholders, as well as to avoid duplication of efforts. (OECD, 2012a)
- 1.17 Despite the absence of strategy before end of 2015, stakeholders of different sectors, including the business sector and the NGOs, have been making varying degree of efforts on providing financial education. However, a full picture illustrating the city's situation in terms of needs and the development of financial education is yet to be shown.
- 1.18 Being relatively uninformed, it is not possible to assess the extent to which the city's financial education initiatives have been addressing the needs of the population or to identify the gap of financial education against the internationally recognized benchmarks. In this regard, a landscape research is important to depict the overall picture.
- 1.19 On the other hand, Hong Kong is an affluent society, yet poverty and deprivation abound. According to the government's latest statistics (2013), before policy interventions, the city's poverty rate is 19.9% and the total number of poor households is 550,000.
- 1.20 Apart from the conventional three major approaches to poverty reduction, namely promoting opportunities among the poor, creating a social safety net and offering public services, the society is also seeking alternative ways for poverty alleviation and prevention. Financial education for the low-income groups is believed to be one such alternative but our knowledge about the needs and the provision is far from adequate.
- 1.21 A landscape research is therefore conducted by the Hong Kong Council of Social Service (the Council) with the support from the Citi Foundation.

Research Questions of this Study

- 1.22 To describe the landscape of financial education in Hong Kong, this research attempts to answer the following three key research questions:
1. What are the key players in providing the financial education, the mode of the delivery, the beneficiaries, as well as the content and areas that the existing initiatives cover?
 2. Against the benchmark of OECD, in terms of the principles and best practices, what are the policy and service gaps of financial education in Hong Kong?
 3. What are the areas for improvement for the provision of financial education in the city and what is direction for the development of financial education in Hong Kong?
- 1.23 To answer the above research questions, a mixed methods approach which both quantitative and qualitative research methods were adopted for data collection and analysis. Further details on research design and methodology will be reported in Chapter 3.
- 1.24 The following chapter captures the insights from literature review and international experience, so to provide solid knowledge and benchmarks for the research to depict Hong Kong's financial education landscape.



2 Literature Review

- 2.1 This chapter illustrates the insights sought in reviewing the key principles and good practices recommended by Organisation for Economic Co-operation and Development (OECD) and experience of other international financial centers in applying the international benchmarks to steer the development of financial education in their own national circumstances.
- 2.2 The literature review serves as important reference for the study to define and articulate key concepts of financial education essential to depict Hong Kong's landscape. International experience also offers insights for Hong Kong to explore how financial education can be promoted, as well as a mean for poverty alleviation in domestic context.
- 2.3 With reference to the OECD's definition, financial literacy can be categorized into the following key topics and concepts informing the themes and areas of financial education.

Table 2.1 Concepts of Financial Literacy based on OECD's definition

Financial topics	Concepts covered
Money and resource management know-how	Saving for the future Wise spending Consumers' responsibilities Personal and family budgeting
Investment	Investment Management Understanding of the investment products Risk control and management
Insurance	Understanding the concept of insurance Understanding of the insurance products Insurance protection
Retirement protection	Retirement planning Retirement wealth management
Banking & Credit	Managing bank accounts Responsible borrowing Effective management of debt Consumer protection

- 2.4 With the OECD's definition of financial education introduced in Chapter 1, initiatives that aim to improve people's financial well-being, their understanding towards financial-related information, and their ability to make informed choices, or contain information, instruction and objective advice about financial products, concepts, risks and opportunities should be counted as financial education initiatives. The OECD also recommends that there should be a clear distinction between the financial education initiative and promotion of any financial products or services of the business sector.

- 2.5 The OECD has also taken the initiative to provide common standards, guidelines and principles for policymakers across the globe to improve financial literacy and promote financial education. It also recommends a list of seven key principles for countries to consider when promoting population's financial literacy. The key principles (OECD, 2005) include:
- Financial education should be considered as capacity building for financial literacy based on proper financial information and instruction with the ultimate goal of improving one's financial well-being;
 - Financial education should be delivered in a fair and unbiased manner with coordination and efficiency;
 - Financial education should be institutionalized into regulatory and administrative framework;
 - The role of financial institutions in delivering financial education and awareness should be promoted;
 - Financial education programs should be designed to meet the needs and the financial literacy level of target audience;
 - Financial education should be regarded as a life-time, on-going and continuous process.
- 2.6 Apart from the principles, the OECD provides this study another important reference, the good practices recommended by the organization, to examine how good Hong Kong is in promoting and delivering financial education.
- 2.7 The best practices of financial education proposed by OECD cover the following areas:
- Public actions carried out by the government, regulators, public bodies and schools. National strategy and national campaign to raise awareness of the population are the examples;
 - Role of the providers of financial education, in terms of their synergy, and the content of the financial education they deliver, especially on the differentiation of financial information or 'commercial' financial advice, and whether the information provided meets the needs of the beneficiaries at different levels;
 - Promote financial education programs that develop guidelines on study content and accomplishment level for each financial education program and for each population subgroup;
 - Promote the use of all available media for the dissemination of education messages so as to achieve a wide coverage and exposure of financial education;
 - Emphasis should be placed, when reviewing financial education program, on its content, mode of delivery, targets, trainings for the providers and trainers, methodologies to assess the existing initiatives and program, use of media for information dissemination, as well as knowledge management and evaluations, and;
 - Promote financial education programs that are created for specific groups of investors/consumers, for instance, young people, the less educated, and the disadvantaged groups in the society.
- 2.8 As introduced in Chapter 1, well-established international financial centers, namely United Kingdom, United States, Australia and Singapore develop their financial education by adopting the OECD's measures. Their practical experiences are consolidated in the following session.



Adoption of National Strategy for Financial Literacy

2.9 The above mentioned 4 countries have adopted the approach as recommended by the OECD to formulate national strategy for enhancing the financial literacy of their citizens, with the establishment of a public body to coordinate the development of financial education in a holistic manner and with reference to their national circumstances. The adoption of national strategy is the fundamental step to coordinate financial education and steer its future development in a strategic manner:

- The Financial Services Authority, the government regulator for capital market of the United Kingdom, launched a National Strategy for Financial Capability in 2003 dedicated to strengthen financial capability of the population by working with stakeholders in private sector (International Forum for Investor Education, 2010).
- The United States Financial Literacy and Education Commission, which is established to improve the financial literacy and education of the United States population, also introduced a national strategy for promoting financial literacy countrywide in 2011 (International Forum for Investor Education, 2010).
- The Financial Literacy Foundation established by the Australian government in 2005 implements a national strategy to provide a framework within which financial literacy initiatives could function more effectively (International Forum for Investor Education, 2010).
- Singapore launched the national strategy in 2003. Under the strategy, a national financial education program titled MoneySENSE was started to bring together collaborative initiatives to enhance the basic financial literacy of the population. (Monetary Authority of Singapore, 2015)

Mapping of Specific Priority Areas in National Context

2.10 Another shared experience among these countries is that mapping has been conducted to identify the specific areas of needs that should be addressed with reference to national circumstances:

- The United Kingdom has identified seven specific priority areas to work on: (1) schools; (2) young adults; (3) workplace; (4) families; (5) retirement; (6) borrowing; and (7) financial advice to work on (IFIE, 2010).
- In the United States, the national strategy promoting financial literacy consists of four major priorities: (1) building public awareness of available resources; (2) developing tailored, targeted materials and dissemination strategies; (3) promoting public-private and private-private partnerships; and (4) promoting research and evaluation of financial education programs (Financial Literacy and Education Commission, 2011).
- In the case of Australia, the priorities include the integration of financial literacy into the school curriculum starting from primary school and development of teachers in teaching financial education; adoption and integration of financial education into the workplace through vocational education program and employer information channels and conduct an ongoing national research program exploring the factors leading to key consumer and financial decision-making (IFIE, 2010).
- Singapore identifies 3 major dimensions of financial literacy – (1) Basic Money Management covering practical skills in budgeting, saving and the responsible use of credit; (2) Financial Planning to equip Singaporeans with skills and knowledge to plan for their long-term financial needs; and (3) Investment Know-How which imparts knowledge about different investment products as well as skills for investing (Monetary Authority of Singapore, 2015).

Fostering Coordination and Cooperation between Stakeholders of Different Sector

- 2.11 Collaborative efforts in promoting financial education are identified in engaging stakeholders of different sectors with the common goal of promoting financial literacy either in establishing network (the cases of the network of financial education providers and counselors of the United States and the Financial Literacy Educators and Trainers Network of Australia) or partnerships (the cases of Singapore's MoneySENSE national education program) to foster exchange of knowledge and experience.

Set Up of Neutral and Credible Resources Clearing House

- 2.12 As recommended by OECD, specific websites should be developed and promoted to provide relevant, user-friendly financial information to the public. Free information services should be developed as well (OECD, 2005). The 4 international cases have developed their own websites as information dissemination platform for public to access information for making financial decisions.

Promoting Financial Education in Schools

- 2.13 OECD also advocates that financial education should start at school so that people can be educated about financial matters as early as possible in their lives (OECD, 2005). The United Kingdom, the United States, Australia and Singapore have all demonstrated efforts in introducing financial literacy in schools either as a standalone course or integrated into curriculums on mandatory basis (Department for Education, 2014; Council for Economic Education, 2014; Curriculum and Leadership Journal, 2012; and Ministry of Education, 2014).



Insights Gained from other Researches and Studies on Provision of Financial Education

- 2.14 A meta-analysis conducted by Fernandes, Lynch, and Netemeyer, examined the relationship of financial education to financial behaviors. Findings indicate that 'just-in-time' financial education is far more effective as it occurs right before the targets making important financial decisions. The fresh and in context understanding of the related financial concepts facilitates behavioral changes. At the same time, the findings reveal that financial knowledge decays over time if it is not linked to practice (Fernandes, Lynch & Netemeyer, 2014). Participants who consider program content relevant are more likely to remain in the training (Friedman, 2005). The findings provide insights for the organizers of the financial education to have their initiatives designed in response to the "here-and-now" situations of their targets. And it echoes the principle that financial education should be an on-going process and specific to different life stages of the target beneficiaries.
- 2.15 Evidences collected by Miley (2008) also show that successful financial education programs should include clear missions and purposes. The accessibility to the target audiences should also be enhanced, and adequate resources and evaluations to assess the learning outcomes should also be added (Miley, 2008).
- 2.16 Drawing upon the key principles and best practices of financial education recommended by the OECD, the experiences of the four selected global financial centres and other studies, the following insights for the research are obtained for illustrating and reviewing the landscape of the financial education in Hong Kong.
- The detailed criteria for selecting financial education initiatives. In this study, programs and services for promoting financial well-being and capacity building are included, except the ones involving the promotion of financial products of the private organizers, such as financial planning, banking, insurance, investing, lending services, are excluded.
 - Apart from identifying who are in the playfield and what they are doing, the references also provide various dimensions for the study to examine whether financial education in Hong Kong, although without a centralized strategy:
 - I is delivered in a coordinated, unbiased and credible manner;
 - II has been addressing the high priority local issues mapped;
 - III has been institutionalized into regulatory and administrative framework to steer its development;
 - IV has been regarded as a life-time, continuous and on-going process that is needed for the population's different stages of life;
 - V facilitate the coordination and cooperation between stakeholders of different sectors, with platform(s) for evidence supported knowledge and experience exchanged;
 - VI integrated in the school as required subject(s) or part of the curriculum of core subject(s) at different learning stages;
 - VII has been accessible to general public and specific target groups, and delivered in the mode that can cater the needs of the targets, with relevancy to their daily lives; and
 - VIII whether assessment and evaluation exists for the initiatives to capture the effectiveness and impact of financial education.

Financial Education and Poverty Alleviation

- 2.17 Apart from illustrating the general landscape of the financial education in Hong Kong, this study also attempts to explore if the low-income groups can benefit from financial education and how the latter can be an alternative approach to poverty alleviation. The following paragraphs introduce concepts, empirical evidences and practices of how financial education may play a role in yielding some positive effects in terms of poverty alleviation.
- 2.18 For vulnerable groups, money management can be a daily challenge. Often, they experience persistent pressure on their cash flow as they have to cope with living costs including housing, food, transportation, monthly bills (water, gas, electricity and internet) as well as children' education expenses. In this regard, saving becomes a challenging task and future planning is difficult and often seen to be irrelevant when people are struggling to make ends meet on a day-to-day basis.
- 2.19 In such context, financial planning, if any, tends to be brief that can only accommodate immediate needs, unexpected medical expenses or school fees. Only slight attention can be given to planning for emergencies, unexpected income shortfall or future investment in children or employability skills.
- 2.20 Strengthening financial literacy of low income groups has been argued as the precondition of successful asset-building to escape from asset poverty. Financial education programs, if done well, can equip low income groups with knowledge and skills to better identify opportunities for positive change in financial outcomes, help reduce risks associated with key financial choices and life events (Social and Enterprise Development Innovations, 2005). Therefore, strengthened financial capabilities play a part in asset-building to fight against poverty (Sherraden, 1991).
- 2.21 Offering training to equip people with knowledge and skills to save and accumulate both tangible and intangible assets is believed to help leverage new income, create greater cushion against sudden income losses or anticipated risk and plan for the future. Specifically, low-income groups can build their financial security by:
- Devising saving plans;
 - Working out household budget;
 - Controlling expenses;
 - Building regular habit to accumulate emergency saving and precautionary saving;
 - Making strategic investment decisions.
- 2.22 Research findings suggest that in educating low-income and vulnerable populations about financial concepts, effort should be made on effecting behavioral changes, particularly strengthening discipline around savings and spending, for promoting long-term financial well-being (The University of Wisconsin's Financial Literacy Research Consortium and Abt Associates, Inc, 2010). Other studies also echo that some form of financial education, whether in concert with another service or as a stand-alone course, improves financial knowledge, especially when the financial education is delivered in a way that can effect behavior change (Bayer et al., 2008; Lyons, 2005).



- 2.23 In other words, financial education should offer practical skills and opportunities of application to vulnerable people for wise money and resource management, in addition to acquisition of concepts and principles. Studies also find that financial education, with deliberate timing, can be a tool for increasing a person's overall financial security. Financial education is being described as "an important part of an asset-building agenda", especially for low-income groups (Bell & Lerman, 2005).
- 2.24 Increasing one's financial security can be achieved through emergency saving. As a form of cushion against unexpected immediate expenses or a sudden income shortfall, adequate preparation for emergency saving is crucial to accumulate liquid assets, yet an uneasy task for low-income groups. A study shows that households saving for an emergency experience less overall hardship and are less likely to report several specific material hardships (Gjertson, 2014). Another study indicates that households who are more financially knowledgeable or more confident in their financial ability are significantly more likely to report having emergency funds (Babiarz & Robb, 2013).
- 2.25 Regarding the content of the financial education for the low-income groups, an evaluation study conducted in Poland finds that the most relevant agenda for financial education initiatives for economically vulnerable groups is to deliver knowledge and skills related to their daily lives and helps to sooth their financial pressure. Therefore budgeting is one of the topics that should be included (Matul, Pawlak & Guzowski, 2005).
- 2.26 To sum up, the literature offers a review towards the importance of financial education to low-income groups in building the financial security, the means and approaches in delivering financial education to inform behavioral changes. It also sheds light on tour effort in describing Hong Kong's landscape of financial education for low-income groups in the following aspects:
- Whether key drivers of financial education in Hong Kong aware that financial education can serve as a tool for poverty alleviation and put the principles in practices; and
 - Whether the initiatives catered for low-income groups are addressing their financial education needs and relevant and practical to one's daily life circumstances.
- 2.27 Reviewing international experience and academic literature help fixing the areas for illustrating and reviewing the landscape of the Financial Education in Hong Kong, and perspectives in looking at financial education to low-income groups. The next chapter further explains the research design and how the methods can fill in the puzzles articulated in Chapter 1 for Hong Kong's financial education landscape.

3 Research Design & Methodology

- 3.1 This chapter introduces the research design, methodology and defines key concepts to depict Hong Kong's financial education landscape.

Overview on the Research Design

- 3.2 This landscape study consists of components to depict the landscape of financial education in multi-dimensions, namely desktop research, in-depth interviews, public poll, media search and stakeholder engagement seminars. Both quantitative and qualitative methods are used for data collection.
- 3.3 A Steering Committee³ with academics, bankers, NGOs and the Investor Education Centre (IEC) is formed to give advices and inputs to the study.
- 3.4 Desktop research identifies and depicts the pattern of financial education initiatives in the period January 2008 and August 2015 in Hong Kong in terms of various dimensions, while In-depth interviews with selected important key stakeholders are conducted to capture the motives, best practices and collaboration patterns among key financial education providers. The two data collection methods answer 'how' the landscape looks like and 'why' the landscape is formed.
- 3.5 With the findings in the desktop research, two specific groups, namely the economically vulnerable family and the young adult at work, are found to be neglected in the current landscape. With the inputs from the steering committee of this study, the landscape research goes deeper to study the needs on the financial education to the two groups.
- 3.6 For the low-income family, specific questions cover their perception towards financial education and how it plays a role in everyday life circumstances.
- 3.7 For the young adult at work, as another specific group, specific areas on their financial education needs and wealth management are the foci. Quantitative data are collected through telephone survey.
- 3.8 The preliminary findings of the desktop research and in-depth interviews are subsequently shared in two sessions of stakeholder engagement seminars targeting major financial education providers, academics, regulators, and practitioners in social welfare sector. They are engaged to discuss the development of financial education, the formation of the landscape, and explore the possibility for having financial education put in practice for social services for different groups of society and poverty alleviation. Feedbacks and thoughts given by the participants offer insights on how existing initiatives can be improved.

³ The steering committee members are Mr. Stephen Wong, Adjunct Lecturer at the Chinese University of Hong Kong (Convener of the steering committee), Mr. Wayne Fong, Head of Corporate Affairs, Citigroup, Hong Kong, Mr. David Fung, Senior Manager of Community Centre Services & Corporate Venture Services, St. James' Settlement, Mr. David Kneebone, General Manager, Investor Education Centre, Ms. Avis Kong, Vice President, Corporate Affairs, Citigroup, Hong Kong and Dr. Chi Kwong Law, Associate Professor, Department of Social Work and Social Administration, The University of Hong Kong.



- 3.9 Mass Media provide the general public with information and knowledge and create impacts to shape the recipients attitude and behavior. Therefore, a media search is conducted to identify and capture what has been emphasized about financial education at the media in the city, in order to understand what financial knowledge the general public obtains through media. Given the wide coverage and circulation in Hong Kong, local Chinese newspapers has been the selected research frame to study the news about financial education in the period between January 2008 and December 2014.
- 3.10 By juxtaposing the findings in desktop research, in-depth interviews, media search, public poll and feedbacks raised in stakeholder engagement seminars with OECD key principles of financial education and the experiences of other global financial centers, the gap of financial education in Hong Kong can be identified, serving then as a baseline to steer the development of financial education in Hong Kong.
- 3.11 The following sections introduce in detail the design and methodology of the desktop research, in-depth interviews, public polls, stakeholder engagement seminar, and the media search.

Desktop Research

- 3.12 The desktop research is conducted to gather and examine details of financial education initiatives being offered by different parties from January 2008 to August 2015 in Hong Kong. Information was collected using both online and offline methods.
- 3.13 Online search was conducted to explore and collect sources including websites and online materials such as pamphlets, brochures and booklets containing information about financial education initiatives provided by banks, insurance companies, industry associations, investment companies, regulators, non-governmental organizations, media (electronic, print and social media) and education sector.
- 3.14 Offline search was also conducted through issuing memorandum to agency members of the Hong Kong Council of Social Service (the HKCSS), who are providing over 90% of social services in Hong Kong, to collect information of financial education initiatives and materials including printed publications, brochures, pamphlets and teaching materials of the financial education initiatives available. The targets of the in-depth interviews were also invited to give their printed materials to the research team for review.
- 3.15 An initial list of key financial education initiatives and providers was developed after preliminary online search and consolidation of the replies from the agency members of the HKCSS. Snowball approach was adopted to identify other financial education initiatives apart from the initial list through keywords and related organizations. Collection of initiatives was supported by the inputs from the Investor Education Centre, which had previously conducted a desktop research on the financial education in Hong Kong in 2013.
- 3.16 According to OECD, financial education should be delivered in an unbiased manner through offering neutral information, instruction and advice. Therefore, initiatives with promotion of services and products of financial planning, banking, insurance, investing, lending, or the 'commercial' financial advices are excluded in the desktop research.

- 3.17 It is a deliberate choice to set the desktop research time frame from 2008 to 2015. The year 2008 is the year that a government-driven initiative ‘Child Development Fund’ (CDF) was first implemented; aiming at promoting the long-term development of children aged 10-16 from a disadvantaged background through an asset-building approach, thereby reducing intergenerational poverty. Encouraging the collaboration between the family, the private sector, the community and the Government, all projects funded by CDF have three key components, namely targeted savings, personal development plan and mentorship program, to enhance the children’s ability in planning for their future and accumulating both financial and intangible assets. Such initiative signifies that the time may be ripe for our society to cultivate the discussion over the financial literacy of economically vulnerable groups.
- 3.18 With the collected online and printed materials, the desktop research tries to illustrate the landscape of the financial education in Hong Kong in terms of organizers, themes, target beneficiaries, format of initiatives, mode of delivery, scale (by number of participants), program sustainability, as well as program / service assessment and evaluation.
- 3.19 Organizers are defined as the parties which either have inputs in single area, a few areas or all in the financial education initiatives. It helps to illustrate who are the key drivers of the financial education in the city.
- 3.20 Organizers are categorized by their business nature. For business and finance, categories include banks, insurance companies and others (e.g. information providers, asset management companies), while non-governmental organizations (NGOs) include social service agencies and churches. Education sector include kindergartens, primary schools, secondary schools and tertiary institutions. Government departments and regulators include bureaus and departments of the government, the four regulators namely the Hong Kong Monetary Authority, Officer of the Commissioner of Insurance, the Mandatory Provident Fund Schemes Authority and Securities and Futures Commission, and the Investor Education Centre. For media, it includes printed, electronic and online media agencies.
- 3.21 The themes are categorized based on the OECD’s definition of financial education and financial literacy, covering the wide spectrum of financial education from money and resource management basics to consumer rights & responsibility. Table 3.1 shows in detail the themes and related concepts and keywords for further categorization and analysis.
- 3.22 Initiatives that contain keywords about concepts, tips, planning and advice of the below categories will be included in the collection and analysis. For initiatives that cover more than one theme, all themes covered will be counted.
- 3.23 With the categorization of the theme of the initiatives by their content and main message delivered, it helps to provide a larger picture of the main foci of the financial education in Hong Kong, and whether the coverage of the content and theme is a balanced one to offer the audiences the knowledge they need for their financial wellbeing.



Table 3.1 Concepts and keywords covered in the desktop research by themes

Theme	Concepts	Keywords
Money management	<ul style="list-style-type: none"> Decision related to use of money, resource and savings, including budgeting, spending and saving plans and targets Accessibility to the information in budgeting, wise spending and saving plans Accessibility to information in available resource and financial supports 	Budgeting, daily budgeting, use of money, spending / expenditure records, saving, saving plan, target for saving, resource allocation, community resource supports
Values and attitude towards money	<ul style="list-style-type: none"> Views on ways of making money, uses of money, spending, and importance of having money and wealth 	Proper ways in making a living, incorruptibility, needs, demands and wants, daily necessities, luxury goods, leisure goods
Investment	<ul style="list-style-type: none"> Understanding on Investment related terms and concepts, planning and risk control, and mechanism of specific products and tools and accessibility to the information Understanding on laws and regulations and the regulators Understanding on the responsibilities of the stakeholders involved, including brokers, consumers, listed companies, etc. 	Basic concepts (e.g. interest, interest rates, return rates, Price-to-Earning Ratio, stop loss limit, etc), Financial products (e.g. warrant, security, etc), risk, risk control, Stock trading, Hong Kong Exchange Ltd, Securities & Futures Commission of Hong Kong, Hong Kong Monetary Authority, Investor Education Centre, broker/ dealer license
Insurance	<ul style="list-style-type: none"> Insurance related concepts, dos and don'ts, and planning 	Insurance basics (e.g. pay the premium, insurance coverage, make a claim), applying for an insurance, product overview (e.g. medical insurance, travel insurance), insurance claims, choosing the right insurance, insurance exclusion
Credit	<ul style="list-style-type: none"> Credit related concepts, tips and management 	Responsible borrowing, loan basics (e.g. secured loans, interest rates of loan products), choosing the right loan, sources of credit (e.g. licensed banks, money lenders), beware of borrowing and mortgage trap
Resource management	Resource related concepts and tips	Effective use of resources, resource allocation, utilize free and existing resources in the community
Retirement planning	Tips, concepts, planning and management about retirement	Retirement planning, retirement saving, retirement wealth management, and retirement saving calculation
Mandatory Provident Fund (MPF) Schemes	Concepts, information and planning about MPF	Types of MPF schemes, features of the MPF system, Fees and Charges, MPF calculators, comparison of trustee service, MPFA enforcement, basics of MPF contribution
Financial planning	Concepts, tips and skills about financial planning	Planning for financial portfolio, concepts of financial planning, financial planning advice, financial goal-setting, planning for tax obligations and other life events
Consumers' rights & responsibilities	Concepts and information about consumers' rights and responsibilities	Consumer protection, deposit protection

- 3.24 For beneficiaries of the financial education, apart from general public, OECD's principles and best practices recommend that financial education initiatives should engage specific targets of the population in response to their financial education needs to improve their financial literacy with consideration of their socio-economic backgrounds and financial needs at different life stages. Therefore, beneficiaries of the collected initiatives are further categorized by age, education and employment status, social economic backgrounds and ethnicity and with the consideration whether they are the minority groups in the society. Details of the categorization are shown in Table 3.2.

Table 3.2 Concepts covered in the desktop research by types of target beneficiaries

Categorization Criteria	Target Beneficiaries
Universality	General Public
Age and Employment status	Students (Kindergarten, Primary, Secondary, Tertiary students) Young adults Elderly
Minorities in the society	Low income groups Ethnics Minority New arrivals Women
Participation in finance-related activities	Investors
Other specific target groups	Employers Education professionals (e.g teachers) Customers of the financial education organizer(s) from business sector

- 3.25 With the detailed description on the distribution of the beneficiaries, the study tries to identify the most concerned groups in the landscape of financial education in Hong Kong, and which are being neglected.
- 3.26 Different approaches and forms of activities are used in delivering financial education. By delivery format, the initiatives are classified into four major categories, i.e. community outreach activities (talks, seminars, course, exhibitions, etc), media events (TV program, Radio program, events organized by the media agencies, etc), publications (booklets, leaflets, textbook, printed teaching materials), and online / mobile tools (website, Facebook, mobile apps, etc).
- 3.27 The initiatives are also analyzed by whether they are offered in one-way or in face-to-face/interactive way. For the latter, it is encouraged by the OECD as it provides room for the organizer to provide more in-depth trainings and interventions to accommodate the needs of the audiences.
- 3.28 The initiatives are also categorized by whether it is carried out by sole organizers, or it is a collaborative move. It helps to show whether multi-organizer collaboration, one of the good practices advocated by OECD, is popular in the city.
- 3.29 The categorization on scale of participation can help illustrate whether effort is made for offering different scales of activities to reach out target beneficiaries. The scale is broken down by the number of participants, from below 10 people or below to over 1,000 people or above. The break down illustrates 5 types of scale, from very small (1 – 9 people), small (10 – 49 people), medium (50 – 99 people), large (100 – 499 people), very large scale (500 – 999) and massive (1000 people or above).



- 3.30 At the same time, by categorizing the initiatives into one-off program or an on-going one with continuous inputs, it helps illustrate the effort Hong Kong society made in providing financial education in long-term and continuous base.
- 3.31 The desktop research also analyzes whether the initiatives have built in a component of evaluation and assessment. It can help to review whether the organizers have an understanding of the outcomes and impacts of their interventions, and whether open sharing of the evaluation results a common practice among the organizers in the city. The practice can also help to build up a knowledge sharing platform in Hong Kong.

In-depth and Focus Group Interviews

- 3.32 Other than conducting desktop research, in-depth individual and focus group interviews were conducted to capture a wide range of stakeholders' attitudes, opinions, experiences and observations towards the current situation and development of financial education in Hong Kong. Stakeholders being interviewed include program funders, program providers, trainers, social workers, academic, education professionals and potential target groups. The interviewees, who have been major drivers of financial education in Hong Kong, were identified through the desktop research. Snowball sampling was also adopted to recruit stakeholders among the acquaintances made. During March and June 2015, a total of 22 interviews were completed. Table 3.3 shows the list of interviewees by code, their roles in financial education and business nature.

Table 3.3 Background of the interviewees of the In-depth interviews

Interviewee	Role in Financial Education	Background and Business nature of the Agency
A	Program organizer	The interviewee represents a nongovernmental organization offers financial literacy courses and 'train-the-trainer' workshops to low-income groups in Hong Kong and other developing countries since 2005.
B	Program funder	The interviewee represents an international insurance company founded in early 19th century, with over one million customers in Hong Kong and Macau, has delivered an initiative to promote financial literacy and risk education for children and their parents with a board game in 2012.
C	Program funder	The interviewee is a global bank serving more than one million customers locally since 1902, which has been funding 15 different programs in Hong Kong to educate students from primary to post-secondary/university on financial management and to promote asset-building since 2005.
D	Social workers	The interviewee are experienced social workers working in a local non-governmental organization established since 1998, serving low-income groups and CSSA recipients with thorough understanding and frontline observations of their socioeconomic characteristics
E	Program organizer	The interviewee represents a public body established in 2012 to coordinate the efforts of promoting financial education in Hong Kong with its mission to improve the population's financial literacy.
F	Program organizer	The interviewee represents an industry association of the banking sector established in 1981 which initiated financial education workshops for low-income families and CSSA recipients since 2010, reaching out to more than 400 families.
G	A secondary school teacher	The interviewee is a representative of an industry association in education sector established in 1975. The association concerns the promotion of financial education in schools since 2012. He is also an experienced teacher teaching Business and Accounting for more than 10 years.

Table 3.3 Background of the interviewees of the In-depth interviews (Cont.)

Interviewee	Role in Financial Education	Background and Business nature of the Agency
H	Program funder	The interviewee represents an industry association in the finance sector established in 1973 which organizes financial education programs to primary and secondary students and reaches out more than 200 schools over the decade.
I	Program funder	The interviewee is from a bank which has been funding for 5 financial education programs to educating primary and secondary school students about personal finance and money management since 2008, reaching out to more than 320,000 students.
J	Government official	The interviewee is involved in the school curriculum policy-making in the government department.
K	Program organizer	The interviewee is from an industry association in the finance sector which offers financial planning workshops to low-income families, mentally retarded people and their parents since 2014.
L	Program organizer	The interviewee represents a local nongovernmental organization which provides financial education workshops related to money management to sex workers in Hong Kong since 2015
M	Program organizer	The interviewee is from an international nongovernmental organization which provides workshops related to personal finance and money management to primary and secondary school students in Hong Kong since 2001.
N	Program funder	The interviewee represents one of the financial regulators in Hong Kong for regulating and supervising the Mandatory Provident Fund (MPF) Schemes system, and providing financial education to the public and students related to retirement planning and MPF since 2000.
O	Program organizer	The interviewee is from a local non-governmental organization serving in Hong Kong for 135 years, and providing financial education workshops and activities to primary and secondary school students since 2005.
P	Program organizer	The interviewee is from a local nongovernmental organization serving in Hong Kong for 145 years, providing debt counseling service to the public, and financial education simulating activities to students from primary to post-secondary education since 2002.
Q	Associate Professor of Social Work and Social Administration	An experienced scholar who joins the steering committee of Child Development Fund since 2008, a government-driven initiative to tackle intergenerational poverty through asset-building.
R	Senior Lecturer of Accountancy	An experienced teacher, trainer and speaker of seminars in personal finance, investment and accounting. He is also an author of several books related to personal finance, financial planning and wealth accumulation.
S	Adjunct Lecturer of Global Political Economy	An experienced professional in Banking and Finance, as well as an active speaker sharing insights in personal finance and investment in seminars, television programs and newspapers columns.
T	Social worker	An experienced social worker who has been working in a local nongovernmental organization for community development and services to low-income groups, with though understanding in social work and characteristics of low-income groups.
U	Program organizer	The interviewee represents a local nongovernmental organization offering debt counseling hotline and services in credit and debt management since 2008.



3.33 The in-depth interviews were semi-structured. Interview questions cover the following themes:

- The driving forces of the financial education initiatives;
- Current practices of financial education: features, mechanism and experience
- Collaboration in delivering financial education: features, strategies and the division of work;
- Financial education to economically vulnerable groups: experience, engagement strategies and topics for delivery;
- Financial education as a tool for poverty alleviation;
- Economically vulnerable groups' view towards financial education
- The roles of social workers, teachers, parents and finance professionals in delivering financial education;
- A platform for knowledge sharing and fosters multi-sectoral collaboration to deliver financial education;
- The development of Hong Kong strategy for financial literacy and its implication for social service sector

The interview questions are listed in Appendix 4.

Public Poll

- 3.34 Desktop research reveals that the financial education targeting young adults at work is relatively rare. After leaving the school to join the labor market, there are fewer opportunities to equip young people with financial education as a life skill to manage their own wealth, achieve financial goals and prevent financial risk.
- 3.35 With reference to OECD's recommended practices in financial education, financial education programs for young people should be promoted given that they will need more financial skills than previous generations in face of increasingly complex financial markets, and students increasingly face important financial decisions such as student loan and credit management while parents may not necessarily well-equipped to transmit appropriate financial skills (OECD, 2014).
- 3.36 Yet, the understanding towards financial education needs of young adults in Hong Kong is far from adequate as there is only limited literature that covers student loan management of young people in Hong Kong in recent years (The Hong Kong Federation of Youth, 2013).

- 3.37 In view of this, the Steering Committee of this study advised to conduct a public poll conducted to comprehensively explore the financial needs and wealth management of young adults (aged 18-40) in Hong Kong. The Centre for the Advancement of Social Sciences Research (CASR) of Hong Kong Baptist University was engaged to carry out a telephone survey. The survey was expected to:
- capture the experience of the young adults in getting financial knowledge and money management know-how when they are at school and after they leave school;
 - explore young adults' consumption pattern and factors of consideration in consumption and their relationships with the financial knowledge and money management know-how they learn;
 - explore young adults' financial goals and plans for reaching their goals, as well as their saving pattern and motivation, and the latter's relationships with the financial knowledge and money management know-how they learn;
 - explore their perceptions towards MPF, insurance and investment, and its relationships with the financial knowledge and money management know-how they learn;
 - explore their motivation in involving in investment, and its relationship with the financial knowledge and money management know-how they learn;
 - identify what kind of financial education young adults find it pressing to receive and the preferred channels through which relevant knowledge can be acquired.
- 3.38 The public poll was conducted through household telephone survey (consists of 35 questions with demographic) using computer-assisted telephone interviewing system (CATI). The sample size is 800 Cantonese-speaker respondents in Hong Kong, who aged between 18 and 40 and were currently at work. Respondents were selected by "Last Birthday Rule" of the household through random sampling.
- 3.39 815 respondents were interviewed during the survey period from 21 August to 21 September 2015. The response rate is 44.0% and the sampling error is +/-3.5 percentage points at 95% confidence level.

Media Search

- 3.40 Given the important role of media in public education, whether the financial education organizers have made good use of the media to disseminate concepts and knowledge that helps enhance the financial literacy of the population is an essential area to be explored. Therefore, this study also attempts to review what kind of information related to financial literacy the mainstream media disseminate in Hong Kong and to depict the landscape through media search.
- 3.41 The sampling frame of the media search is the news articles published in Business & Finance section of all Chinese newspapers in Hong Kong between January 2008 to December 2014, as its wide coverage and circulation in Hong Kong and being one of the major channels for people in the city to obtain information and tips in handling financial decisions.



3.42 With the keywords in Chinese related to financial education in accordance with OECD's definition of financial education (please see Table 2.1), researchers made use of the Wiser Information Portal, an online searching engine specializing in Chinese news content collection, to clip the news as samples for further analysis and map the landscape of coverage and depict how mainstream media shapes financial education in Hong Kong.

Table 3.4 List of keywords for media search

Themes	Keywords covered (in Chinese)
Money Management know-how	Saving goal (儲蓄目標)
	Money management (金錢管理)
	Saving habit (儲蓄習慣)
	Spend less (慳錢理財)
	Wise spending (精明消費)
	Able to meet ends meet (量入為出)
	Proper attitude towards money management (理財態度)
	Practice shift (節儉)
	Reduce spending (減省開支)
Financial planning	Financial goals (理財目標)
Insurance	Insurance risk (保險風險)
	Saving Insurance (儲蓄保險)
	Insurance basics (保險需知)
	Insurance coverage (承保範圍)
	Retirement protection (退休保障)
	MPF returns (強積金回報)
	MPF management (強積金管理)
Resource Management	Resource management (資源管理)
Credit Management	Credit card (信用卡理財)
	Credit card debt (卡數)
	Credit card interest (信用卡利息)
	Wise use of credit (精明使用信用卡)
	Wise use of credit points (信用卡積分優惠)
	Clear credit card debt (還清卡數)
Debt Management	Pay back debt (清還私人貸款)
	Debt (欠債)
	Student loan (學生貸款)
	On-time repayment (準時還款)
	Mortgage repayment (按揭供款)
	Mortgage risk (按揭風險)
Investment	Stocks (股票)
	Bonds (債券)
	Risk Management (風險管理)
	Stop loss (止蝕)
	Break even (保本)
	Fund (投資基金)
	Long-term investment (長線投資)
	Investment risk (投資風險)
	Price goes up and down (有升有跌)
	Diversified investment (分散投資)

- 3.43 A media content analysis was conducted with the 96,883 articles clipped to capture what has been covered and emphasized about financial education in the city. Prevalence of financial education in media can be gauged and understand what and how the general public obtain information and knowledge on financial education.

Stakeholder Engagement Seminar

- 3.44 To further gather in-depth insights and opinions about tackling local poverty through financial education, two sessions of stakeholder engagement seminars were organized.
- 3.45 The first stakeholder engagement seminar was held on 7 September 2015 to engage the key drivers of financial education initiatives in Hong Kong, namely stakeholders of banks, industry association, regulators, social workers and academics, while the second stakeholder engagement seminar was held on 8 September 2015 to engage practitioners of social welfare sector who are interested in understanding how financial education can serve as a service intervention to improve service users' well-being, personal relationships and financial outcomes. Six sharing sessions were conducted by experienced financial education providers of social service agencies and non-governmental organizations.
- 3.46 The preliminary research findings were shared in the two seminars and the views and feedbacks of the participants on the development of financial education and how it may help in poverty alleviation were sought on the occasion.
- 3.47 The sharing of the experience of the participants and their views on the preliminary findings in the two seminars also constitutes the qualitative data for the analysis of this study.
- 3.48 In summary, this landscape study started with a desktop research on the financial education initiatives organized within the period from 2008 to 2014, and was followed by a series of in-depth interviews with the important stakeholders including funders, program organizers, industry associations and academics. With the initial findings of the desktop research and the advices from the Steering Committee, two neglected groups were identified and further in-depth interviews and a public poll were conducted to help illustrate the situation and needs of the two target groups in financial education. Two stakeholder engagement seminars were organized to gain further insights and feedbacks from the key stakeholders with the preliminary findings as supplementary information for the further analysis. Last but not least, a media search with content analysis was conducted to see how the mainstream Chinese print media had been utilized for disseminating the knowledge and information for financial literacy.



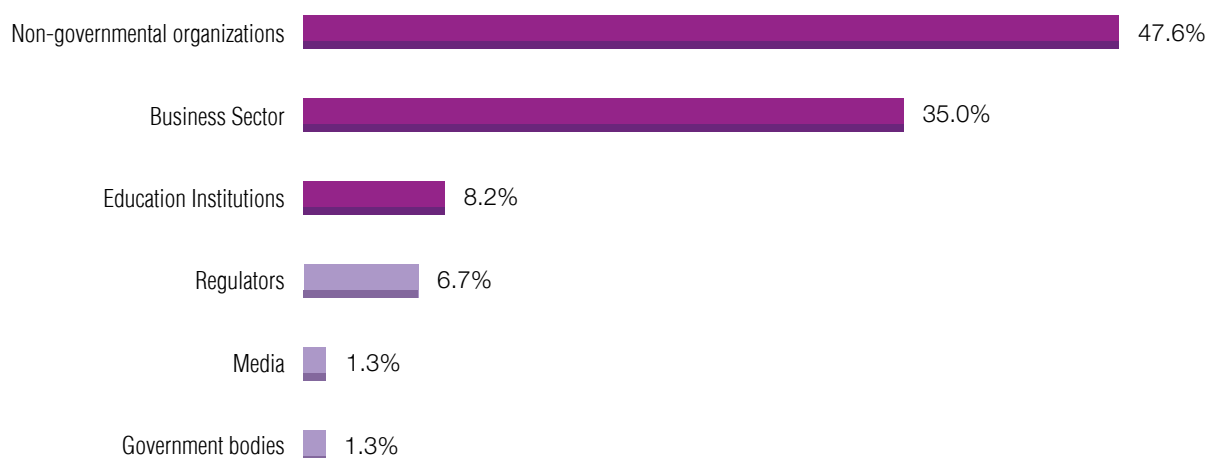
4 Overview of Hong Kong Financial Education Landscape 2008 – 2015

- 4.1 This chapter depicts the landscape of Hong Kong's financial education with the findings of desktop research, in-depth interviews, stakeholder roundtable discussions and media search. It also mentions the practice wisdom of current initiatives and identified gaps in financial education with further analysis of the collected data.
- 4.2 With the 389 financial education initiatives collected in the period of January 2008 to August 2015, the landscape is illustrated in terms of organizers, themes, target beneficiaries, mode of delivery, format of initiatives, scale of participation, program sustainability, as well as evaluation and assessment. The landscape illustrated the situation prior the launch of the Hong Kong's first official strategy of financial education developed by the Hong Kong Investor Education Centre in November 2015.
- 4.3 While details of the research methodologies and concepts is illustrated in Chapter 3, readers are reminded that initiatives not solely for financial education but promotion of financial planning, banking, insurance, investing, lending services are excluded in this study.

Organizers

- 4.4 Figure 4.1 shows the organizers identified in the financial education initiatives by sectors. Financial education initiatives are mainly driven by non-governmental organizations (47.6%), followed by Business sector (35.0%). Being the organizers and executive arms of the government-driven Child Development Fund programs which aim at enhancing the financial well-beings of the participating children and youth and their family for inter-generation mobility, non-governmental organizations (NGOs) become the top organizer in delivering financial education.

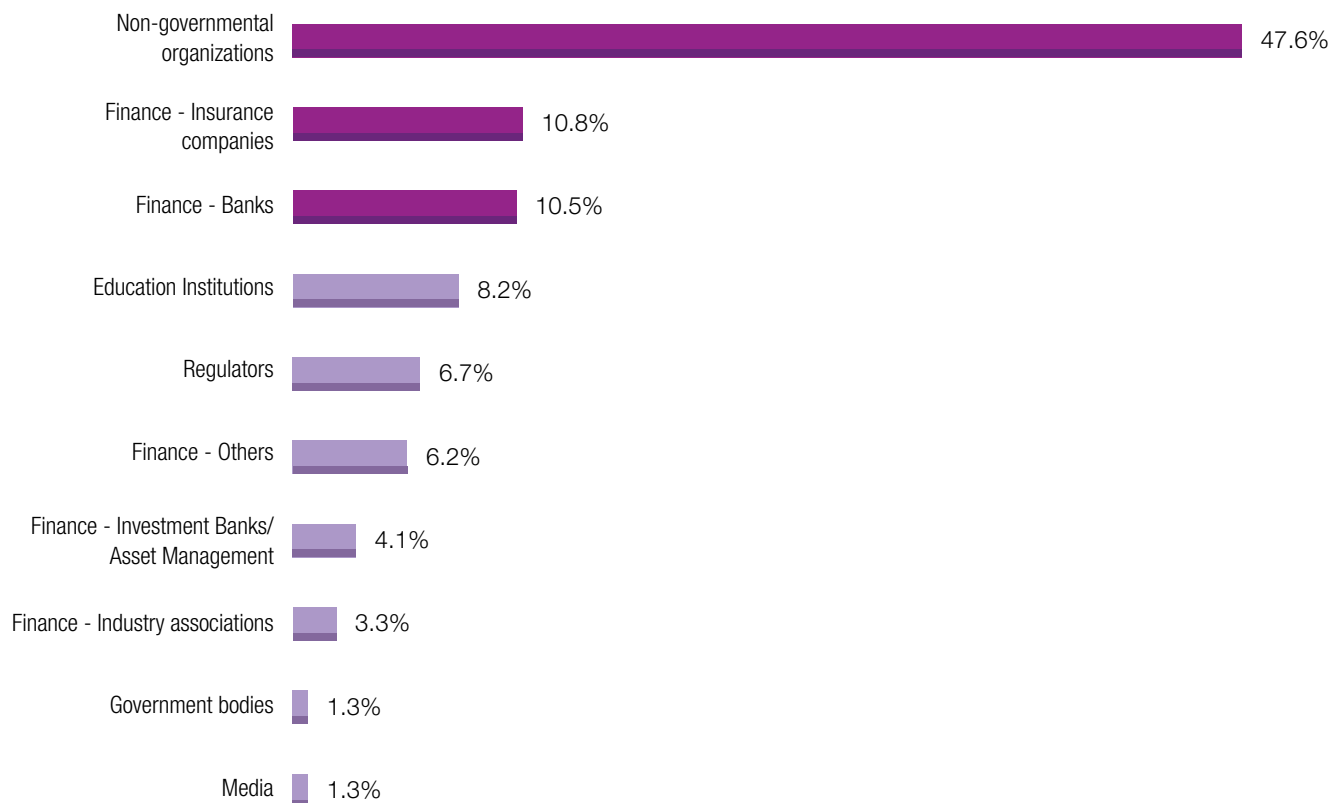
Figure 4.1
Percentage distribution of financial education initiatives by organizers' sectors (N=389)



- 4.5 A further breakdown, as shown in Figure 4.2, illustrates that Finance - Insurance companies (10.8%) and Finance - Banks (10.5%) are the key drivers of financial education in the finance sector.

Figure 4.2

Percentage distribution of financial education initiatives by organizers' business nature (N=389)



- 4.6 On top of the existing curriculum, some schools have their own financial education activities for their students. Therefore, 8.2% of the financial education initiatives are organized education institutions and in which 83.5% of the initiatives in school are provided by tertiary education institutes, followed by secondary schools (16.5%).
- 4.7 In Hong Kong, the major regulators of the financial markets, namely the Hong Kong Monetary Authority, the Mandatory Provident Fund Schemes Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Hong Kong Deposit Protection Board, also provide financial knowledge to the public and specific target groups. Their contributions make up 6.7% of the collected initiatives. Simultaneously, other public bodies organize 1.3% of the collected initiatives.
- 4.8 Other than disseminating financial knowledge in their outlets, some mass media in Hong Kong also organize financial education events and activities for nurturing public's financial literacy, which accounts for 1.3% of the initiatives.
- 4.9 The analysis reveals that even without a national strategy, NGOs and business organizations still contribute their efforts in providing various initiatives to foster the financial literacy of their targets in Hong Kong. It is worth exploring the motives of the participating organizations and the goals that they want to achieve.



Financial Crisis - A Wake-up Call for Strengthening Value Education on Money

- 4.10 Similar to the experience of other global financial centers in developing their financial education, the fluctuating economic and financial environment in local and global context serves as a ‘wake-up’ call for some funders and organizers in Hong Kong to recognize the importance of having proper attitude towards money, and this drives them to carry out financial education initiatives.
- 4.11 Program organizer H, an association in the accounting industry in Hong Kong for 43 years, initiated CSR programs such as free public advisory service schemes and fundraising but no financial education until the early 2000s. While program organizer U, a local NGO providing social service for more than 60 years, started their service to provide the users financial knowledge after the Financial Tsunami in 2008.

“After the financial crises, our former Chief Executive suggested that cultivating proper values towards money should start young. It is also crucial for them to develop sound money management habit. Therefore, a new CSR program related to financial education was initiated to target primary school students through story-telling. Rather than spoon-feeding the knowledge, we have published a series of story books to introduce the concepts of money management into stories. And we just tell them the three “S” – spending, saving and sharing, the essence of proper values towards money”.

- Program organizer H (Finance – Industry organization)

“Financial literacy is not only important to the vulnerable groups but also the middle class. After the Financial Tsunami (in 2009), people from middle class came to our (family service) centers to seek help to handle their family problems, and our colleagues found that financial problem were one of the root causes behind their presenting problems. This stimulated our agency to start financial education program for our service users.”

- Program organizer U (Nongovernmental organization)

The Awareness of Social Workers Towards the Importance of Financial Wellbeing

- 4.12 With an understanding of the relationship of financial literacy and financial wellbeing, as well as the importance of financial wellbeing to one’s individual and family wellbeing, some social workers start thinking that delivering financial education in fact is a service intervention for individuals. The services help the users to build proper values and attitude towards money, and equip them with wise resource and wealth management skills to achieve personal goals at different life stages. In addition, financial education, as a type of developmental intervention, plays a role in easing the friction that money brings in personal relationships and the possible barriers for personal empowerment. In this perspective, financial education closely tallies with personal relationships that social work concerns, as experienced social workers share:

“I started working in this field (financial education) by delivering debt counseling service. We did not adopt the developmental perspective to review financial education a decade ago. However, as our experience shows, it is far from adequate to cater the needs if only remedial interventions are carried out to cope with

money problems that ruin relationships. What we need is the adoption of developmental and educational approaches in delivering financial education.

Good financial education helps facilitate better and proper personal management. Money mismanagement has huge impacts on individuals, family and even work – personal debt and money mismanagement swept family members and colleagues into money-related turbulence, from defalcation to debt crisis transferred to colleagues, etc. Money mismanagement can ruin relationships and personal development.”

- Program organizer O (Nongovernmental organization)

Financial Education as a Mean to Enhance Asset Building for Disadvantaged Children in Hong Kong

- 4.13 Another identified motive to deliver financial education in Hong Kong is to enhance asset building for children from a disadvantaged background through the Child Development Fund (CDF).
- 4.14 The \$300 million CDF was set up in 2008 that aims at promoting the longer-term development of children from a disadvantaged background⁴ through the collaboration of the family, the private sector, the community and the Government thereby reducing inter-generational poverty. The Fund supports operating organizations to implement projects last for three years, which seeks to encourage participating children aged 10 – 16 from eligible low income families to plan for the future and develop an asset-building habit as well as accumulate savings and intangible assets (such as social networks, positive attitudes, personal capacities and resilience in time management, money management and goal-setting) (Labour and Welfare Bureau, 2014).
- 4.15 In other words, financial education delivered in CDF projects aims to equip the participating children financial literacy to manage money, develop habit of saving and raise awareness about the importance of right financial decisions in personal development and life planning to eradicate inter-generational poverty.

⁴ The target participants for CDF are children aged 10 to 16 and their families are receiving Comprehensive Social Security Assistance / full grants from student finance schemes administered by the Student Financial Assistance Agency; or whose household income is less than 75% of the Median Monthly Domestic Household Income.



Financial Education as Corporate Social Responsibility (CSR) Initiatives of Business Sector

- 4.16 With the vision of improving financial capabilities to encourage behavioral changes, promoting risk prevention, nurturing wise customers, programs that strengthen financial literacy and risk education are implemented as banks and insurance companies' CSR initiatives. The initiatives also provide invaluable opportunities for the corporate to engage their staff and utilize their expertise and skills in finance related areas to serve the community.

"Our corporate charitable fund outlines global principles which are reference for our local financial education programs in Hong Kong. We have four foci which drive for economic progress and prioritize the targets in need of financial education – namely youth economic opportunity, financial capability, inclusive finance and organization to provide infrastructure support to developing countries. Under the global foci, we identify specific target groups such as low-income families, youths, adults and family, to enhance their financial capability in terms of attitude, knowledge and behavior towards asset-building and financial management."

- Program funder D (Finance – Bank)

"Our corporate supports education programs around the world, as we believe that financial literacy is essential to one's education and the long-term wellbeing and resilience of any society. Meanwhile, our sponsored program provides a valuable opportunity for our employees to use their skills to serve the community."

- Program funder C (Finance – Bank)

"As a financial institute that specializes in insurance, apart from health insurance, we also offer insurance that related to financial management, ranging from saving to investment. Financial education is therefore an important CSR-related direction that aligns with our products. As an insurance company, we value the term 'protection'. Insurance is about protecting risk and therefore protection is one of the fundamental concepts closely related to our business. And one of our visions is to work on risk prevention, in particular, financial risk. It is observed that there are different groups of people which may need financial education to protect against future financial risk. The process of financial education inter-connected – knowledge that is essential to cope with financial risk are disseminated through financial education. Therefore, our vision is to deliver financial education for young generations to protect against financial risk in the future".

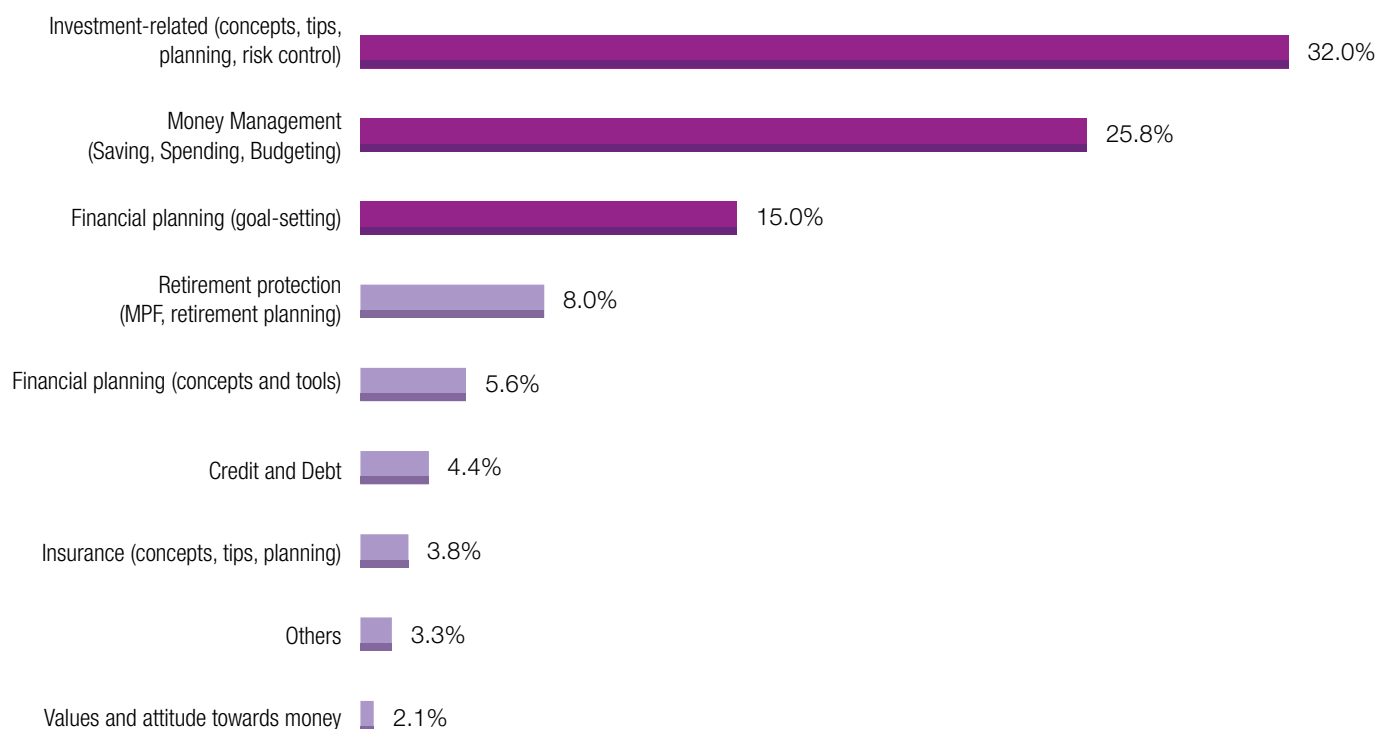
- Program funder B (Finance – Insurance)

Themes

- 4.17 Upon illustrating the organizers' characteristics and motives in delivering financial education, the following session takes a closer look at the themes of financial education initiatives in Hong Kong.

Figure 4.3

Percentage distribution of financial education initiatives by themes (N= 791)*



- 4.18 The three mostly covered themes are Investment-related (concepts, tips, planning, risk control) (32%), Money Management (saving, spending, budgeting) (25.8%) and Financial planning (goal-setting) (15.0%). Beyond investment and money management, initiatives that cover Mandatory Provident Fund Schemes & retirement planning, wise use of credit, debt management, risk control and prevention are relatively rare. Initiatives of the above themes constitute only 21.8% of total identified initiatives, indicating an imbalanced coverage of financial education in Hong Kong.
- 4.19 Financial education is a very broad concept and may cover many areas. A balanced coverage on the theme indeed is important for the public and different population groups to get in touch with comprehensive financial education to improve their financial well-being and facilitate them to make informed financial decisions, avoid unmanageable risks and to be in control of one's financial affairs.

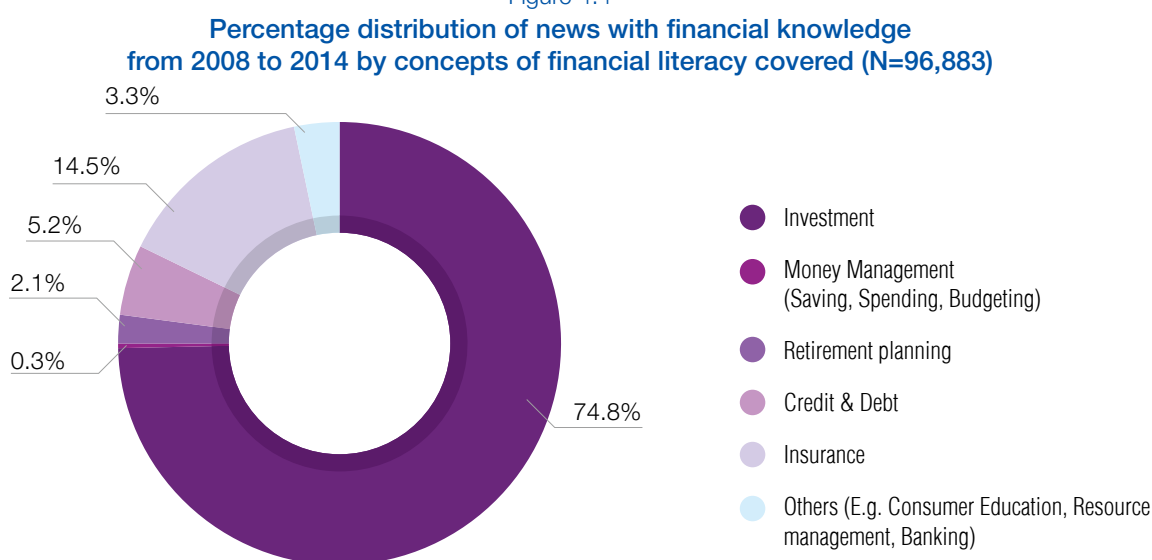
Dissemination of Financial Literacy in Mainstream Media

- 4.20 Other than analyzing the themes of collected financial education initiatives, a media search has been carried out to review how the mainstream local Chinese newspapers (finance and money news) cover the frame and information related to concepts of financial literacy from January 2008 to December 2014.



- 4.21 Keywords are used in the media search to identify themes related to the components of financial literacy with reference to OECD's definition, including money management know-how, financial planning, credit management, debt management, investment, insurance, retirement planning and resource management. Both headline and content of the news are included for content analysis. Again, promotion of financial services and information are not related to financial education are excluded.
- 4.22 Among the total number of 439,600 piece of financial news in the search period, 96,883 pieces of news related to financial literacy were identified, accounting for 22% of the total financial news coverage.
- 4.23 Figure 4.4 shows the overview of financial literacy information covered in the finance and business news. In general, the coverage of money and financial news are tilted to financial products and tips in wealth accumulation through investment (74.8%), followed by Insurance (14.5%), and Credit & Debt management (5.2%).

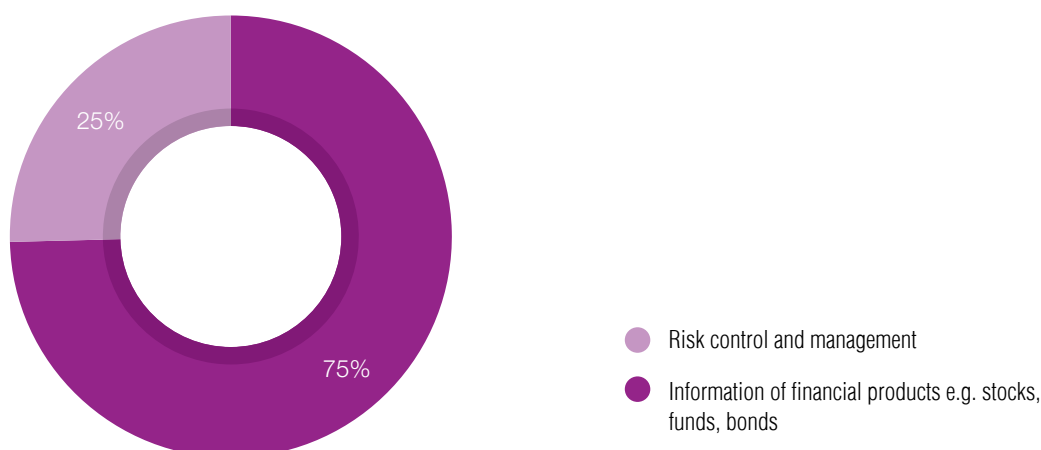
Figure 4.4



- 4.24 Among the financial news related to investment (74.8%), information regarding risk control and management only account for 25% while 75% contains information of financial products ranging from stocks, funds and bonds, particularly stocks (30%) and bonds (22%). Figure 4.5 illustrates the distribution of financial news that covers investment-related information.

Figure 4.5

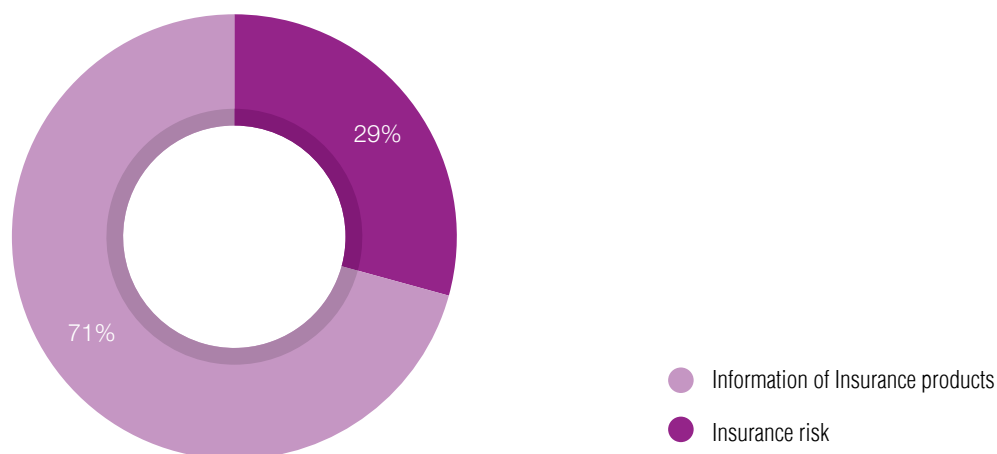
Percentage distribution of news with concepts in related to investment covered form 2008 to 2014 by themes (N=72,509)



4.25 Insurance is the second most covered topic (14.4%). It is generally associated with information about insurance products (71%) while 29% cover insurance risk. While searching information about 'insurance basics', no result was found, indicating that basic concepts of understanding and choosing insurance may not be commonly covered.

Figure 4.6

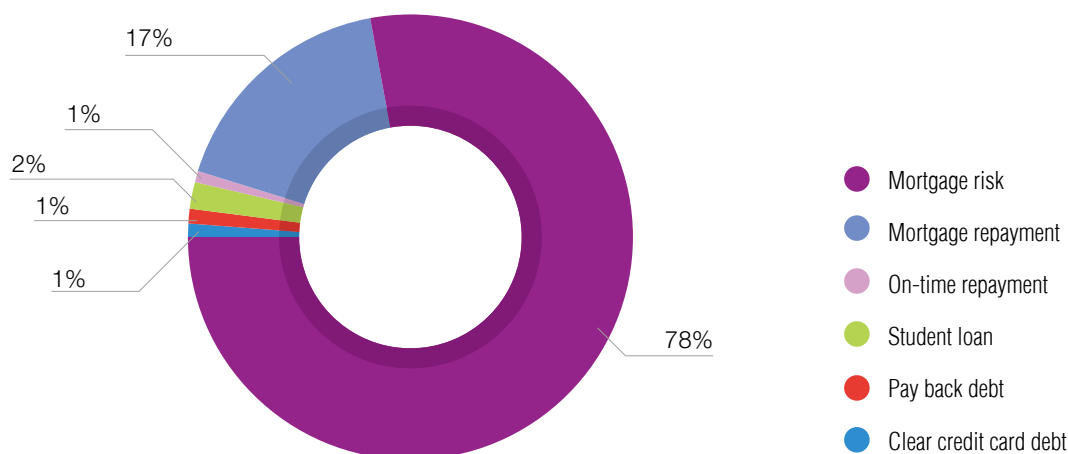
Percentage distribution of news with concepts in related to insurance covered from 2008 to 2014 by theme (N=14,055)



4.26 Credit and Debt management is the third commonly covered topic (5.2%). A further breakdown shown in Figure 4.7 illustrates that 78% of the coverage mentions mortgage risk, followed by mortgage repayment (17%) while around 5% cover topics related to debt clearing and different types of loan.

Figure 4.7

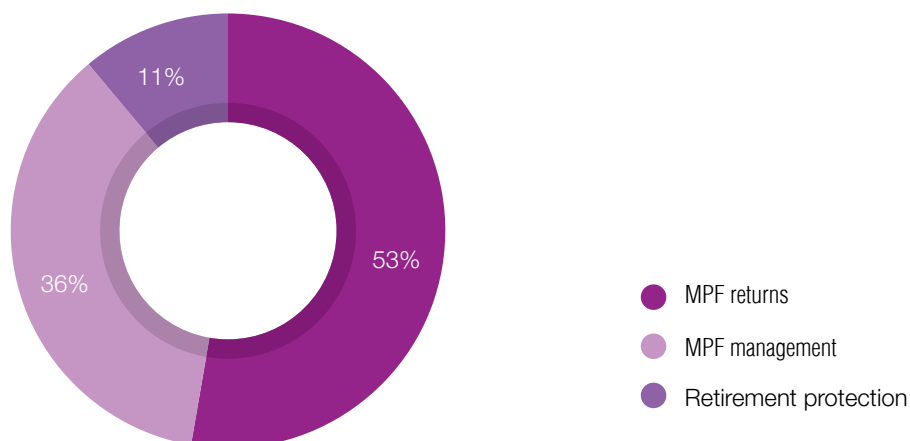
Percentage distribution of news with concepts in related to credit and debt management covered from 2008 to 2014 by theme (N =4,997)



4.27 Only 2.1% of related coverage mentions information about retirement protection and Mandatory Provident Fund Schemes. Figure 4.8 shows the distribution of retirement protection news identified, in which MPF returns dominates the coverage in financial protection. For keyword ‘retirement protection’, one of the highlighted dimensions of financial education, the related concepts are less mentioned in the local print Chinese media.

Figure 4.8

Percentage distribution of news with concepts in related to retirement protection covered from 2008 to 2014 by theme (N=2,020)



4.28 Basic concepts of money management know-how, e.g. saving, rational spending and budgeting only account for 0.3% of the identified news, while resource management, an important basic financial literacy concept, has not been covered in any business and finance news.

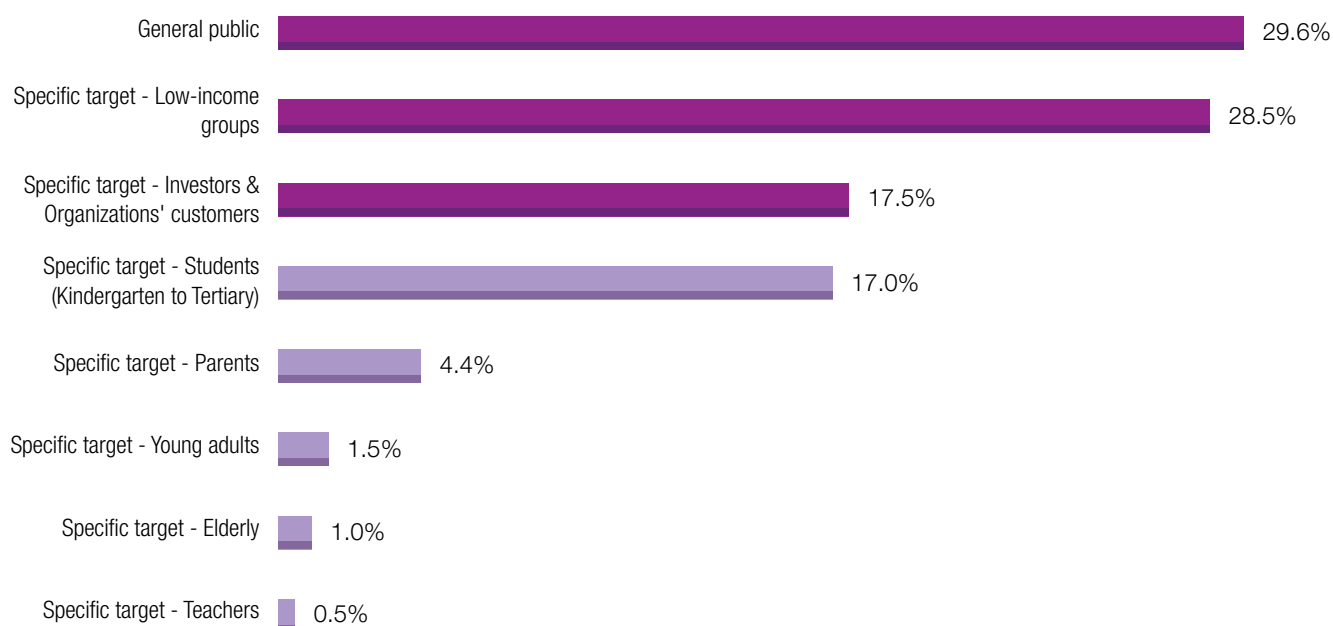
4.29 Media should be an actively engaged channel to disseminate information and advice about financial education. However, the imbalanced media coverage of information and advice related to financial education in Hong Kong may limit the population to equip financial concepts and knowledge that may be useful to them.

Target Beneficiaries

- 4.30 Apart from analyzing the content of financial education initiatives and media coverage, looking into target beneficiaries enables us to answer the question of who are the groups receiving financial education in Hong Kong. Figure 4.9 shows the target beneficiaries identified in the financial education initiatives by specific target and the top three major groups of target beneficiaries are General Public (29.6%), low-income groups (28.5%), followed by investors and organizations' customers (17.5%).

Figure 4.9

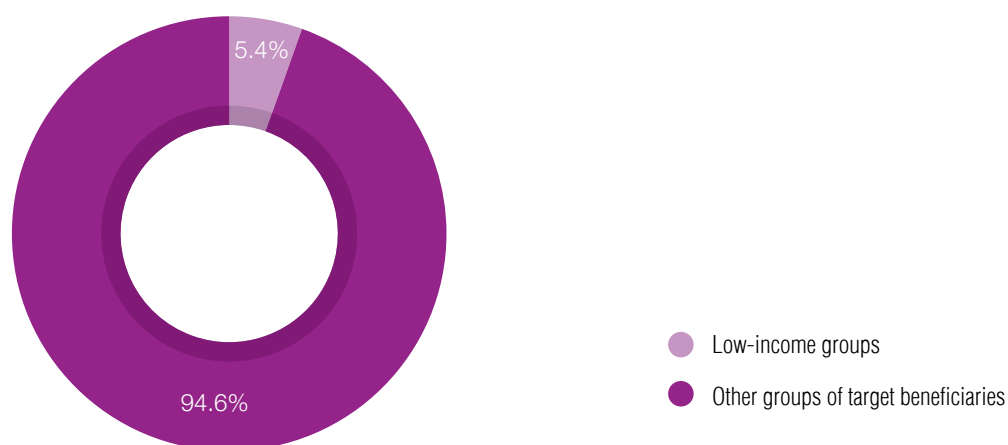
Percentage distribution of financial education initiatives by target beneficiaries (N=389)



- 4.31 However, if the CDF initiatives are excluded, only 16 out of 294 initiatives (5.4%) are programs dedicated to low-income groups, indicating that specific financial education initiatives to low-income groups are relatively rare in Hong Kong.

Figure 4.10

Percentage distribution of financial education initiatives by target beneficiaries (N=389)



- 4.32 When OECD advocates financial education programs for different specific population groups including young people, the less educated, and disadvantaged groups (OECD, 2005), initiatives which target financial education needs of specific groups require due attention in Hong Kong, especially those for young adults (who are graduated and entering the labor market), economically vulnerable groups and elderly. More interventions are worth exploring to identify their financial education needs in relation to their daily circumstances, and their learning mode. Details of two specific groups' financial education needs, namely young adults and low-income groups, are illustrated in detail in chapter 6 and 7.

Mode of Delivery

- 4.33 International experiences recommend collaborations among stakeholders of different sectors in delivering financial education. Local practices of collaboration in financial education are also captured in the in-depth interviews and stakeholder roundtable discussions in this study. In brief, the sharing of expertise, division of labor, and the principle of neutrality and credibility are the essences making cross-sectoral collaboration successful. These findings shed light on how mutual collaboration in financial education should be championed in the future development of financial education.
- 4.34 Apart from building consensus on shared goals, the active exchange of knowledge and expertise between funder and program organizer complements each other's contribution in delivering financial education. Funders in banking and financial services contribute in content design and materials for financial education. Whereas NGOs are experts in service user engagement, program management and group facilitation to ensure the delivery of knowledge are done in the language that is relevant to the life experience of the beneficiaries.

"When a working partner is identified, we work together to develop the program. First we get to know their experience and understand how basic concepts of money management and family finance can be delivered in an easily understood language; and how elements related to MPF, saving for future and retirement can be integrated into the program. We help the program organizer to cultivate a better understanding of MPF. On the other hand, they are very experienced in conducting and facilitating money management related workshop. We indeed complement each other."

- Program funder N (Regulator)

"The decision to work with social enterprise is because they possess extensive network to reach out social service agencies and schools. Also, they have a better understanding of target groups than we do. It helps us better understand what the target groups need and in what ways financial education should be delivered to fit their daily experience. On the other hand, we support the initiative by offering credible information related to financial literacy and risk prevention. "

- Program funder B (Finance – Insurance)

- 4.35 This study reveals that NGOs have prevailing advantages of being the agent of delivering financial education with their neutrality in promoting unbiased financial education. There are no ulterior motives related to promotion of financial services or products for the initiatives organized by practitioners of social welfare sector. As shared by social workers, if banks and insurance companies being both the program funder and agents to deliver financial education, it may undermine the recognition and credibility of the initiatives as possible conflicts of interest may result. The division of labor between business sector and NGOs safeguards the neutrality and credibility in delivering financial education.

“Social workers do not have the pressure in promoting financial products of any kinds, which indeed address the possible concerns of schools over the possible hidden agenda of banks and insurance companies when they initiated to implement financial education initiatives in schools.”

- Program organizer O (Non-governmental organization)

“Professional and reliable image of social workers help ensure that the financial education initiatives are credible. Social workers’ expertise in facilitation and engagement also help consolidate target participants’ learning through debriefings and reflections.”

- Program organizer P (Non-governmental organization)

- 4.36 Views captured in in-depth interviews and stakeholder engagement discussions point out that social workers are able to reach target groups of all ages and background, and are able to understand their characteristics and specific needs.

“As we are not experts in engaging the targets beneficiaries in understanding their characteristics and learning needs, working with social workers is the key to make sure the program being carried out in smooth manner, and to response to their needs in financial education with reference to their frontline observations.”

- Program funder K (Finance – Industry association)

“Social workers are able to engage people of all ages regardless of their backgrounds through a wide spectrum of services in schools and service centers. This makes social workers unique as the agents of delivering financial education, and let target beneficiaries understand how financial literacy relates to their personal well-being through financial education as a kind of service intervention at different life stages.”

- Program organizer O (Non-governmental organization)

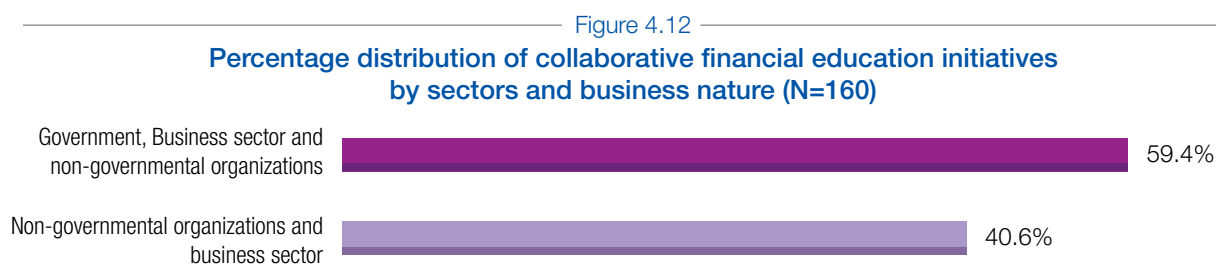
- 4.37 However, analyzing the major approaches to delivering financial education in Hong Kong, it is found that less than half (41.1%) of initiatives are collaborative in nature (as shown in Figure 4.11). More cross-sectoral collaborations should be encouraged.

Figure 4.11

Percentage distribution of financial education initiatives by mode of delivery (N=389)

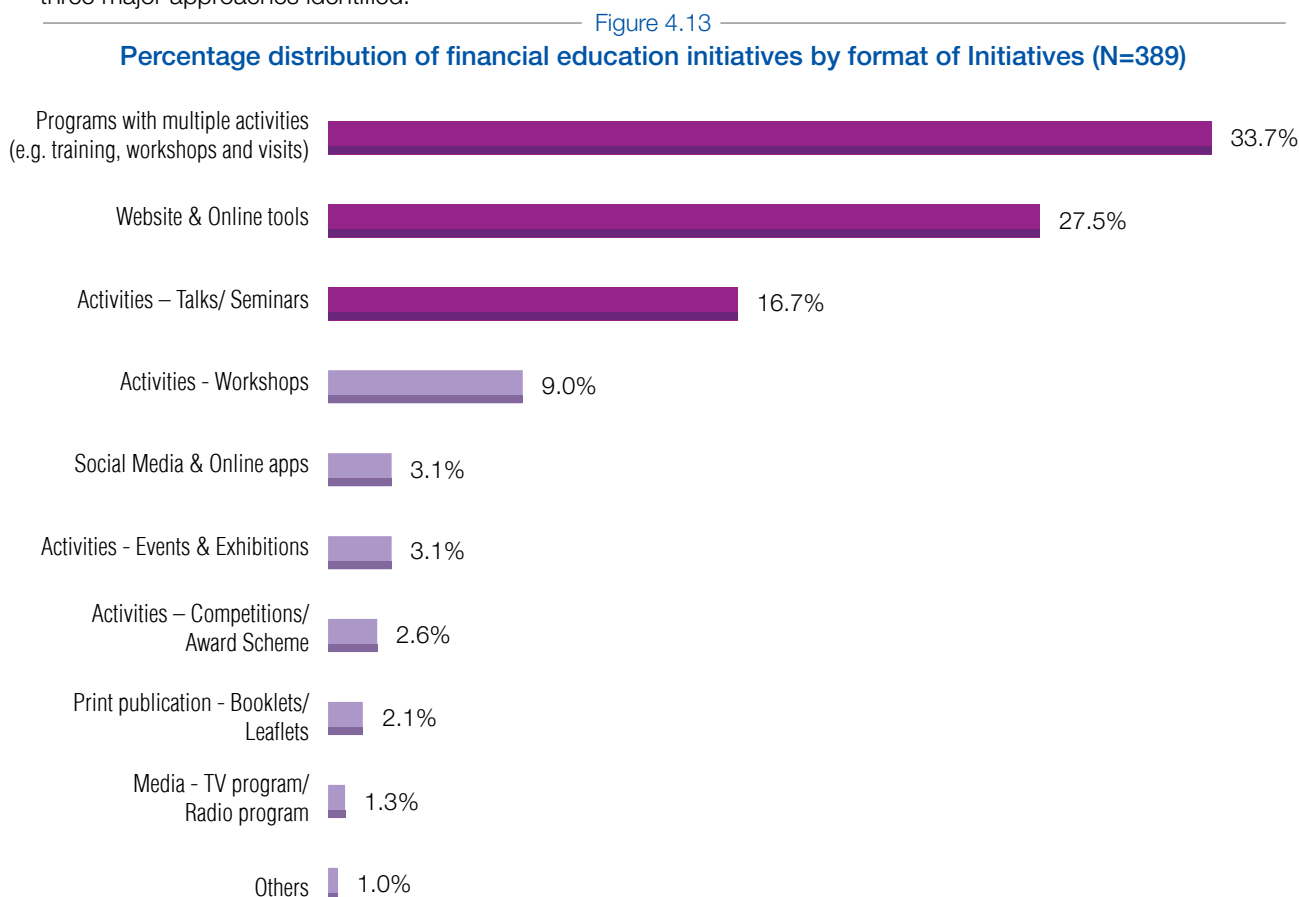


- 4.38 Figure 4.12 shows a further breakdown and illustrates that the major collaboration is made between government departments, the business sector and non-governmental organizations (59.4%), followed by the business sector and non-governmental organizations (40.6%).



Format of Initiatives

- 4.39 Financial education programs should be designed to meet the needs and the financial literacy level of their target audience, as well as reflect how their target audience prefers to receive financial information (OECD, 2005). Therefore, the study also looks into the delivery formats of financial education initiatives to understand how financial education is being carried out.
- 4.40 Interactive delivery in various approaches is found in 65% of the identified initiatives while one-way delivery of financial education accounts for 35%. A further breakdown by delivery approach as shown in Figure 4.13 illustrates that programs with multiple activities (33.7%), website and online tools (27.5%) and talks/seminars (16.7%) are the three major approaches identified.

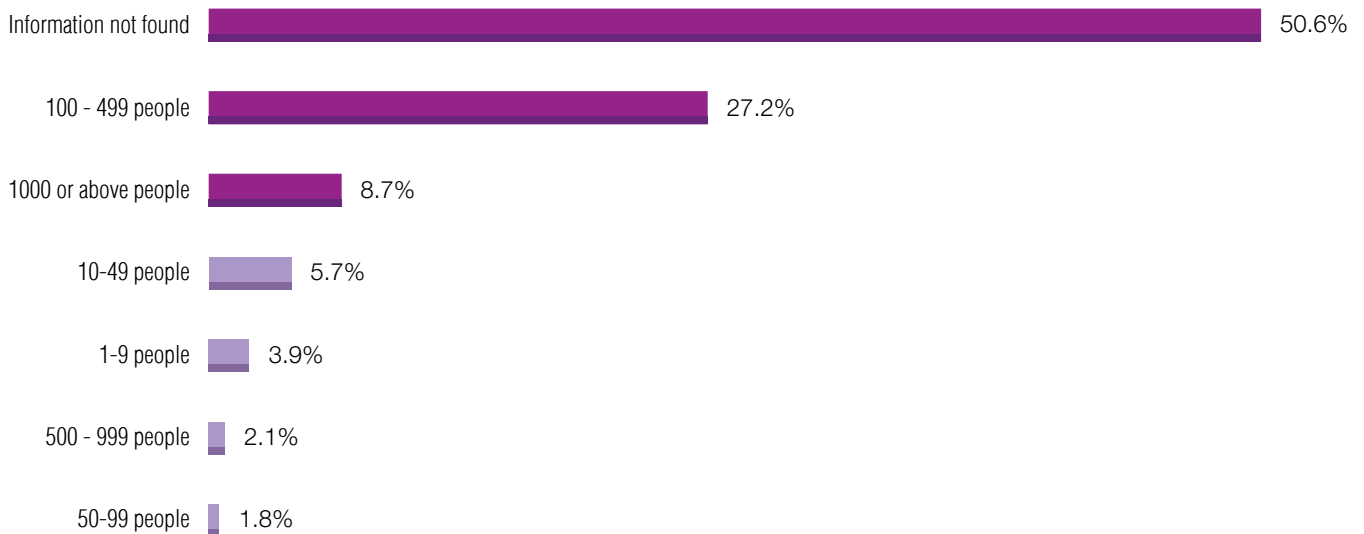


Scale of Participation

- 4.41 As shown in Figure 4.14, around half of the identified initiatives (50.6%) do not disclose information about the scale of initiative in terms of number of people reached. This limits our study in terms of capturing the general picture of the scale of initiatives in reaching the targeted population. For those which have reported the number of participants, 27.2% of initiatives are able to reach 100 to 499 people.

Figure 4.14

Percentage distribution of financial education initiatives by number of participants reached per initiative (N=389)



Program Sustainability

- 4.42 Financial education should be a lifetime, on-going and continuous process to equip an individual to cope with financial decisions at different life stages (OECD, 2005). In Hong Kong, it is found that 56.8% of the identified financial education initiatives are ongoing while 42.2% are one-off in nature, as shown in Figure 4.15.

Figure 4.15

Percentage distribution of financial education initiatives by program sustainability as of 2015 (N=389)



Evaluation and Assessment

- 4.43 Good program evaluation helps demonstrate whether program objectives are being met, and identify elements that can be scaled-up or replicated. It also allows program organizers and policy makers to examine various approaches to see which are most relevant, cost efficient and to assess whether different methods have differential impact on various target groups.
- 4.44 Among the 389 financial education initiatives in Hong Kong, only 1.5% of initiatives have built in evaluation and assessment. Among the evaluated initiatives, only one evaluation finding is publicly disclosed. This indicates evaluation and assessment has not been a common practice in delivering financial education, not to mention the awareness of public disclosure about the evaluation to foster knowledge and experience transfer in financial education.

Figure 4.16

Percentage distribution of financial education initiatives by evaluation and assessment (N=389)



- 4.45 In addition to the general picture of Hong Kong's financial education landscape, some practice wisdom of existing initiatives are captured through in-depth interviews that offer insights in how cross-sectoral collaboration is made possible, how financial education needs of target beneficiaries are identified with assessment and engagement, as well as how financial education is delivered to target beneficiaries with appropriate approaches and engagement strategies.

Local Practice Wisdom on Promoting Financial Literacy

Identify the Needs of Target Beneficiaries with Service Users' Engagement and Pilot Projects

- 4.46 For some program funders from the business sector, they not only engage NGOs to develop and implement financial education programs, but also leverage on the network built by the NGOs to enrich their understandings on targets' specific characteristics, financial education needs, modes of learning and literacy level. Some funders even try to understand the needs of their target beneficiaries through needs assessment study or pilot programs with feedbacks from the service users. In return, they can identify the financial education needs, socio-economic characteristics and learning mode of target groups, so that relevant financial education that fits targets' literacy level and context of everyday life can be delivered.

"As a platform builder of social service sector in Hong Kong, the industry association has been working with us to initiate and develop a program that cater the financial education needs of low-income groups as we are well-connected with local social service agencies and possess the knowledge and experience in engagement and collaboration."

- Program organizer F (Nongovernmental organization)

"Social workers and parents provide first hand observations for us to understand the financial education needs of mildly mentally retarded people. Mentally retarded people work, earn, spend and they have financial goals. They save for travel. They do need financial planning. With the help from social workers, we identified problems of credit mismanagement and bankruptcy as they do not know to master credit management."

- Program funder K (Finance – Industry association)

"We came across service targets which expressed their struggles in money management as sometimes they find it hard to track income and expenses on a daily basis. Sometimes they have no idea where they money has gone. There were also occasions when they have unexpected expenses and unable to sustain the habit of regular saving... After that questionnaires were designed for targets to fill in so to assess their financial education needs and what they want to learn through surveys."

- Program organizer L (Non-governmental organization)

"We put together surveys and do the assessments with the partnership with the social service organization, to really understand the needs of particular groups because the different groups are really different. We don't do the same financial literacy training to everyone."

- Program organizer A (Non-governmental organization)

"The essence of pilot programs is that modifications and adjustment are possible to ensure the initiative truly accommodates the needs of target beneficiaries. The pilot program was developed based on the model target to foreign domestic workers. After the pilot program, a number of difficulties were identified, for example the jargons were too difficult for participants to comprehend; the case studies for discussion were put in English cultural context which did not facilitate the discussion in Cantonese...simple words, delivery language and tools were then used to fit their literacy level to learn about budgeting and tracking own income and expenses."

- Program organizer L (Non-governmental organization)

"We engaged colleagues and their children to participate in the pilot test. The initiative had been simplified in a large extent as the game was too challenging for children to handle and enjoy because the game was initially developed according to adults' mindset. Adding to that, knowledge about electronic money such as octopus card was included to keep the initiative relevant to children' daily lives."

- Program funder B (Finance – Insurance)



Tailor-made Approach Adopted in Response to the Social Economic Backgrounds of the Target Beneficiaries

- 4.47 Reviewing the situation in Hong Kong, some of the identified approaches are tailor-made to cater the learning stages and financial needs of specific target beneficiaries. For financial education delivered to low-income groups, interactive sessions with pictures and less wordy teaching tools are designed to enhance learning incentives. Discussion and interaction are highly encouraged as adults tend to avoid being lectured. Activities are developed by program organizers to introduce the concept of budgeting and resource allocation.

"We used some pictures and stories to teach them (mildly mentally handicapped people) how to differentiate needs and wants. This is the basic concepts of financial planning. It is not necessary to buy things you want, but food is something that one needs. They have to think twice before buying anything."

- Program funder K (Finance – Industry association)

"In our programs we emphasize that we are just facilitators. There is not teacher and students here. We learn from each other, empower from each other and do the exercises that are full of games and activities to foster participation. Nobody wants to be 'lectured'."

- Program organizer A (Non-governmental organization)

"In our financial education program, we give them (low-income groups) some technical tools, for example, the envelop method, so you put in one envelope how much you want to spend on transport, food, etc. You have to split your salary first. One key message we say is that you need to save first so when you make your budget."

- Program organizer A (Non-governmental organization)

Engaging Children to Influence the Parents

- 4.48 The study also identifies indirect engagement approach which children are directly engaged while their parents are indeed the primary targets. For children in kindergarten and their parents, the parent-child elements are embedded in initiatives to increase parents' motivation to participate and equip themselves in introducing financial education to their children with experiential learning like story-telling, interactive drama, comic books, seminars, board games and simulating activities. At the same time, by encouraging parents to deliver financial concepts to their children through parent-child activities, such 'train-the-trainer' approach offers parents insights to reflect their financial situation and enhance their financial literacy.

"While we are engaging the children to get to know concepts of MPF, we also engage their parents at the same time to sow seeds in their minds so to reflect on their MPF management and retirement planning, and to take conscious actions, so not to become a burden to their children."

- Program funder N (Regulator)

Identified Gaps in Hong Kong's Financial Education

- 4.49 Reviewing the landscape of Hong Kong's financial education, there are a number of identified gaps that further improvement can be addressed.
- 4.50 Themes of financial education initiatives and news related to financial literacy are tilted to investment-related information and concepts, indicating an imbalanced coverage of financial education in Hong Kong.
- 4.51 There is also an imbalanced coverage in terms of target beneficiaries as initiatives mainly target general public, investors and organizations' customers. Initiatives that target specific groups, such as young adults, low-income groups, elderly and parents are relatively rare.
- 4.52 Schools, being the major platform to deliver financial education as advocated by OECD, have been relatively less involved in the financial education provision.
- 4.53 Collaboration among stakeholders is important and should be encouraged. Yet, a coordinated platform for collaboration, resource and knowledge sharing is absent in Hong Kong. This hinders any comprehensive provision of financial education to the population and specific groups as funders and organizers do not have sufficient information to understand of the entire situation and the needs of these groups.
- 4.54 As OECD advocates, financial education is a continuous and on-going process in which the engaged individuals are equipped with knowledge, concepts and skills to cope with financial decisions at different life stages. Yet, a clear and coherent financial competency framework specifying the major financial literacy concepts and required skills for the population is not yet available in Hong Kong.
- 4.55 Evaluation and assessment has not been a common practice among the financial education initiatives to capture the learning outcomes and changes in target beneficiaries' value, attitude and skills in financial literacy. Whether and how the initiatives cater the needs of target beneficiaries remain weakly evidenced.
- 4.56 Based on the identified gaps, the following chapters take a closer look at the financial education in schools, and explore the financial education needs of two neglected groups, namely low-income families and young adults who have graduated and are currently at work, to get more insights into the future provision of financial education in Hong Kong.



5 Financial Education in Schools

- 5.1 This chapter particularly looks into the delivery of financial education in schools in Hong Kong. With reference to OECD's recommended guidelines in promoting financial education in schools, and the experience of other international financial centers in the world, the chapter maps the financial education in school curriculums in Hong Kong and attempts to identify if any service gaps exist.

Importance of Promoting Financial Education in Schools

- 5.2 Financial education is a long-term process and should start as early as possible and be taught in schools. Embedding financial education as part of the school curriculum is a fair and efficient policy tool to ensure the topic being included and assessed in formal schooling (OECD, 2005). This is especially important as parents may find themselves unequipped to enhance their children's financial literacy.

Financial Education in School - OECD's Recommended Guidelines

- 5.3 According to the OECD recommended guidelines which are followed by 47 countries (OECD, 2013), a learning framework with goals, learning outcomes, content, pedagogical approaches, resources and evaluation plans should be in place for schools to take reference to, and ideally financial education should be a core part of the school curriculum as a 'stand-alone' subject or integrated into other subjects like mathematics, economics, social science or citizenship. Teachers, as an important stakeholder to implement financial education at schools, should be adequately trained and resourced (OECD, 2012).
- 5.4 Apart from OECD's guidelines, the practices of promoting financial education in school of other global financial centers are also worth exploring as reference for reviewing the situation of Hong Kong. The following illustrates how United States, England, Singapore and Australia introduce financial education into school curriculum with clearly stated learning areas, framework and support for teachers to deliver financial education in schools.

Promote Financial Education in School as a Standalone Course – the United States

- 5.5 Financial education in school has been incorporated in the United States' national strategy for financial education (Financial Literacy and Education Commission, 2001). The curriculum covers areas such as consumer decision-making, economics, personal finance (e.g. household budgeting, money management, saving, the use of credit and investing and consumer rights and responsibilities (Berheim, Garrett, and Maki, 1997).
- 5.6 As of 2014, among 50 states, personal finance education has been included to some extent in the education standards of 43 states. Learning standards and requirement to be implemented exist in 35 states. 19 states offer personal finance as a high school course in which 17 states require students to take it as a high school graduation requirement. 9 states require the testing of student knowledge in the area of personal finance, emphasizing the importance of assessment to track students' learning performance (Council for Economic Education, 2014).

Embedding Financial Education into National Curriculum – England, Singapore and Australia

- 5.7 Unlike the United States, England adopts the approach of diffusing financial education concepts in subjects of national curriculum through legislation, outlining clear learning outcomes at different key stages. Compulsory financial education has been embedded in both Mathematics and citizenship education in the new national curriculum adopted in September 2013 and rolled out to the classrooms in September 2014 (Winch, 2013) and placed a renewed emphasis on financial mathematics and themes cover understanding values of money, addition and subtraction related amounts of money to give change, using currencies in practical contexts, as well as solving problems involving percentage change, original value problems and simple interest. At the same time, financial capability is included in citizenship education to equip all pupils with the financial skills to enable them to manage their money on a day-to-day basis as well as to plan for future financial needs (Department for Education, 2013).
- 5.8 In Singapore, Food and Consumer Education, a compulsory subject for lower secondary students, the revised curriculum which put a greater emphasis on managing personal finances in a range of 'real-life' contexts, rolled out by the Education Ministry in 2014 (Lin, 2013). Basic money management skills, such as budgeting and saving, and tips on the responsible use of credit are covered in the syllabus (Ministry of Education, Singapore, 2014).
- 5.9 Guided by the national strategy for financial literacy (Australian Securities and Investment Commission, 2011), Australia has integrated financial education into the curriculum for both primary and high school students. Concepts of financial literacy have been comprehensively incorporated into subjects such as Mathematics, Science, History and English (ASIC, 2012a; 2012b, 2012c) that develops students' financial literacy capabilities through teaching five basic financial principles of planning, saving, spending, investing and donating (ASIC, 2015).



Supporting and Building Teachers' Capacity to Deliver Financial Education in Class

- 5.10 Apart from developing concrete learning framework to embed financial education in compulsory subjects or set up a standalone course, international experience also puts emphasis in teacher's training and resource support, to equip the key agents of delivering financial education.
- 5.11 In Singapore, in collaboration with Institute for Financial Literacy of Singapore Polytechnic, structured trainings are available to empower teachers with engaging pedagogy and ideas to infuse financial literacy in the curriculum. Also, teachers are encouraged to obtained student training grants via programs offered by MoneySENSE (Institute for Financial Literacy, 2013).
- 5.12 Australian Government also organizes the MoneySmart Teaching Program for teachers and students in primary and secondary schools, offers them classroom resources to create real life financial contexts for learning as well as resources in financial literacy education that are aligned to national curriculum and Australian Professional Standards for Teachers (ASIC, 2015b).

Insights from Cverseas Experiences

- 5.13 The selected international financial centers' experiences are echoing the guidelines that advocated by the OECD. Their practices show no matter financial education is offered in standalone course or with concepts diffused into other compulsory subjects, it is important to have financial education in school as part of their national strategy for financial literacy with clear learning framework, to provide schools and teachers a clear and easy reference to follow, with supporting resources and trainings.
- 5.14 With reference to OECD's guidelines and other financial centres' experiences, the review of financial education in schools in Hong Kong are conducted by looking into the following dimensions:
- Whether financial education in school is being part of a coordinated strategy for promoting financial education;
 - Whether there is a learning framework which sets outs goals, learning outcomes, content, approaches, resources and evaluation plans;
 - Whether financial education has been carried on from the beginning of formal schooling until the end of the students' time at school;
 - Whether financial education is a core part of the school curriculum, either as 'stand-alone' subject or integrated into other subjects;
 - Whether teachers receive adequate training, aware the importance of financial literacy and pedagogical approaches in financial education with sustainable resources;
 - Whether there are easily accessible, objective, high quality and effective learning tools and pedagogical resources available to schools and teachers; and
 - Whether assessment is available for evaluating students' progress.

Curriculum Review

- 5.15 Through curriculum mapping, it is found that some concepts of money and personal finance are scattered into several subjects in core curricula of primary and secondary education in Hong Kong.
- 5.16 Contrary to the overseas practices, which financial education have either officially developed as standalone courses or embedded financial education into national curriculums through legislation, financial education in Hong Kong is not a compulsory topic to be taught in school curriculum.
- 5.17 In primary education curriculum, General Studies is the only subject that covers topics of money management, rights and responsibilities of consumers in primary 2 and 4. Concepts related to financial literacy are not coherently covered in the entire primary education, a continuous learning of financial literacy from the beginning of formal schooling until the end of the students' time at primary school is absent. The curriculum does not link to any learning framework of financial education that sets out goals, learning outcomes, content, delivery approaches, resources and evaluation plans in various subjects, which make the evaluation and assessment of the outcome of financial education in primary schools difficult.
- 5.18 When it comes to secondary 1 to 3, a number of concepts related to money and personal finance are embedded in Life & Society and Business Education, with topics on managing finance, sensible consumption, money management know-how (saving, budgeting and donation), responsible borrowing, the concepts of simple and compound interest, personal financial planning and the importance of good credit record.
- 5.19 Although both subjects include some important concepts and value in money management and finance, the schools have the autonomy to design their own school-based curriculum. That means even though concepts of financial literacy are stated in some key learning areas, the decision on whether the concepts are taught and how in-depth the teaching should be are left to schools and teacher.
- 5.20 Concepts of financial literacy are scattered in a few subjects in the Diploma of Secondary Education (DSE) curriculum for Secondary 4-6 students, namely Liberal Studies, Business, Accounting and Financial Studies (BAFS) and Technology and Living, and Liberal Studies is the only compulsory subject among all that are elective in nature.
- 5.21 Yet, the module contains an extensive range of topics such as interpersonal development, self-esteem and characteristics of adolescent, and the coverage of topics largely depends on teachers' planning and expertise. Therefore, personal financial management is a must to be taught in Liberal Studies.
- 5.22 Concepts of financial literacy, such as understanding the value of money, credit management and personal investment, the coverage is piecemeal in the curriculum of an elective subject tilted towards Business, Accounting and Financial Studies (BAFS).



5.23 However, the curriculum underwent a revision in 2013 and the topics of personal finance were notably deleted from the curriculum (Education Bureau, 2013). Topics such as ‘compare and select the most suitable consumer credit and finance products with understanding of how interest is calculated’, ‘adopt a proper personal financial planning process: setting investment objectives, portfolio construction and portfolio review’, ‘apply budgeting principles and technique to prepare personal budgets’ and ‘demonstrate how to make an informed investment decision’ are taken out (Education Bureau, 2013). This may indicate that basic concepts, knowledge and skills related to personal finance are not the priorities to be covered even in the elective subject that is mostly relevant to financial literacy in secondary education.

5.24 Unlike the school-setting in primary and secondary schools, knowledge acquisition in universities or tertiary institutions becomes more discipline-specific. Personal finance, investment and trends of financial markets are mainly accommodated to students majoring in Business and Finance. There is no course related to personal finance that requires mandatory enrollment, which does not favor the non-finance majors in acquiring essential knowledge, skills and attitude towards money and personal financial management upon joining the labor force whereas they will come across major money decisions ranging from loan repayment, MPF management, saving for different life goals and investment for wealth management.

“Our practice (in this university) is that personal finance is introduced as an elective course for University General Education or a session in college assemblies only. So it is not mandatory to reach all students and not many are interested in knowing more about personal finance as they may find it irrelevant. Relatively speaking, students who are major in Business and Finance will find the topic more useful and practical...Upon graduation, the majority (of the students) may therefore do not acquire any financial knowledge.”

- Interviewee V (University lecturer)

5.25 The above mapping of the existing financial education at schools in Hong Kong shows that financial education is not coherently delivered from primary to secondary education curriculum but in a piecemeal manner. Findings based on the views collected from the individual interviews with the Education Bureau and a teachers’ association will be reported to provide explanations on the development of financial education in school in Hong Kong and illustrate the possible areas for further development and gaps for delivering financial education in schools.

Government’s Strategy in Infusing Financial Education through Other Learning Experiences and Subject Pased Projects

5.26 Rather than trying to squeeze financial education into the existing school curriculum, the government emphasizes that it is crucial to create practical application opportunities available in other learning experience, subject-based projects and even Independent Enquiry Study in Liberal Studies for students to improve their management over money and resources in a natural manner.

“Given the curriculum is packed for teachers and students...rather than considering how to embed financial education into different subjects, financial literacy should be permeated in daily context through lively activities so that students can master the concepts and create money awareness naturally. At such financial education does not have to be delivered in a subject.

In view of overloaded curriculum for teachers and students, application opportunities for financial literacy should be made available in different forms of learning, such as Independent Enquiry Study in Liberal Studies,

Mathematic exercises in real-life situation, different competitions, projects and activities in Other Learning Experience, as a way of promoting value education in the perspective of Life Wide Learning. Rather than pouring all financial literacy concepts in one subject, these application opportunities may be more convenient and effective as it related to experience related to money in everyday life.”

- Government official

- 5.27 In Education Bureau’s opinion, the “parent role model” perspective in enhancing financial literacy is also important in thinking about in what ways financial education should be promoted in schools.

“Taking healthy eating habit as an example, parent-child approach will be a way to develop healthy diet for children and their parents as both groups are engaged in the learning process. By the same token, parents should start with themselves to establish awareness of money management and engage their children in areas such as wise use of resources and saving, etc. In this regard, money awareness can be strengthened by parents being the role models in building financial literacy”

- Government official

Financial Education as a Low Priority in Schools

- 5.28 Being one of the key stakeholders in financial education, teachers’ observations and experience are worth exploring. On behalf of the industry association, a secondary school teacher from a teachers’ association, who is also an advocate of promoting financial education in schools, was interviewed to illustrate the development of financial education in school contexts.

- 5.29 Tight teaching schedule, one discouraging factor which teachers find no time to cover financial literacy in class by themselves, makes financial education a rather low priority in school, given that the supports in time allocation, resource and curriculum are absent. In order to introduce financial education in school, as shared by the teacher, curriculum, lesson time, pedagogical resources and assessment framework should be developed for teachers’ reference.

“Teachers face tight teaching schedule and overloaded curriculum. Generally speaking, a teacher has 29 lessons per week. It would be difficult to deliver financial education with such heavy workload. Financial education is indeed something beyond what teachers are required to prepare and deliver. If financial education is to be promoted in a systematic manner, it is crucial to have lesson time, curriculum and teaching resources available. There are many issues a school has to address, for instance, discipline, moral and civic education, leadership education, etc. In this regard financial education has been a low priority for schools.”

- Secondary school teacher and representative of a teachers’ association

- 5.30 Teachers lack confidence in delivering financial education as nothing related to financial literacy was introduced when they were prospective teachers. Moreover, the norm of ‘specialized teaching’ among teachers poses limitation for teachers to deliver financial education when it is not embedded in curriculum that ensure wide coverage to all students. Some face-to-face financial literacy trainings have been offered to teachers in Hong Kong. Even so, given the norm of specialized teaching in Hong Kong’s education, the majority of teachers who received the trainings are those specialize in Business, Accounting and Financial Studies or Liberal Studies, as observed by program organizers.



“Teachers shared their concerns that no trainings related to financial literacy were offered when they were prospective teachers. Therefore, they find it challenging to talk about money-related issues or do not know where to start.

Of course some devoted teachers will touch upon financial literacy in their lessons. But now we have the trend of specialized teaching, encouraging teachers to concentrate teaching their respective subjects and to reduce their workload. For instance, if a Chinese teacher would like to learn more about financial literacy and how to deliver financial education, even though he or she received teachers’ training, he or she may find it not applicable to talk about financial literacy in Chinese lessons. They have to focus on their teaching. Therefore, financial literacy in schools will not be delivered in a systematic and comprehensive manner unless lesson time and curriculum of such can be offered.”

- Secondary school teacher and representative of a teachers’ association

- 5.31 Adding to that, since financial education is not being assessed in public examination, there is little motivation for teachers to deliver something that is not relevant or significant to students’ grades and examination performance.

“For secondary 4 to 6, both teachers and students have to cope with the exam pressure of Diploma of Secondary Education (DSE) public examination. As financial education is not a mandatory topic to touch upon, the incentive for teaching and learning financial education is low as a result.”

- Secondary school teacher and representative of a teachers’ association

“If we review the past papers of public examination, concepts of financial literacy only carry 3 marks at most as a multiple choice question for students who take Business Studies, Accounting and Financial Studies as an elective (subject). You can tell why financial education is not a concerned topic for schools as it has not been an important area to be examined in public examination.”

- Program organizer P

- 5.32 In short, as concepts of financial literacy are offered piecemeal in school curriculum, with no lesson time allocated, specific curriculum and teachers training given, teachers face a number of barriers to delivering financial education given their heavy workload. Thus financial education is a relatively low priority for schools. Currently, financial education is delivered outside classroom, in the forms of extra-curricular activities or Other Learning Experience (OLE) to equip students with essential concepts of financial literacy.

Filling the Gap - Delivering Financial Education Outside Classroom

- 5.33 To fill the service gap, other learning opportunities to improve students’ financial literacy are available with the efforts made by social workers and professionals of industry associations.

“We started launching financial education initiatives to school students since 2005. We first engaged community centers and schools to deliver talks related to financial education. The response was overwhelming, and it was found that financial education for students was in great demand. To fill in the service gaps, a financial institution was engaged for sponsorship to support our financial education initiatives for secondary school students. “

- Program organizer P (Non-governmental organization)

5.34 The school-based programs and initiatives carried out by non-governmental organizations are interactive in nature and take place beyond normal lessons, such as school assemblies, post-exam period and weekends for in-depth activities and those require parents' involvement. These occasions ensure that teachers do not have to forgo their classes for financial education.

5.35 Other than delivering talks, social workers' expertise in facilitation and engagement enable the financial education programs to be delivered in an interactive and reflective manner through various activities.

"Our experience shows that one-off talks about financial education are shallow and often students just sit there and listen. Financial literacy is a very broad topic and should be delivered in an in-depth manner. Thus, talks have quite a number of limitations, for example, the topics can only be touched upon slightly, students acquired knowledge but it is hard to capture their changes in values and behavior through talks. Therefore, we designed simulating activities for students to experience (money decisions in daily contexts or post-graduation life in 10 years) which they will come across many financial decisions. Through debriefings, they are able to reflect and deepen their learning in how financial education plays a part in making informed money decisions ranging from saving, spending and investment in everyday life. Simulations help them relate financial education and their daily experience. The process facilitates them to 'buy-in' the importance of financial education and seeds are sown in their hearts."

- Program organizer P (Non-governmental organization)

5.36 As captured in interviews, a new trend of promoting financial education in school to incorporate financial education into the career and life planning education at senior secondary levels is identified.

5.37 Emphasized in Policy Address 2014, strengthening life planning has become one of the policy objectives in secondary education (Government of the Hong Kong Special Administrative Region, 2014b). With the increase of manpower of the Career Guidance Team to provide holistic support to schools in providing career guidance service and life planning education, as well as the provision of an additional recurrent grant to introduce more life planning education elements (Education Bureau, 2014), schools have been actively seeking services related to life planning and career development, as shared by teachers and service providers.

5.38 In line with such policy direction, program organizers of financial education initiatives, NGOs in particular, embed financial education as a core financial life skill to meet life goals through managing money wisely. Teachers, who are responsible in career planning, counseling and discipline, are engaged by program organizers to explore the possibility of introducing financial education in school as an element embedded in life planning and career development.

"When we talk about financial education in schools, it is often associated with life management and life planning, and schools find the topics of financial literacy very relevant in this perspective. Some primary schools have an annual theme for value education, for instance, 'practice sfts', then we organize activities to talk about financial literacy echoing with the themes. Recognizing the trend of promoting life planning in secondary schools, to highlight how proper financial decisions lead to personal goal achievement, help engage teachers and promote financial education in schools."

- Program organizer O (Non-governmental organization)



- 5.39 Yet, it is observed that financial education initiatives in schools are not being coordinated. Despite there are initiatives targeting school students, it is often one-off in nature due to resource and time limitation. It is recommended by stakeholders that a coordinated platform will be a key to connect initiatives, and maximize the learning impacts on students.

“There are activities and other learning experience related to financial education, but often they are superficial and one-off in nature. There is a lack of system (to coordinate the initiatives). Program Organizers have been working hard for the initiatives but they are uncoordinated. A holistic approach will help promote more coherent learning and capture students’ learning impacts.”

- Secondary school teacher and representative of a teachers’ association

Identified Gaps in Delivering Financial Education in Schools

The above research findings identify the following gaps in delivering financial education in schools:

- 5.40 Financial literacy is offered piecemeal in existing school curriculum. Without being a core part of the school curriculum, financial education is not an on-going, coherent and continuous effort throughout the entire period of schooling.
- 5.41 A learning framework which sets out goals, learning outcomes, content, pedagogical approaches, lesson time, resources and evaluation plans related to financial literacy is yet to be developed. Assessment tools for evaluating students’ progress are absent.
- 5.42 In addition to the lack of curriculum and lesson time, support to schools and teachers in terms of teachers’ training, easily accessible, objective, high-quality pedagogical resources and learning tools is also found to be inadequate.
- 5.43 Despite ongoing efforts of program organizers in promoting financial education in schools, a coordinated platform is absent to consolidate the efforts and steer the future development.

The Road Ahead

- 5.44 Notwithstanding the challenges and gaps discussed above, the launch of Hong Kong Strategy for Financial Literacy (HKSFL)⁵ by Investor Education Centre in November 2015 shows active engagement of education sector in the development and formulation of the strategy.
- 5.45 The Strategy outlines a number of core actions to extend learning opportunities in financial education, and target schools as a key platform to deliver financial education with reference to OECD's guidelines of promoting financial education in schools, which strives to reduce the distance between international benchmarks and Hong Kong's development of financial education in schools (Investor Education Centre, 2015).
- 5.46 It is emphasized that financial education shall be enhanced in schools, by embedding the knowledge and skills laid out in the Financial Competency Framework⁶ into non-curriculum activities, and mapping the required levels of knowledge and skills into the primary and secondary school curriculum.
- 5.47 All these actions mark the beginning of improving students' financial literacy through coordinated financial education. It is expected that the actions will be extended to kindergartens to have the financial education started as early as possible, and the competence framework will be developed into the curriculum for the use of the teachers, with assessment tools to evaluate the learning progress and outcomes of the students.

⁵ About Hong Kong Strategy for Financial Literacy: <http://www.hkiec.hk/web/en/about-iec/hksfl/>

⁶ 'Financial Competency Framework - School Children', developed and recently launched by Investor Education Centre in November 2015, provides standards and coherence learning outcomes which describes progressive learning for children in the four learning key stages (KS 1 – Primary 1 to 3, KS2 – Primary 4 to 6, KS3 – Secondary 1 to 3 and KS 4 – Secondary 4 to 6). It outlines what a child should know and be able to demonstrate at the end of each key stage, though the framework does not imply what necessarily should be taught at that key stage. About Hong Kong Financial Competency Framework (FCF) for adults and school children: <http://www.hkiec.hk/web/en/about-iec/fcf/index.html>



6 Financial Education for Specific Targets Groups: Young Adults in Hong Kong

Public Poll on Wealth Management and Financial Needs of Young Adults in Hong Kong

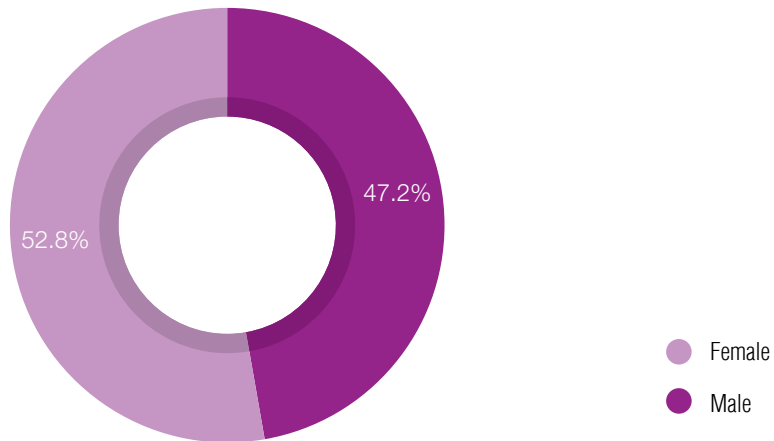
- 6.1 Desktop research illustrates that low-income groups and young adults are neglected in the financial education initiatives. While focus group interviews are arranged to explore the needs and views of the low-income families towards financial education, a public poll is carried out to further explore the financial literacy and financial education needs of young adults.
- 6.2 The public poll intends to identify and capture money management pattern and the financial education needs of young adults in Hong Kong, as well as their experience in getting in touch with the existing financial education initiatives and their perceived knowledge gaps in financial literacy.
- 6.3 The objectives of the telephone survey are:
 - To capture the experience of the young adult in getting financial knowledge and money management know-how when they are at school and after they leave school;
 - To explore young adults' consumption pattern and factors of consideration in consumption and their relationships with the financial knowledge and money management know-how they learn;
 - to explore young adults' financial goals and plans for reaching their goals, as well as their saving pattern and motivation, and their relationships with the financial knowledge and money management know-how they learn;
 - to explore their perceptions towards MPF, insurance and investment, and its relationships with the financial knowledge and money management know-how they learn;
 - to explore their motivation in involving in investment, and its relationship with the financial knowledge and money management know-how they learn;
 - to identify what kind of financial education young adults find it pressing to receive and the preferred channels through which relevant knowledge can be acquired; and
 - to make the cohort comparison by different age groups regarding the variable stated above.
- 6.4 Centre for the Advancement of Social Sciences Research (CASR) of the Hong Kong Baptist University was commissioned to carry out the telephone survey with randomly selected individuals aged 18 to 40 who are engaged in economic activities. 815 respondents were interviewed during the survey period from 21 August to 21 September 2015. The response rate is 44.0% and the sampling error is +/-3.5 percentage points at 95% confidence level.
- 6.5 This chapter reports the demography of the respondents and the major findings of the public poll, while the questionnaire is enclosed in the Appendix.

Demography of the Respondents

6.6 52.8% of the respondents are female while 47.2% are male (as shown in Figure 6.1).

Figure 6.1

Percentage distribution of respondents by gender (N=815)



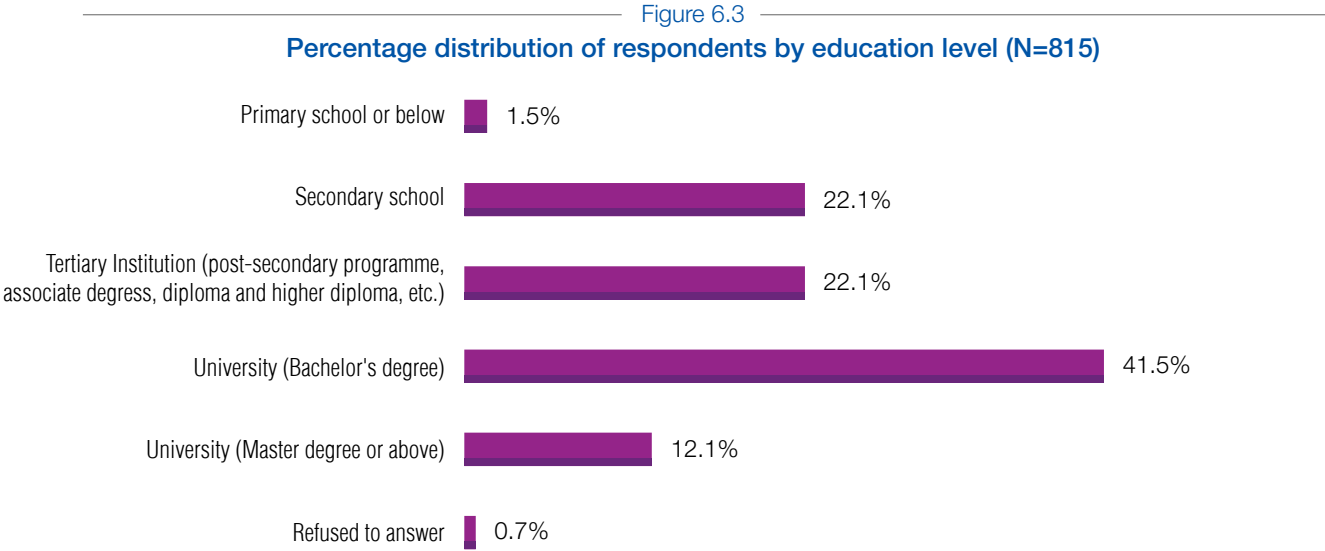
6.7 The age distribution of the respondents is presented in Figure 6.2. More than one third of the respondents are aged 35 to 40, 24.5% aged 25-29 and 22.3% aged 18-24.

Figure 6.2

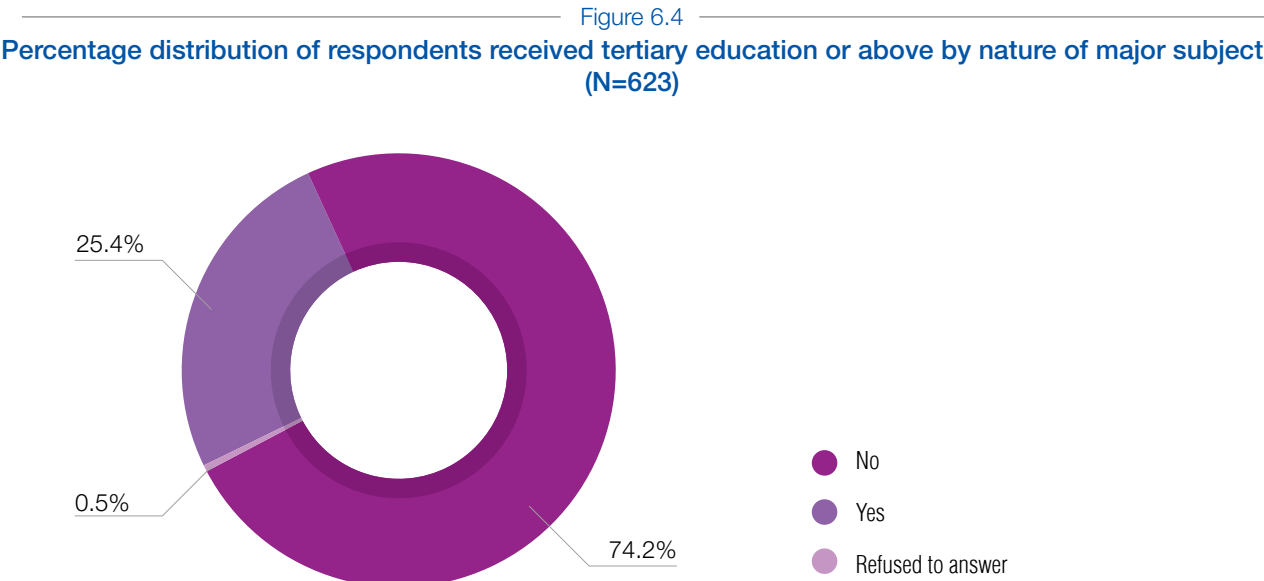
Percentage distribution of respondents by age (N=815)



6.8 As presented in Figure 6.3, 41.5% of the respondents are university graduates, 22.1% tertiary institution, and 22.1% secondary school.



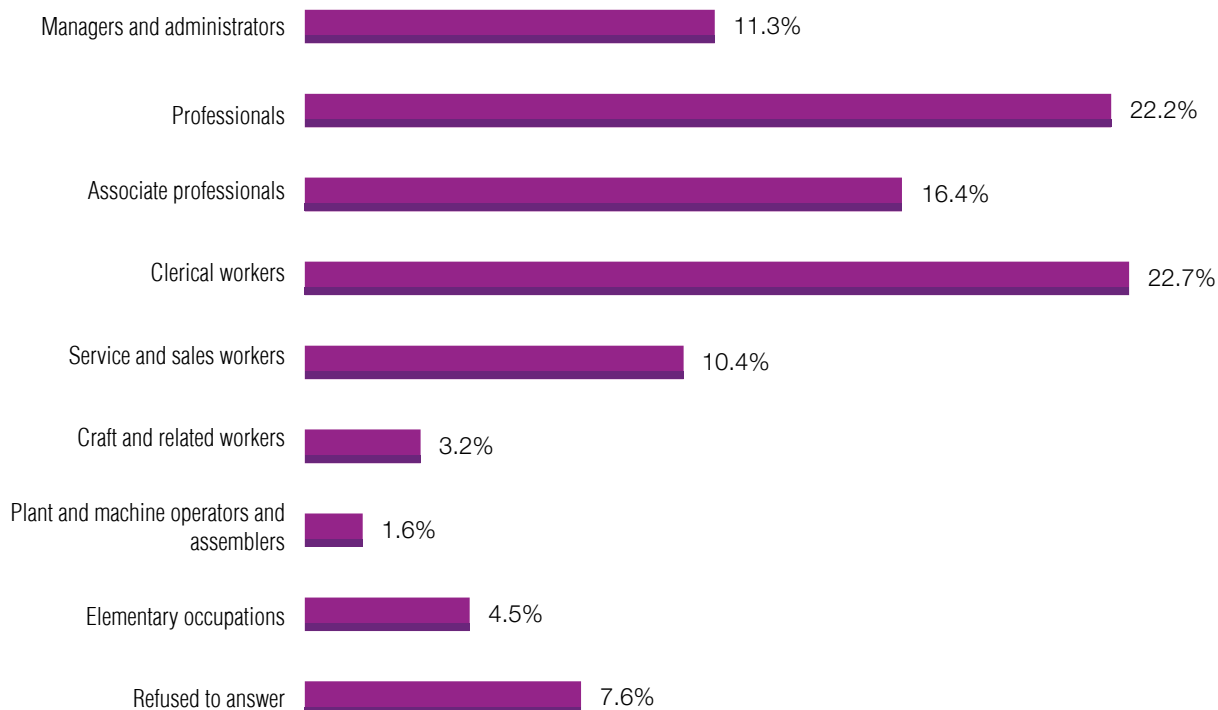
6.9 Of the respondents received tertiary education or above, 25.4% of them studied finance-related subjects during their study as shown in Figure 6.4.



6.10 The occupation distribution of the respondents is presented in Figure 6.5. Most of the respondents were “Clerical workers” (22.7%) and “Professionals” (22.2%).

Figure 6.5

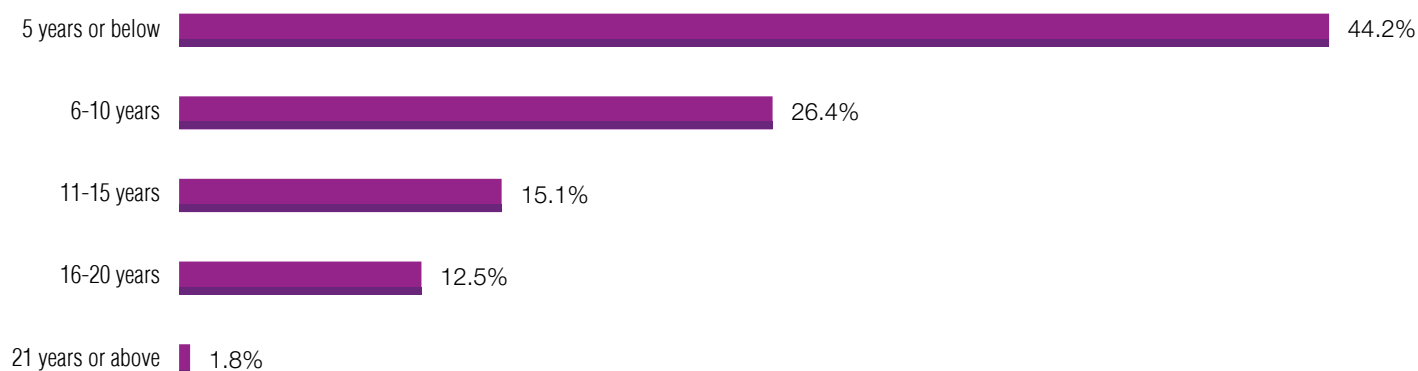
Percentage distribution of respondents by occupation (N=815)



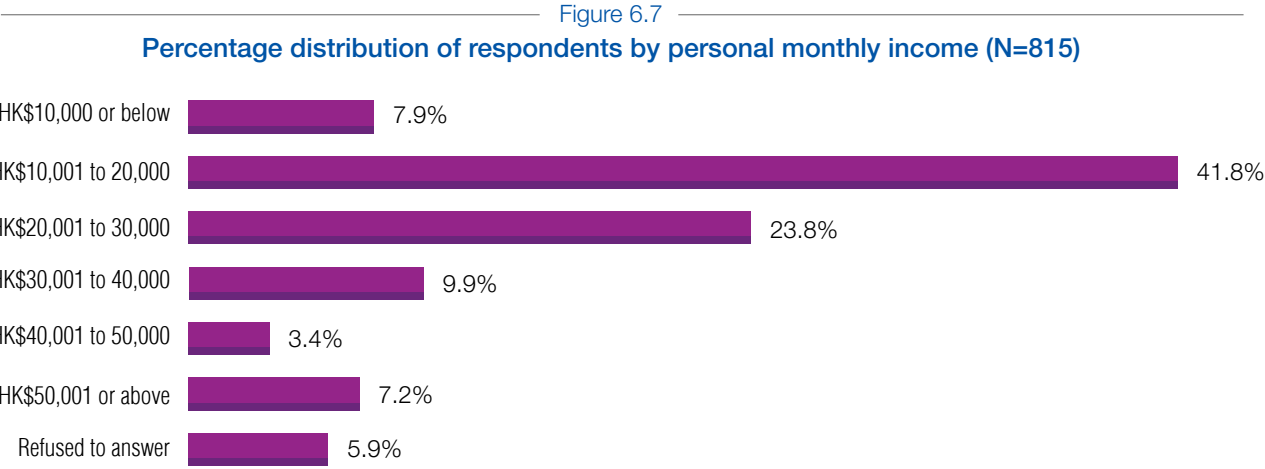
6.11 The distribution of the respondents’ full time working experience is presented in Figure 6.6. Most of the respondents (44.2%) have been working full time for 5 years or below.

Figure 6.6

Percentage distribution of respondents by full time working experience (N=783)



6.12 For personal monthly income of the respondents, most respondents (41.8%) earn HK\$10,001 to 20,000 per month, follow by those earning HK\$20,001 to 30,000 (23.8%).



Major Findings

Limited Coverage of Financial Education in Schools

- 6.13 The coverage of financial education in schools in Hong Kong has been notably limited. Only 33.7% of the respondents reported that their school or teacher taught them financial knowledge when they were in school.
- 6.14 Most of them learnt knowledge mainly in terms of money management basic, such as “Building money saving habit” (84.0%), “Formulating expenditure budget” (63.3%) and “Wise spending and distinguishing ‘needs’ and ‘wants’” (62.5%). Only 12.7% of respondents came across how to select MPF investment portfolio.
- 6.15 Among different age groups, younger generations seem to have more opportunities to receive financial education when they were still studying. Figure 6.10 shows that the higher the age group, the smaller the proportion which received financial education when they were in schools.

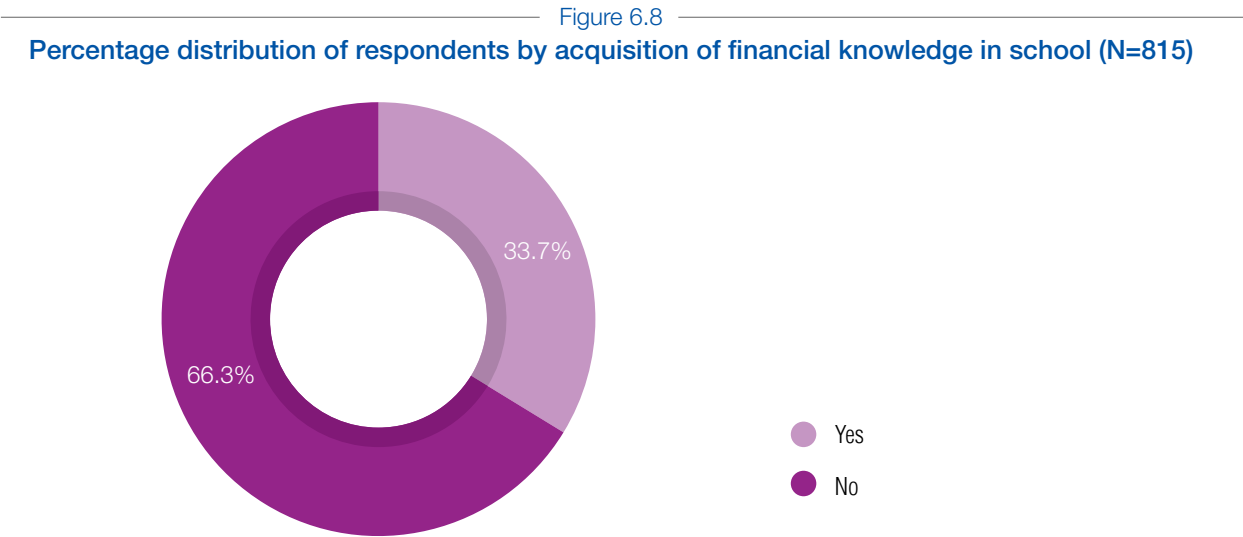


Figure 6.9

Percentage distribution of respondents having financial education in school by theme of financial knowledge acquired [Multiple responses] (N=275)

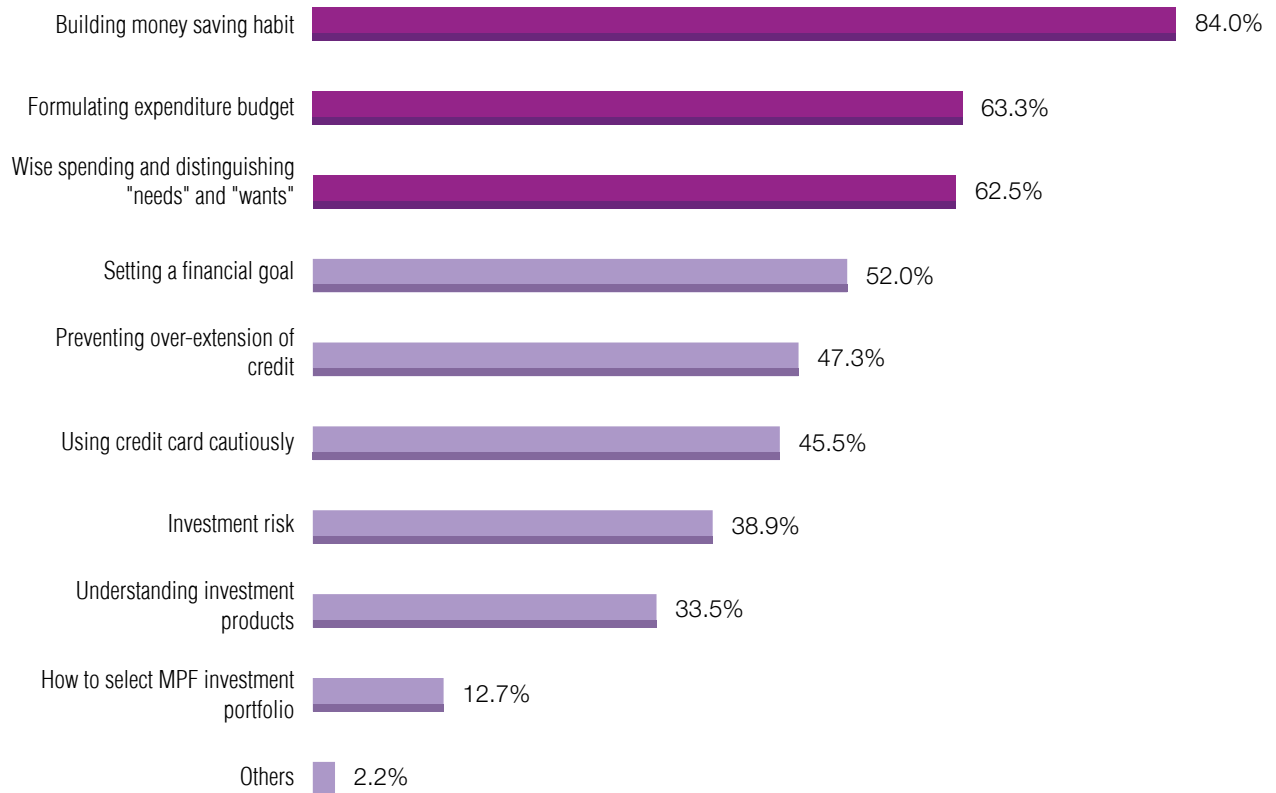
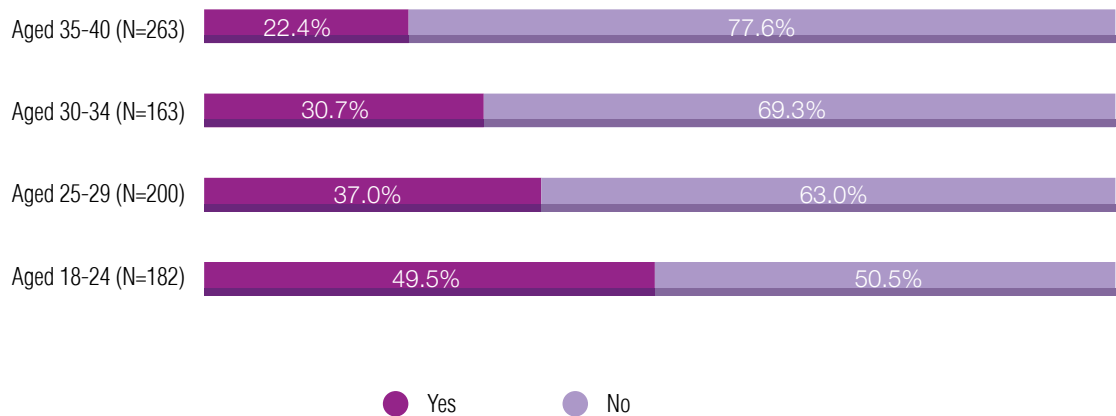


Figure 6.10

Percentage distribution of respondents by acquisition of financial knowledge in school and age groups (N=808)



Financial Knowledge Acquired After Graduation

- 6.16 “Building saving habit” is what most of the respondents learn after graduation, while “using credit card cautiously”, credit management, and knowledge in related to investment and investment risk are the other key areas of financial knowledge acquired. “Friend/Colleague” (60.0%), “Media” (57.2%), “Family member” (51.1%) and Bank Staff / Financial Advisor (46.7%) are the main channels for the young adults to learn financial knowledge. It is worthwhile to note that 8.8% of respondent do not acquire any financial knowledge after graduation through any channels.

Figure 6.11

Percentage distribution of respondents by theme of financial knowledge acquired after graduation [Multiple responses] (N=815)

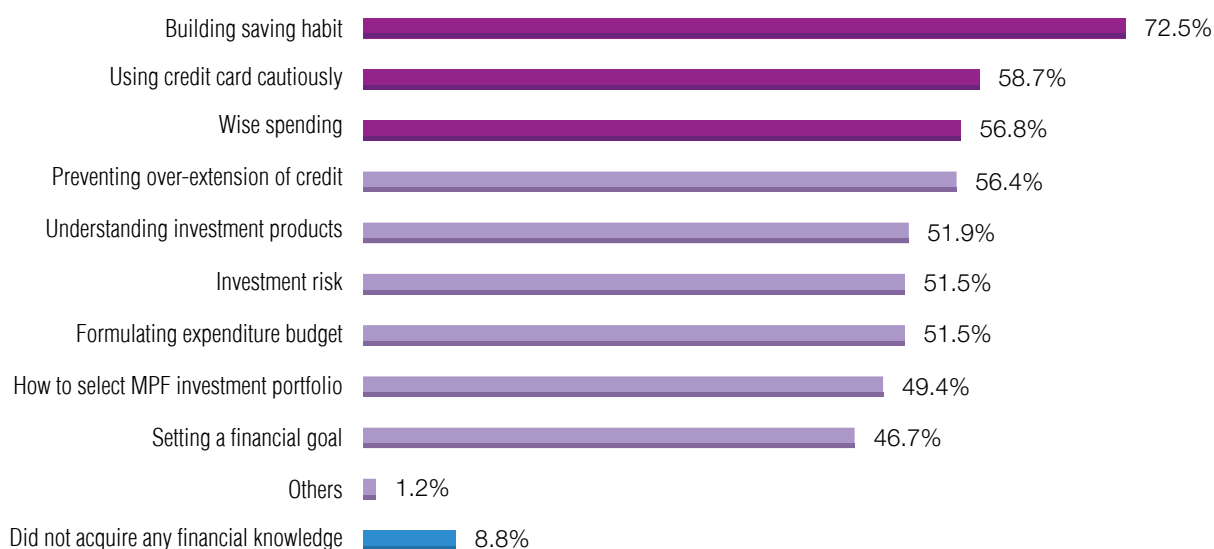
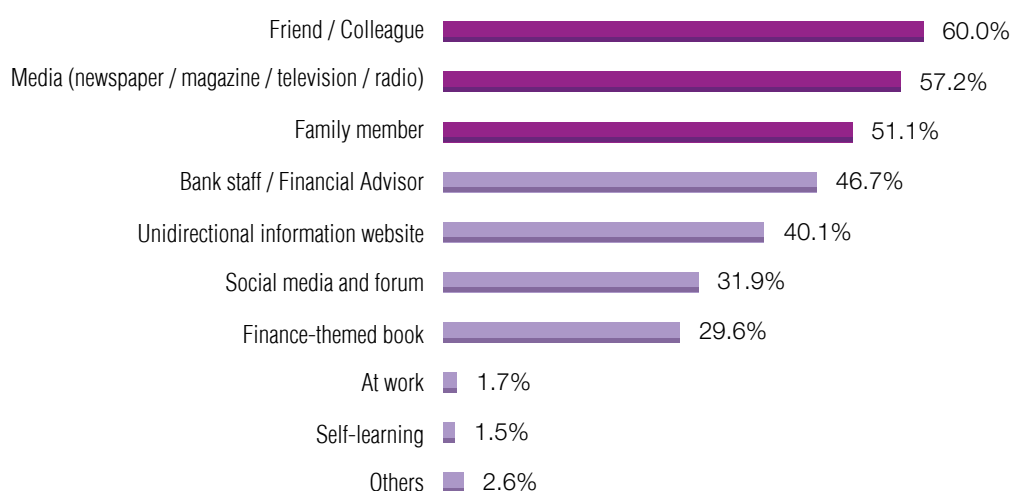


Figure 6.12

Percentage distribution of respondents acquire financial education after graduation by types of channel [Multiple responses] (N=743)



Financial Literacy of Young Adults in Hong Kong: Saving Habit

6.17 Young adults in Hong Kong generally have a strong sense of saving and awareness of the importance of saving for emergency and personal goal attainment. The vast majority of respondents (92.8%) have saving habit. Of these respondents, 86.9% of them pointed out that “Saving for a rainy day” is the major reason why they have the habit, followed by “Achieving future goal” (66.9%) and “As retirement expenses” (49.5%).

Figure 6.13

Percentage distribution of respondents by money saving habit (N=815)

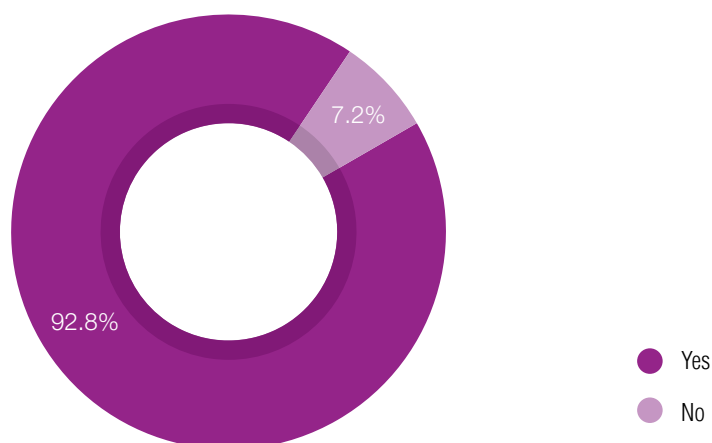
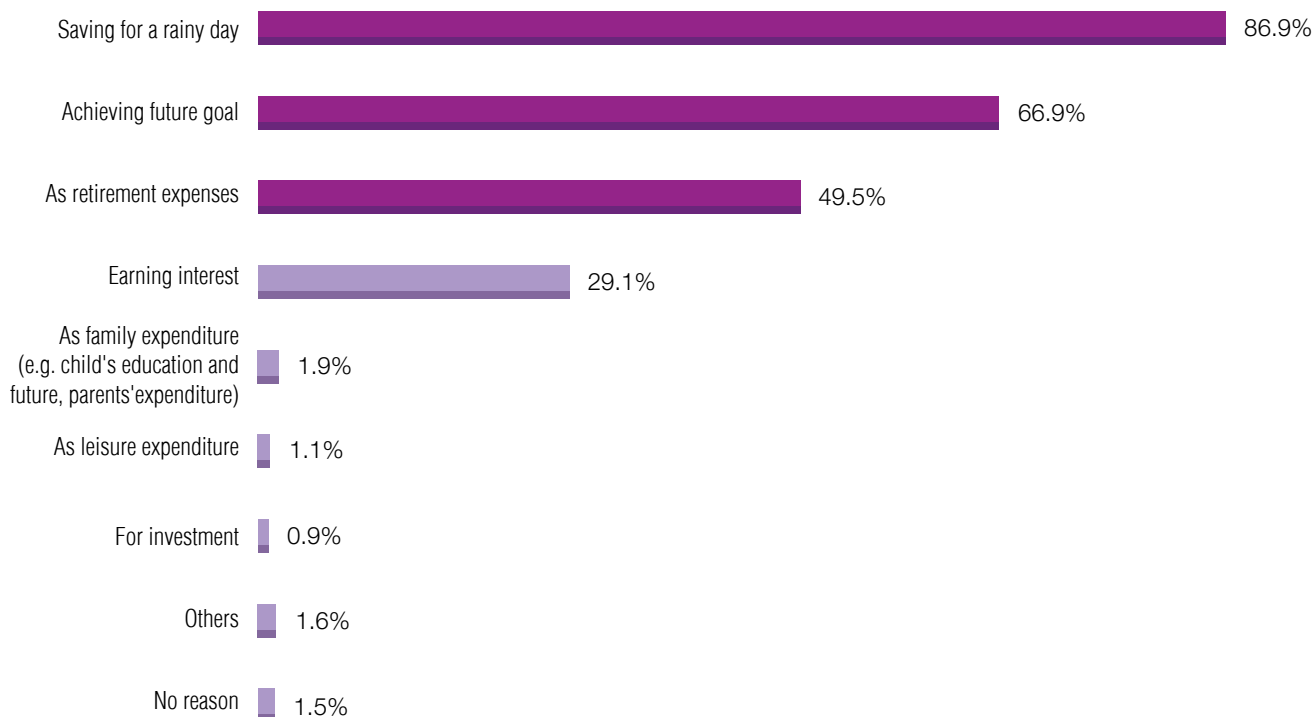


Figure 6.14

Percentage distribution of respondents having saving habit by reasons of having money saving habit
[Multiple responses] (N=756)



6.18 It is found that only 78.1% of respondents having personal monthly income HK\$10,000 or below have saving habit. This is lower than those of the other income groups (91.5% to 98.3%).

Figure 6.15

Percentage distribution of respondents by money saving habit and personal monthly income (N=767)



Financial Literacy of Young Adults in Hong Kong: Personal Budgeting

6.19 As for personal budgeting, one of the basic money management know-how, more than half of the respondents (56.3%) do not have habit on formulating the budget plan. Young adults interviewed perceive budgeting as troublesome and lack the skills to carry out budgeting. Of the respondents who do not have habit on formulating personal budget plan, the major reasons for not doing so are that they have the plan on their mind (60.1%), it is troublesome to do the planning (50.8%) and they do not know how to do it (20.7%). That means if the respondents know how to do budgeting and do it in an easy way, some of them may change their habit.

Figure 6.16

Percentage distribution of respondents by habit on formulating personal budget plan (N=815)

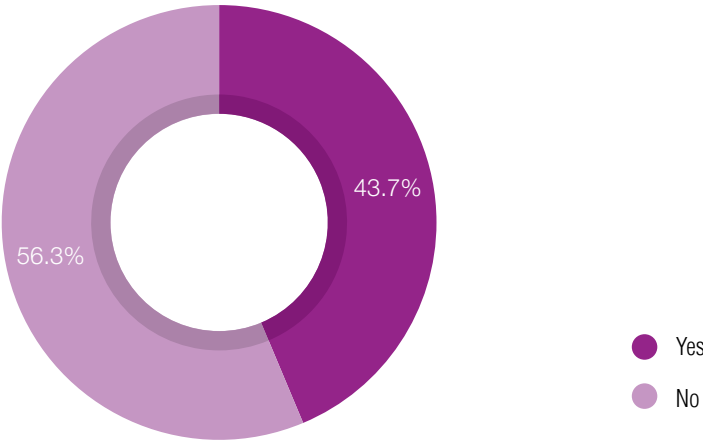
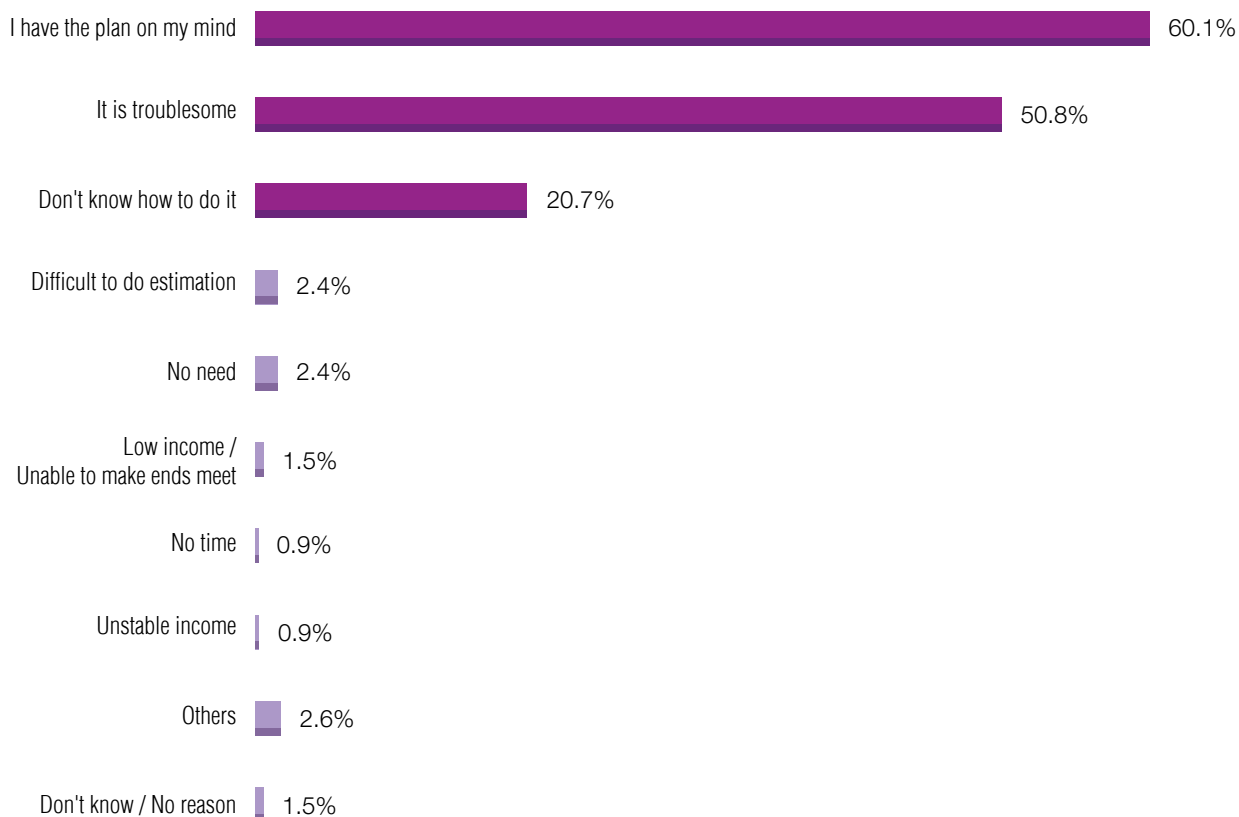


Figure 6.17

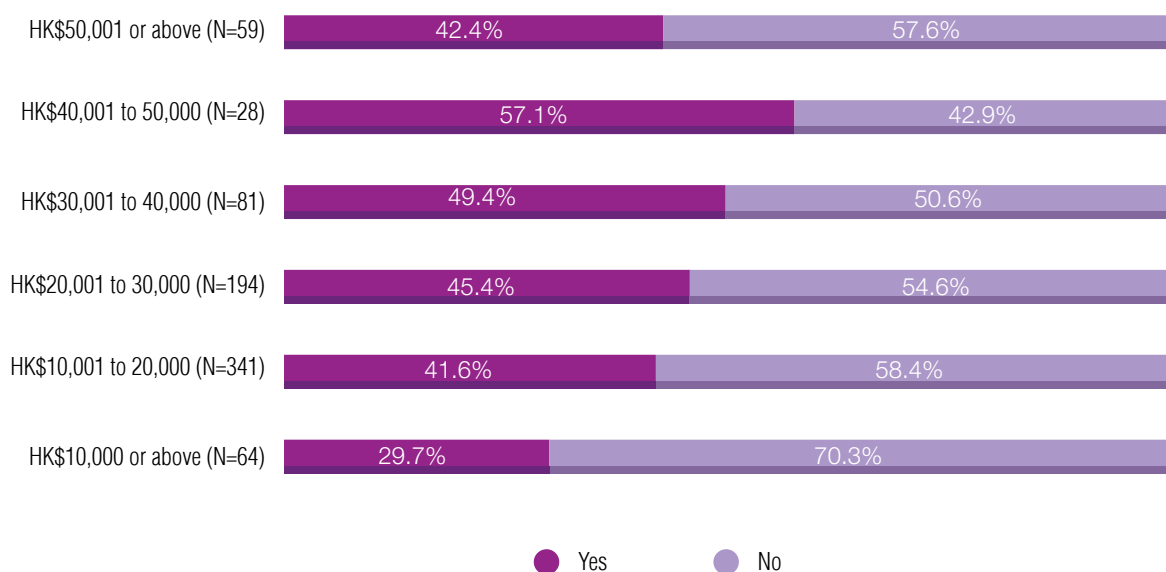
Percentage distribution of respondents with no budgeting habit by reason [Multiple responses] (N=459)



- 6.20 Comparing different income groups, 70.3% of respondents who earn less than HK\$10,000 do not have the habit of personal budgeting. This is significantly higher than those of the other income groups

Figure 6.18

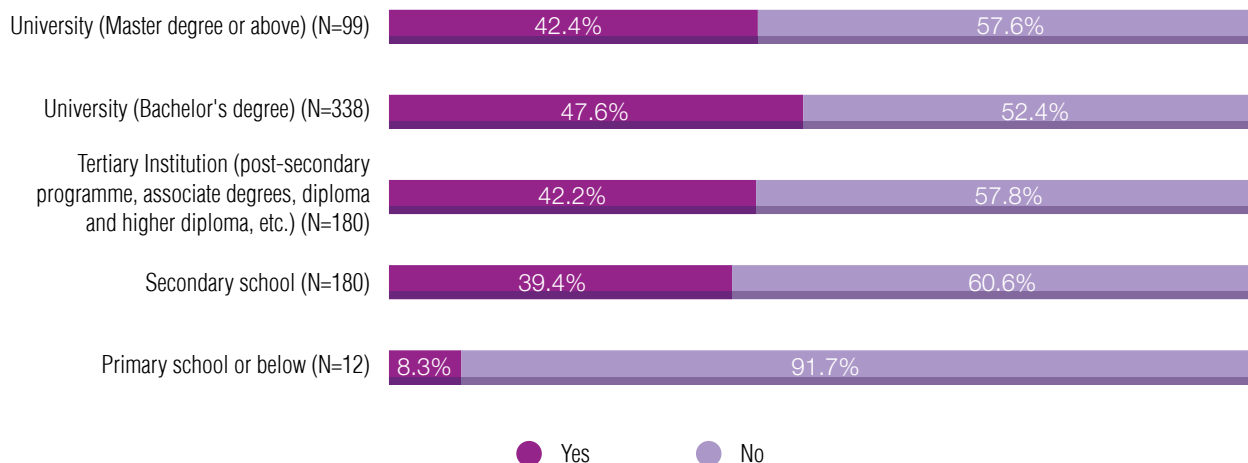
Percentage distribution of respondents by habit on formulating personal budget plan and personal monthly income (N=767)



6.21 By education level, only 8.3% of respondents with primary school or below level have a habit on formulating budget plan. This is lower than those having secondary school level or above (39.4%-47.6%).

Figure 6.19

Percentage distribution of respondents by habit on formulating personal budget plan and education level (N=809)

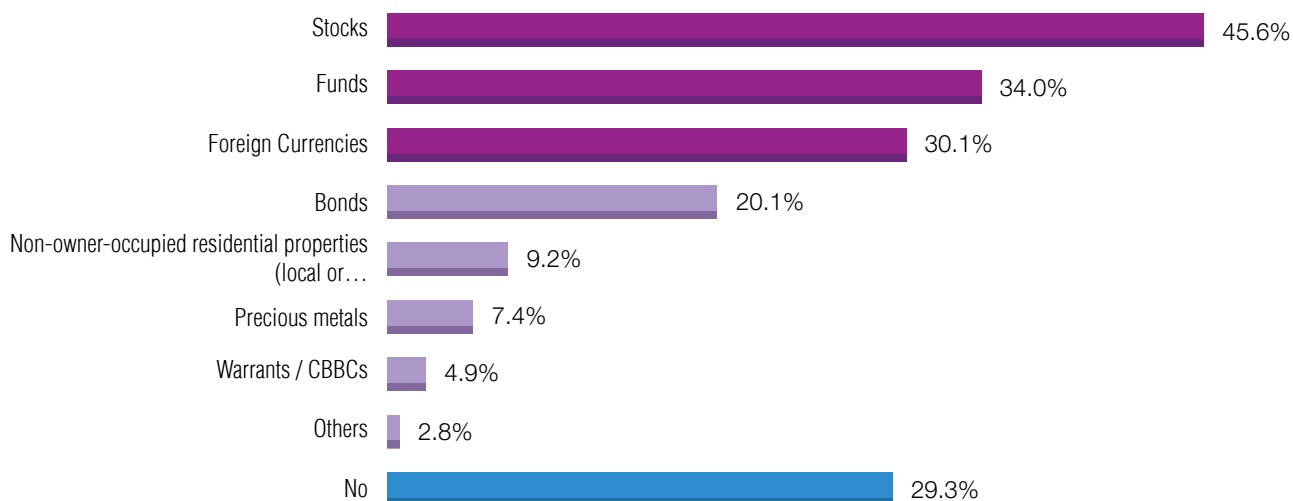


Financial Literacy of Young Adults in Hong Kong: Investment Habit and Knowledge Related to Investment

6.22 About 70% of the respondents (70.7%) have made financial investment. The top three investment items are stocks (45.6%), funds (34.0%) and foreign currencies (30.1%). Of the respondents who invest, 47.2% of them regard “Whether the potential return will be considerable” as the major consideration in investment, followed by the “Potential risk” (30.4%).

Figure 6.20

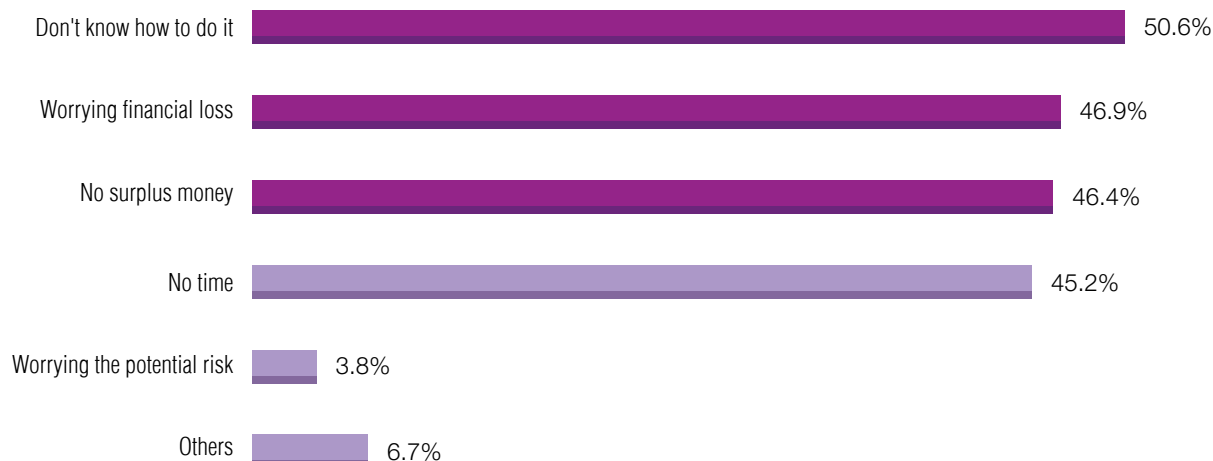
Percentage distribution of respondents by investment items [Multiple responses] (N=815)



- 6.23 For the respondents who do not invest, the main reason for not investing is that they do not know how to invest (50.6%), worried about the financial loss (46.9%) or do not have surplus money (46.4%). For those who do not know how to invest, the lack of related knowledge may limit their opportunities to accumulate wealth by investment.

Figure 6.21

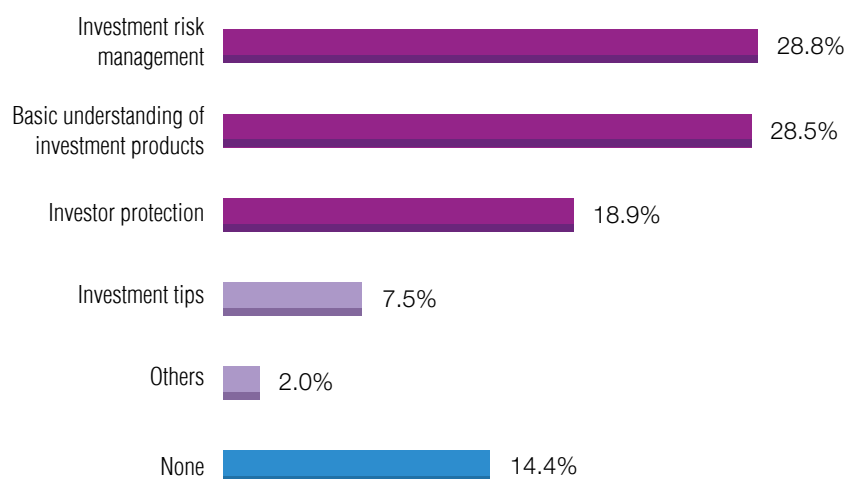
Percentage distribution of respondents not having investment by reason [Multiple responses] (N=239)



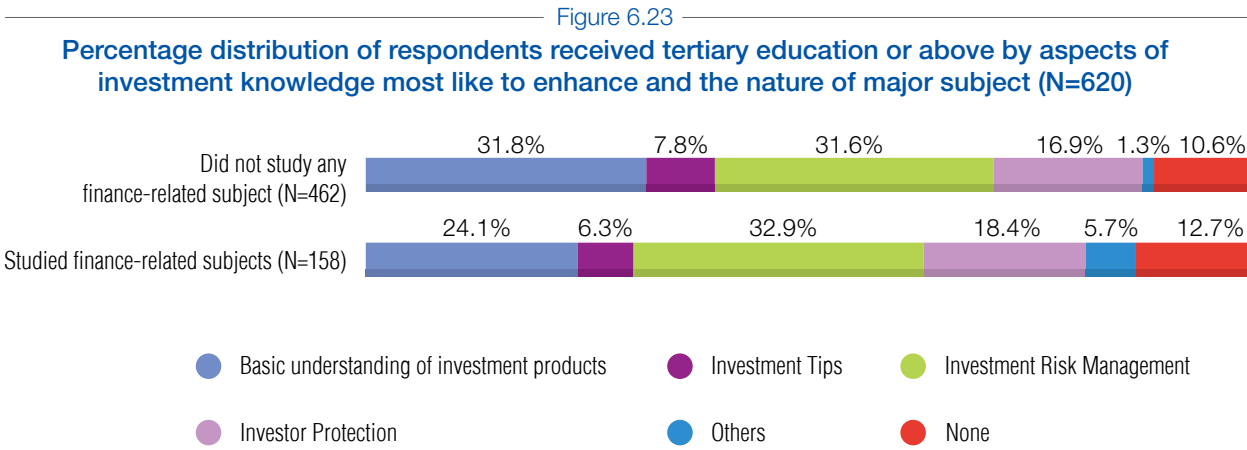
- 6.24 Overall, “Investment risk management” (28.8%) and “Basic understanding of investment products” (28.5%) are the aspects that most of the respondents want to enhance on investment knowledge. On the other hand, 14.4% of respondents indicated that there is no investment knowledge that they want to enhance.

Figure 6.22

Percentage distribution of respondents by aspects of investment knowledge most like to enhance (N=815)

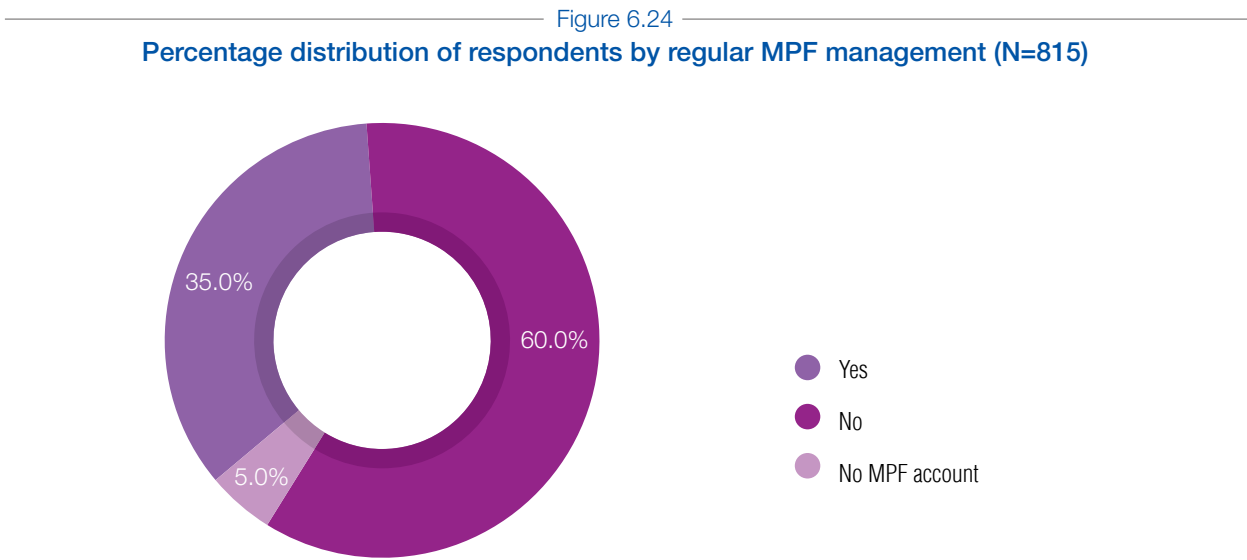


6.25 Also, a higher percentage of respondents who did not study finance-related subjects before want to enhance the knowledge on “Investment risk management” (31.8%). Comparatively speaking, it may reflect that students who are non-finance majors may have weaker understanding towards investment risk and risk management due to the scattered coverage of financial education offered in school.



Financial Literacy of Young Adults in Hong Kong: Retirement Preparation and Planning

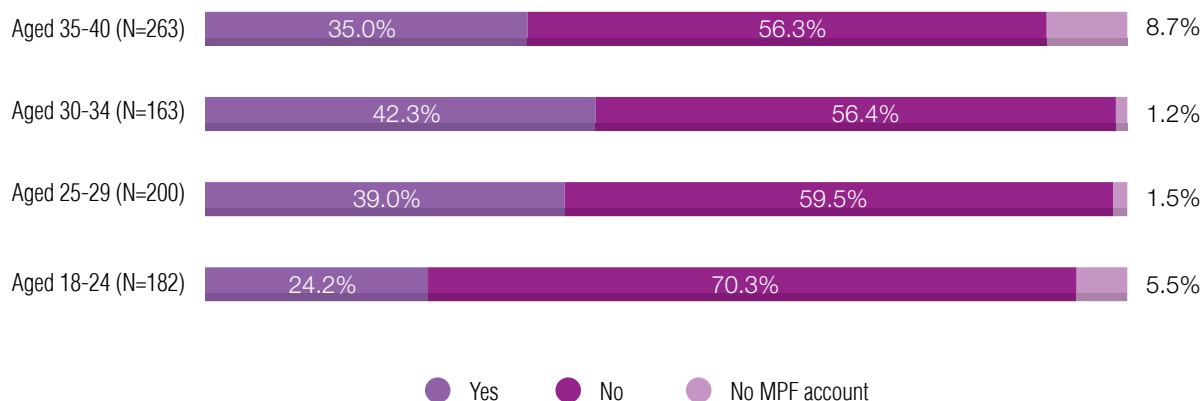
6.26 Although Mandatory Provident Fund (MPF) management is closely associated with one’s retirement protection and planning in Hong Kong, the survey finds that the majority (60.0%) of respondents does not manage their MPF account regularly. Only 35.0% of the respondents have done so.



- 6.27 Young adults generally have weak awareness towards MPF management. The youngest age group (aged 18 -24) has the lowest percentage of respondents who manage their MPF account regularly. Among different age groups, 42.3% of the respondents aged 30-34 manage their MPF account regularly. This is higher than the groups aged 18-24 (24.2%), 25-29 (39.0%) and 35-40 (35.0%).

Figure 6.25

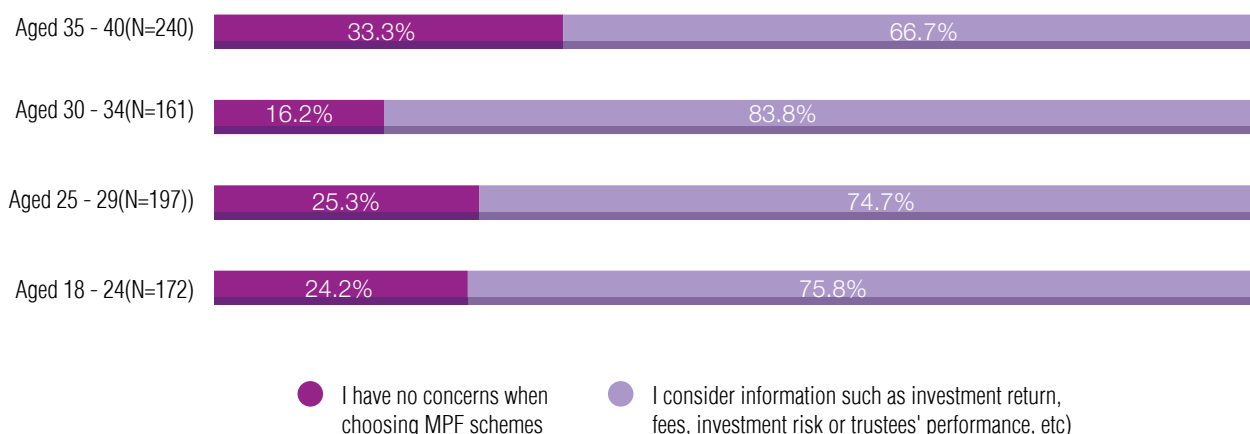
Percentage distribution of respondents by regular MPF management and age group (N=808)



- 6.28 About 33.3% of the respondents aged 35 – 40 have no fundamental concerns such as investment return, fees and trustees' performance as suggested by Mandatory Provident Fund Schemes Authority when choosing MPF schemes (Mandatory Provident Fund Schemes Authority, 2012). This is the highest among those of all the age groups. This age group is supposed to have contributed and stayed in the scheme for the longest time among all age groups. However, a rather significant portion of this group of young adults does not consider any factors when choosing MPF schemes.

Figure 6.26

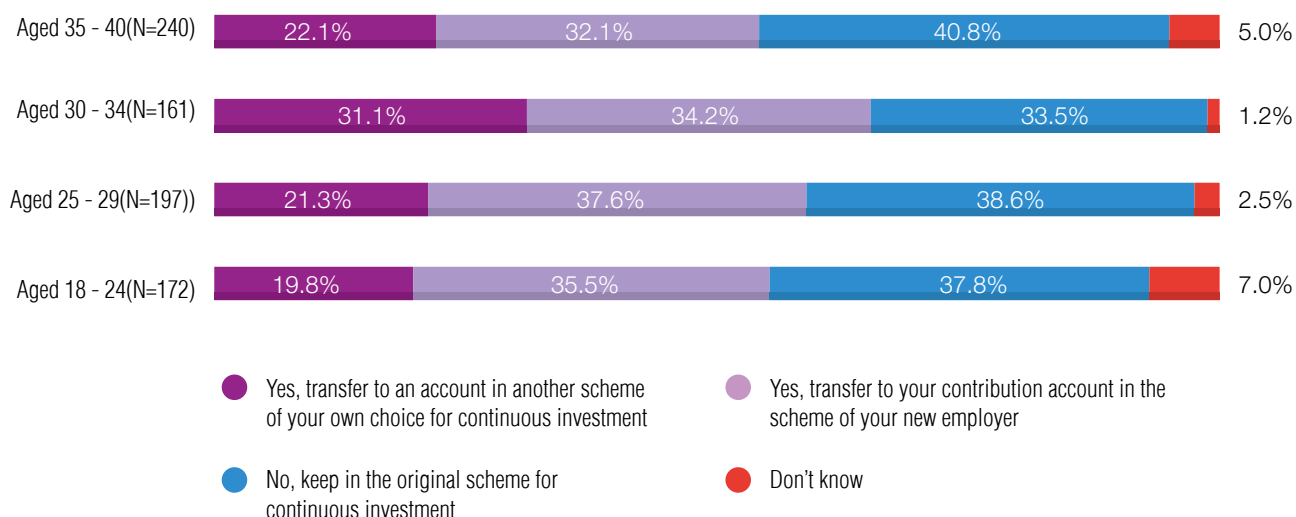
Percentage distribution of respondents by consideration of the important factors when choosing MPF schemes and age group (N=808)



6.29 Regarding MPF accounts consolidation, a higher percentage of respondents (7%) aged 18 - 24 do not know how to handle the accumulated benefit of the MPF account from their previous job, followed by those aged 35 – 40 (5%). Across age groups, nearly 40% of respondents do not consolidate their MPF account from their previous job. As MPF being one of the key pillars for retirement protection, awareness towards proper MPF management should be strengthened among young adults.

Figure 6.27

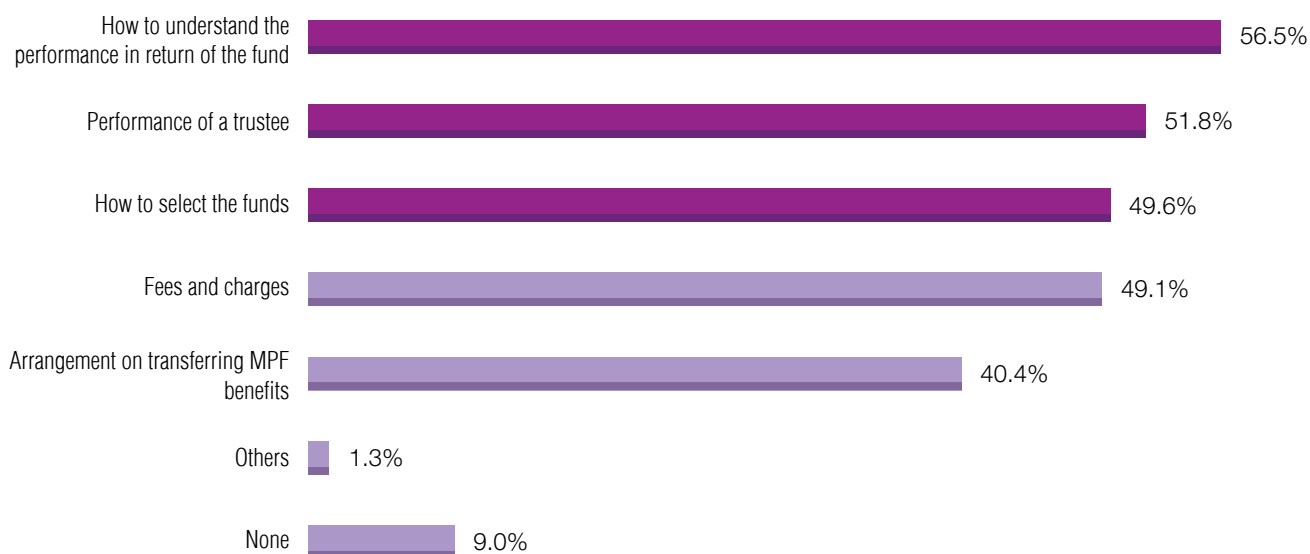
Percentage distribution of respondents by ways of handling benefit of the MPF account from previous job and by age group (N=808)



6.30 Knowledge gaps in MPF management are also identified. For those who have MPF account, “How to understand the performance in return of the fund” (56.5%) is what most of the respondents would like to enhance. The second most selected item is the “Performance of a trustee” (51.8%).

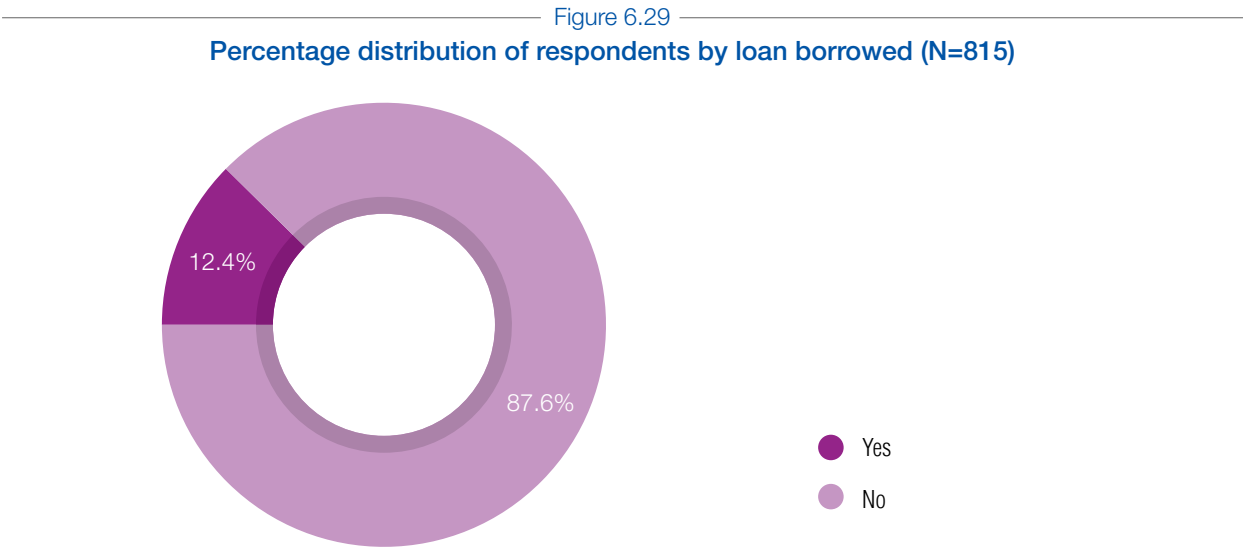
Figure 6.28

Percentage distribution of respondents by aspects of MPF management knowledge most want to enhance [Multiple responses] (N=774)

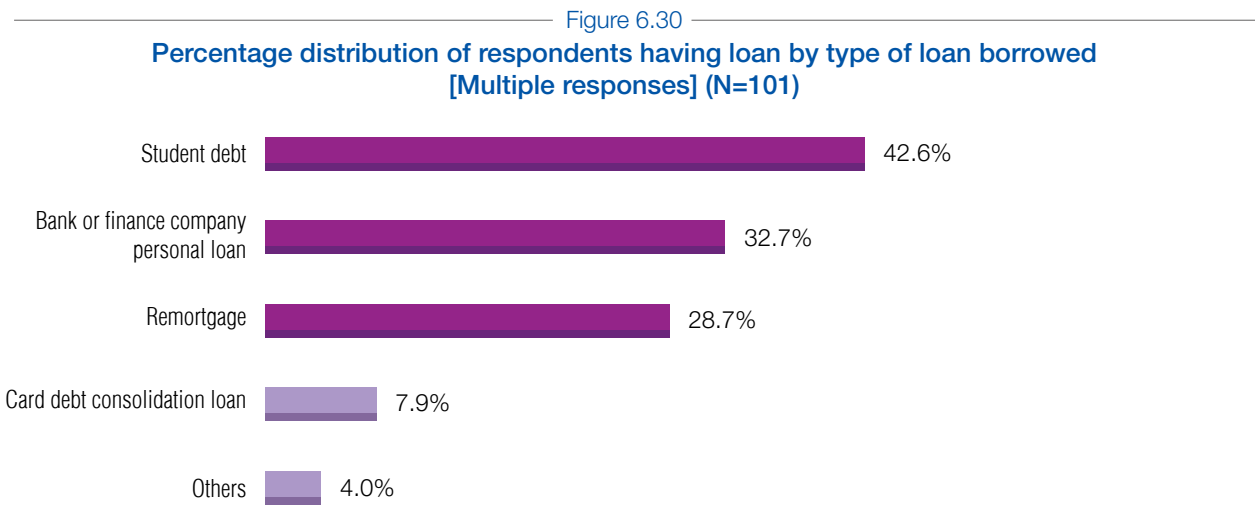


Financial Literacy of Young Adults in Hong Kong: Loan

6.31 The vast majority of the respondents (87.6%) do not take out any loan (excluding on-time credit card payment, mortgage, installment and auto loan) currently.

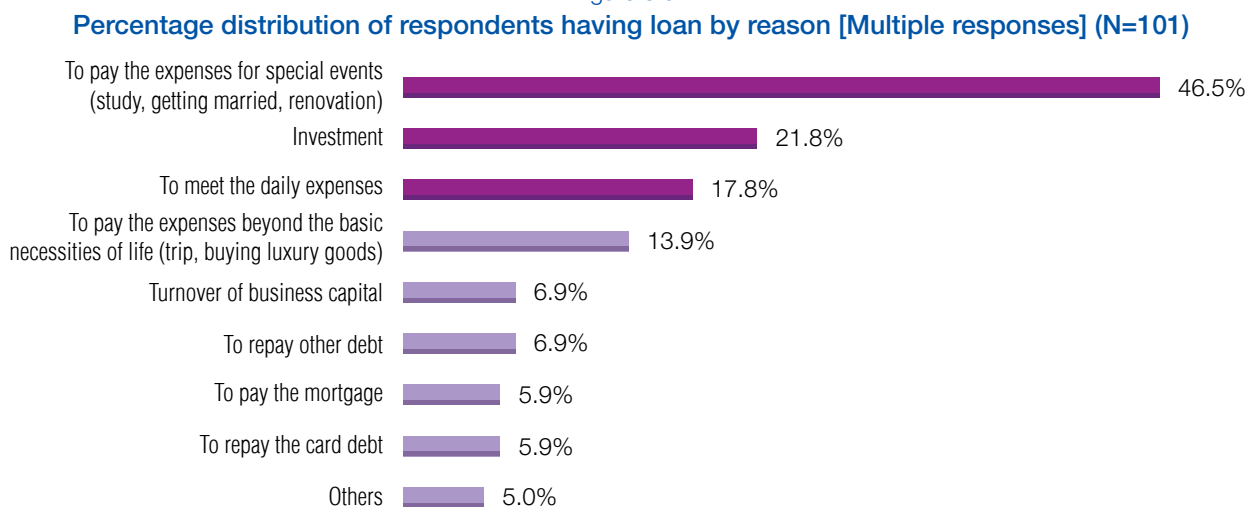


6.32 Of the respondents (12.4%) who take out loan, most of them borrow “Student debt” (42.6%), “Bank of finance company personal loan” (32.7%) or “Remortgage” (28.7%).



6.33 Of the respondents who take out loan, most of them borrow because they have “to pay the expenses for special events” (46.5%). The second and third most selected reasons are “Investment” (21.8%) and “To meet the daily expenses” (17.8%).

Figure 6.31



Financial Education Which Helps Goal Attainment – Saving, Spending & Budgeting

6.34 About half of the respondents think financial knowledge on “Building money saving habit” (55.2%), “Wise spending and distinguishing ‘needs’ and ‘wants’” (44.8%) and “Formulating expenditure budget” (43.7%) would help them to achieve their goal in the coming 3 years. On the other hand, about 29% of the respondents reflect that they cannot think of any aspect on financial knowledge that would help their goal achievement. This notable proportion may indicate that young adults in Hong Kong still find it hard to relate how improved financial literacy, through financial education, plays a role in achieving personal goals and life planning.

Figure 6.32

Percentage distribution of respondents by types of goal in the coming 3 years [Multiple responses] (N=815)

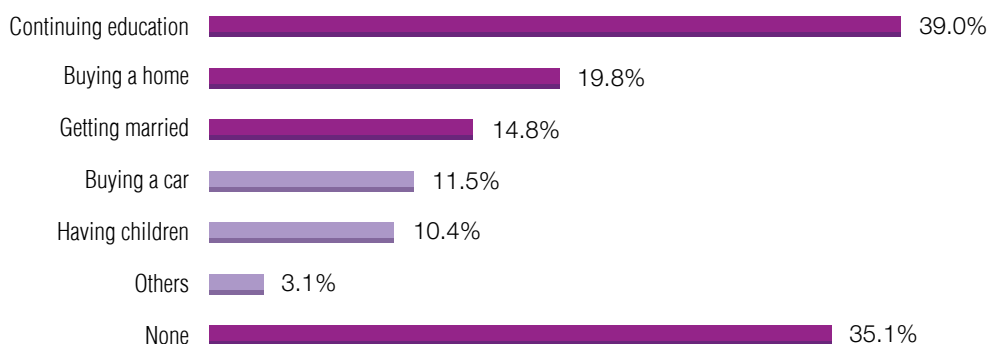
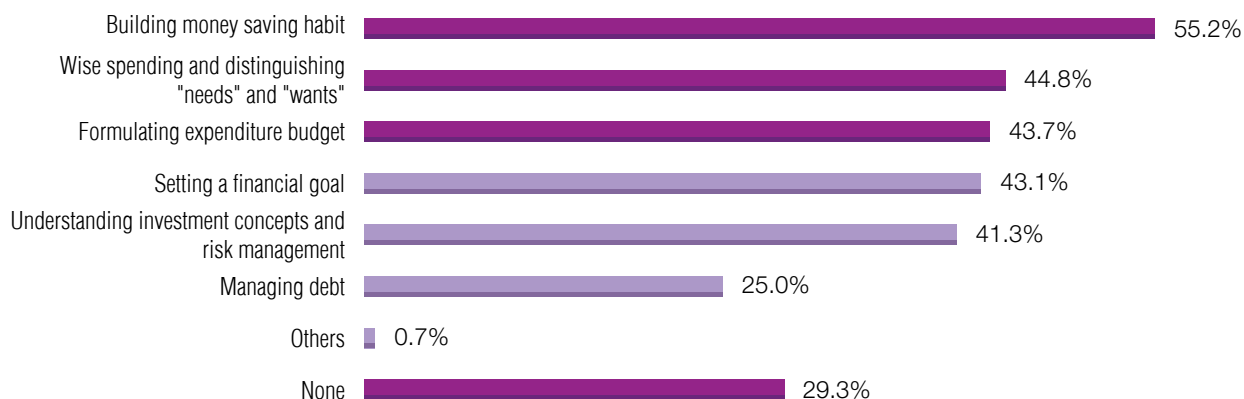


Figure 6.33

Percentage distribution of respondents by type of financial knowledge they find helpful for the above goal(s) attainment [Multiple responses] (N=815)

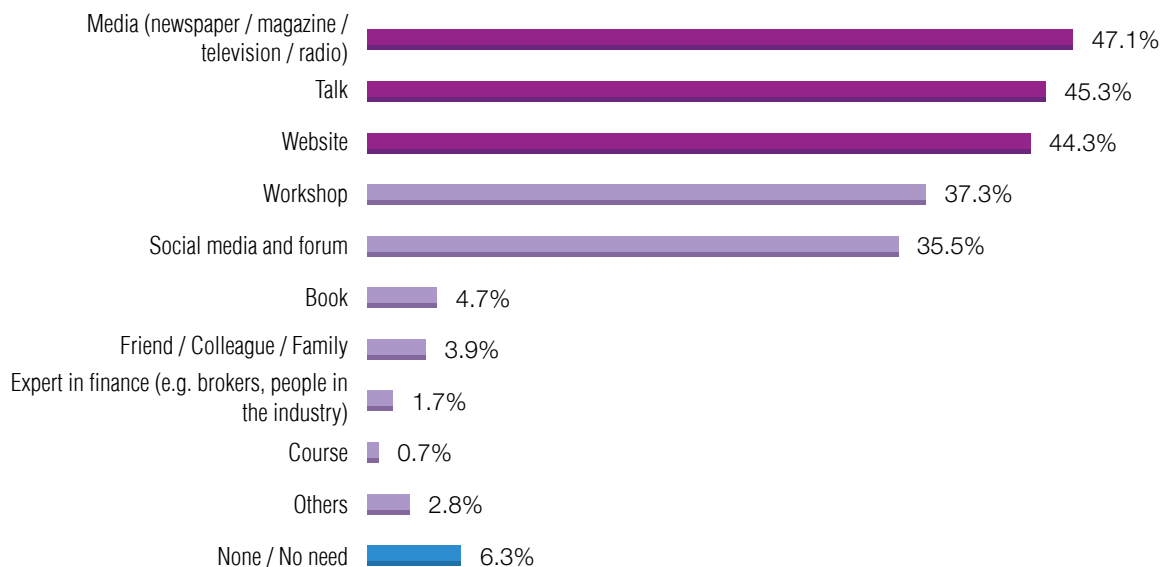


Media Being the Most Preferred Channels for Financial Knowledge Acquisition

6.35 The most preferred channels for acquiring financial knowledge are "Media (newspaper / magazine / television / radio)" (47.1%), "Talk" (45.3%) and "Website" (44.3%).

Figure 6.34

Percentage distribution of respondents by type of preferred channel(s) for financial knowledge acquisition [Multiple responses] (N=815)



Financial Education Needs of Young Adults in Hong Kong

- 6.36 Respondents of the youngest age cohort in this survey acquired financial knowledge from their school accounts for a much higher percentage than the other groups with more full-time working experience.
- 6.37 Yet, receiving financial education in schools does not have significant correlation with habit of budgeting and proper MPF management. It may indicate that one-off and scattered financial education in school does not facilitate knowledge retention and positive behavioral changes in managing own financial resources. Financial education should be a continuous process which addresses different needs at different life stages, from money management basics to retirement planning, etc.
- 6.38 The majority of young adults in Hong Kong generally saves regularly and has a strong sense of saving. Yet, nearly 60% of respondents do not have the habit of formulating personal budget plan despite it is crucial in making ends meets and keep oneself out of debt. For those who have lower education level and earn less, a lower proportion of them are having habits in saving and budgeting.
- 6.39 Young adults display weak awareness towards MPF management despite the fact that it is closely related to their retirement planning and protection. Respondents of the youngest age group showing the lowest percentage who manage their MPF account regularly. The percentage of respondents aged 35 – 40 who have no concern over the fundamental items when choosing MPF schemes is 33.3% which is the highest among all the age groups.
- 6.40 Some respondents may underestimate the risk of taking out loan for investment. This exposes young adults to increased financial risk and greater chance of getting into financial difficulties.
- 6.41 Young adults in Hong Kong find it hard to relate how improved financial literacy through financial education plays a role in achieving personal goals and life planning. Almost one third of the respondents reflected that they could not think of any aspect on financial knowledge that would help their goal achievement.
- 6.42 Addressing the specific financial education needs of young adults in Hong Kong, the follow foci of financial education require greater attention:
- Financial education that covers personal budgeting. Proper attitude, knowledge and practical skills of budgeting need to be further disseminated as more than half of the respondents do not formulate and execute budgeting;
 - Financial education related to investment risk management so that young adults are equipped with proper knowledge and skills to make informed investment decisions;
 - Financial education about MPF management and retirement planning as young adults display limited concern towards their MPF management and decisions involved;
 - Financial education related to responsible borrowing and debt management, to reduce the vulnerability of young adults in taking unmanageable risk before borrowing;
 - Financial education awareness program highlighting how improved financial literacy plays a key role in life planning and personal development as young adults see financial literacy not related to their life goals.
- 6.43 Active use of mainstream media, such as television, newspapers, radio, and magazine to disseminate concepts, information and skills related to financial literacy should be encouraged as young adults regard the channels effective to receive financial education.

7 Financial Education for Specific Target Groups: Low Income Families

- 7.1 As illustrated in the literature review in chapter 2, international experiences show that financial education plays a role in asset building and poverty reduction for low-income groups. Improved financial literacy helps low-income group to be in control of own financial affairs by budgeting, proper money management and maximizing the use of existing resources. Making informed financial decisions also prevents them from taking unmanageable financial risks and falling into poverty trap or dragging further into it.
- 7.2 According to the findings of desktop research illustrated in chapter 4, financial education initiatives that target low-income groups are comparatively rare if the Child Development Fund items are excluded. This chapter looks into further details of the situation and needs of the low income families by first mapping the current financial education initiatives for the group and illustrating the identified service gaps with review of the existing initiatives. Then it presents the findings from focus group interviews to discuss how low-income families in Hong Kong perceive financial education, their respective financial education needs based on different socio-economic background, and potential interventions for the sake of asset accumulation and poverty reduction.
- 7.3 These findings offer insights for potential interventions in financial education that attempts to combat poverty through empowering the target groups in making informed financial decisions and asset-building.

Financial Education and Current Supporting Programs in Hong Kong

- 7.4 Low income families in Hong Kong are defined as households with their income equal or falling below 50% of median household income by household size, including households under the Comprehensive Social Security Assistance (CSSA) Scheme, a welfare program that provides supplementary payments for unemployed individuals or households, elderly, single parents and disabled persons. The eligibility is based on a means test of falling below certain income and asset thresholds, which vary based on age and household size.
- 7.5 Some initiatives have been carried out to address the financial education needs of the CSSA recipients in Hong Kong. One notable example is a collaborative initiative between industry associations engaging CSSA recipients and low-income families to deliver concepts related to saving, rational spending, budgeting, insurance, investment and Mandatory Provident Fund management. The intention of the initiative is to cultivate their awareness towards how proper financial decisions may have effects on their living conditions so as to fill in the current service gap as observed by the organizers.

"In United States, social workers are engaged to provide financial literacy programs for families receiving Aid to Families with Dependent Children (AFDC). But there is no such program for CSSA families. They receive monthly assistance from the government, yet nobody concerns how they spend the money. Do they spend properly? With the limited financial resources, how do you set up the budget for food, housing and education? Low-income families should understand and consider these before they make money decisions."

- Program organizer F (Nongovernmental organization)



- 7.6 To the organizers, with reference to overseas practices, they find it important to deliver financial education to low-income groups and CSSA recipients, especially budgeting and resource management relevant to their daily circumstances. Their intention also echoes with OCED's advocacy to improve financial literacy of financially vulnerable groups to make informed financial decisions, in control of their financial affairs and ultimately improve their financial outcomes.
- 7.7 Yet, due to limited resources, the initiative can only engage 4 social service organizations every year to provide 4 one-off talks respectively and there is no impact assessment. In this regard, further exploration is needed to find out whether financial education can cater the needs of the CSSA recipients and low-income families, how the impacts can be created, and the directions for the organisers to scale up their effort.
- 7.8 Another notable example is the Child Development Fund (CDF), a government-driven initiative which incorporates financial education for asset-building targeting children from disadvantaged background, constitutes the majority of financial education initiatives to low-income families as illustrated in Chapter 4.
- 7.9 The initiative adopts asset-building approach to tackle intergenerational poverty. First, the projects target children aged 10 to 16 for major trainings and mentorship. Second, the 3-year targeted savings are used for the child's personal development. As the program equips the participating children with the ability to build intangible assets such as positive attitudes, personal goal-setting and time management, the initiative is beneficial to the child's personal development.

"It (the CDF) helps foster the child's personal development to a certain extent. Despite their underprivileged background, they show motivation to participate in the 3-year project through regular saving, achieving personal development goals through trainings and support from social workers and mentors, which is beneficial to the child's well-being in terms of building financial, social and human capital."

- Interviewee R (A scholar from the CDF steering committee)

- 7.10 Child Development Fund has motivated the participating families to change their financial habits for accumulating assets for the children. However, given the majority of the identified initiatives for low-income groups are CDF projects, low-income families without eligible children are not engaged. More alternatives other than existing initiatives should be provided to cater the needs of low-income families.

The Financial Stress and Needs on Financial Education of Low-Income Families – a Qualitative Perspective

- 7.11 For the low income families interviewed, money is a pragmatic concept which is about coping with daily life expenses ranging from housing, food, transportation, gas, children's' education fees and medical costs with limited or even inadequate financial resources.
- 7.12 To cope with the financial stress, low-income families do have their practice wisdom from their daily lives. Although they may not receive any formal, systematic or institutionalized financial education, some of them already practice key concepts of financial literacy such as budgeting, wise spending and financial planning.

7.13 To control household expenses, some housekeepers of the low income families often compare prices in daily purchase of food and necessities, or do grocery shopping in the closing hours of market for discounted items. They are also able to differentiate “needs” and “wants” to reduce unnecessary spending.

7.14 Short-term financial planning is also carried out to cope with sudden income shortfall when the breadwinner earns less in unstable casual work. Exchange of resources is common among the social networks to avoid spending and money saved can be spent in necessities.

“You will get cheaper food and vegetables when you go to market in the evening. This can save a bit. But apart from this there is no other ways to reduce spending. To make ends meet, our daily budget for food is only \$100 Hong Kong dollars.”

- A mother from low-income family and living in private housing

“Money is all spent on necessities...we will have better food if we do not buy toys or books for children. With the money saved we can afford interest classes for our child. My money is limited therefore planning and price comparison in the market is important”

- A mother from low-income family and living in public rental housing

“To avoid spending on new school uniforms, I will try exchange old school uniform by asking other parents.”

- A mother from low-income family and living in private housing

“Eat less, avoid buying new clothes. We won’t buy unnecessary items.”

- A mother from low-income family and living in private housing

“I spend less and start saving a few months ago to cope with the expenses of books and uniforms in early September. Book fees for kindergarten K1 students are 700 Hong Kong dollars. That is costly...”

- A mother from low-income family and living in public rental housing

7.15 Some housekeepers, usually with better connection with the community, may even have a sense to obtain community information and look for available resources to support their families, such as free leisure and entertainment for their children. Yet, it is also found that some interviewed households may not be aware of the existing community resources and services that help reduce their daily expenses.

“(Do you know that there is a place nearby where discounted hot meal service is provided?) No, I don’t know. I haven’t heard of that.”

- A mother from low-income family and living in private housing



- 7.16 Although some of the housekeepers in low-income families are able to master daily money management know-how, they find it challenging to engage other family members in related practices such as establishing common financial goals, reducing unnecessary spending and family budgeting to ensure family's financial well-being.

"Nowadays children would like to have things that their classmates have. He wants to have it for comparison without considering if he needs it or if the family can afford it. He will ask me why I do not buy this or that for him. I have to teach him how to spend money properly. He has no idea how to spend at all. "

- A mother from low-income family and living in public rental housing

"He (the child) doesn't control the amount he spent using octopus card (electronic money in Hong Kong) and I am not informed. (How do you know how much he spent?) Indeed he doesn't spend a lot, often he uses octopus card for bottles of water, but he doesn't know the fact that I top up the card for him. He thinks there is always money in the card. He doesn't understand even I explained for a several times."

- A mother from low-income family and living in public rental housing

"(My husband) is addictive in gambling...horse racing, football, etc. He said gambling is a way to reduce stress and indeed his intention is good – he wants to gain more money to improve children's living apart from a regular job. I restrict children's spending on toys, clothes and other items for leisure and entertainment which are unnecessary, and he hopes to gain some money to fulfill children's expectation through gambling."

- A mother from low-income family and living in public housing

- 7.17 It is also crucial to point out that financial conditions of low-income groups are not cast in stone. One of the major life transition identified among them is when a public housing flat is allocated. As proven by the government, public housing policy has been a key intervention with the largest impact to improve the financial situation of low-income families as it helps reduce housing-cost burden significantly (Government of the Hong Kong Special Administrative Region, 2015).

"Every month I got only HKD 3,000 to spend on the necessities for my family because more than a half of the family income goes for the rent. The landlord requests HKD8, 000 something for the tiny flat. If we can rent a flat in the public housing estate in the same community, it is much bigger and cheaper. The rent is around HKD 2,000 and we can have more to spend. But we have to wait."

- A mother from low-income family and living in private housing

- 7.18 In this regard, low-income families face challenges due to the limited resources they have in hand. However, their disposable income may increase if government interventions, especially the long-term supports like the public housing, are in place. For the group with more disposable income, their needs on financial education may be different.

- 7.19 At the same time, given that different low-income families are facing different financial conditions, as illustrated above, their perceptions towards financial education vary.

- 7.20 Low-income families with limited disposable income barely associate financial education with daily circumstances, and show skepticism on how financial education can be applicable in daily contexts as they have no extra money to manage or save. Some interviewees display hostility towards financial education.

"Financial education is about investment. But how do you invest when you have no money left? "I don't even make ends meet with the limited income."

- A mother from low-income family and living in private housing

"Who doesn't want to save? But the problem we cannot afford to save, we have almost nothing left after paying for rent and transportation..."

- A mother from single parent family receiving CSSA

"Where and how I can apply financial education? What's the point of talking about financial education when I don't even have money?! How is it possible to manage money when you are penniless?!"

- A mother from low-income family and living in private housing

- 7.21 For families who have more disposable income, for example, the families with public housing allocated, they display interest in knowing more about financial education.

"I would like to know how to do budgeting. By spending with planning, I think it should be okay (to be financially stable)."

- A mother from low-income family an living in public rental housing

"Of course saving is important as the process is slow. I would like to know more about ways to save."

- A mother from low-income family an living in public rental housing

- 7.22 To sum up, it is found that the attitude and perceptions towards financial education among the low-income families are varied due to the disposable income they have. Those with limited disposable income do not find financial education relevant to their daily experience. Nevertheless, financial knowledge related to budgeting, wise spending and financial planning, and awareness on obtaining information of available community resources may help them to tackle their financial stress.

- 7.23 It is also found that low income families may be vulnerable of getting into debt when they have no savings as financial cushion to cope with immediate financial shocks. As a result, they may risk further dragged into poverty.

"When the meager income cannot support our living or cover the unexpected medical costs, we just borrow money from friends. And it is borrowing without repaying...we cannot even afford to pay. So friends stop meeting us because we are like...borrowers. We don't have many friends. I usually go to social service centre and talk to social workers...just like that."

- A single mother receiving CSSA



- 7.24 Financial education organizers are well known about the importance of saving to the low-income families, but they admit the difficulties to talk to the low income groups and motivate them to build up saving habit here and now.

"The key is to deal with the financial insecurity faced by families in very deprived conditions. They cannot even make ends meet so saving is not even a priority. Yet, community resources and information help them reduce expenses. Financial education is more related to families who are living in public housing and earning a relatively stable income. Saving, rational spending and information related to investment risk and MPF management will be helpful for them to accumulate assets and avoid taking financial decisions that involves unmanageable risks."

- Social Worker A

- 7.25 Apart from saving, low-income families which have a greater ability to save show great interest towards investment products which are relevant to children's education and future personal development. Some do venture to purchase this kind of products.

- 7.26 However, they rely heavily on the information and advice from bank staff or people from their social circles to make the decision to invest 'Education Fund' hoping that it would help them cope with the children's future education expenses.

- 7.27 Without fully recognizing the fact that purchasing fund is also a type of investment which essentially involves risk, they may simply treat the monthly investment (a fixed amount of money contributes to the fund on a monthly basis) as normal saving, or a form of insurance, which guarantees a certain amount of money, ready for withdrawal any time.

"I came across this kind of product from my relatives – my child's aunt bought a similar product for all her children and asks if we are interested. I said it is a must to purchase for my child's education if he or she can attend university. It will be difficult to prepare a few hundred thousand at once...I would rather reduce spending and save in a monthly and regular basis for the education fund."

- A mother from low-income family and living in public rental housing

"I invested in the education fund from a local bank. A few hundred Hong Kong dollars will be contributed to the fund monthly. It is a 10-year fund so a lump sum of money will be ready when (my child) gets to university. (But fund involves risk.) Oh does fund have risk? (Yes, fund definitely has risk, just a matter of degree.) I don't think fund has risk, education fund in particular. It is something like saving and equivalent to insurance which guarantees a stable return."

- A mother from low-income family and living in public rental housing

- 7.28 The finding reveals that low-income families may not be equipped to understand different investment products, risk control and acquiring information from different sources before making the major decision. They are exposed to potential financial risk but given limited support in terms of financial education.

- 7.29 Being aware of that the financial situation of individual household may change constantly (e.g. being allocated a public housing, or their children become income earner), some of the organizers suggest the 'hope for the future' approach in engaging the low-income groups to help them to have a better preparation. They focus on encouraging their targets to start a saving plan once their financial situation improves.

"Financial planning and setting goals give people hope. By relating financial education with hope for the future, it helps engage the low-income groups to start saving and planning for future, and to take control of their financial affairs."

- Program Funder K (Finance – industry organization)

"When we engage low-income families to talk about saving, we will discuss with them what their short and long term family financial goals are. Based on their goals, we work with them to develop saving plan and the ways to save. Working towards family financial goals creates greater incentive for them to achieve saving targets."

- Social Worker C

"Low-income families which are waiting for public housing try their best to save for huge expenses in home renovation, furniture and electronic devices when a public housing flat will be allocated. They also save to prepare income shortfall as they have irregular income. For those living in public housing have greater ability to save in general. They save for emergency to cope with medical costs, education fees and income shortfall. They mainly save for the family's future expenses."

- Social Worker B

Recommendations for Developing Financial Education for Low-Income Families

- 7.30 This chapter discusses how financial education can be an alternative strategy of poverty reduction in Hong Kong. As the findings have demonstrated, low-income families are not cast in stone – they have different financial education needs which require tailor-made and specific service intervention.
- 7.31 Tailor-made financial education, as service intervention, should be delivered to cater their financial education needs with reference to their everyday life. To reduce financial stress and make ends meet, low-income families may be encouraged to obtain information and get access to existing social service and free community resources, for example, hot meal service, bulk purchase program and subsidized interest class, etc. Building social networks also foster mutual help between neighbors and exchange of community information and resources.
- 7.32 Encouraging family budgeting, rational spending and regular saving upon improved financial situation help strengthen low-income groups' financial literacy, improve financial well-being through awareness and behavioral change.
- 7.33 On top of CDF projects, more initiatives should be carried out by the organisers for the low-income families to nurture their financial literacy in ways which are relevant and specific to their daily life situations and their needs.



8 Implications & Recommendations

The findings of this landscape study draw the following implications for the development of financial education in Hong Kong for further discussions.

Hong Kong is in Need of a Centralized Strategy and Co-ordination in Financial Education

- 8.1 Without a coordinated strategy though, some financial education initiatives can still be identified. However, the themes of the initiatives in Hong Kong have been notably tilted to investment-related concepts, tips and planning. Beyond investment, initiatives that cover Mandatory Provident Fund, retirement planning, wise use of credit, debt management, investment risk control are relatively rare. The findings imply that there has been an imbalanced coverage over financial education that consists of a broad spectrum of topics. The neglected ones, such as proper management of Mandatory Provident Fund (MPF), retirement protection and debt management, are indeed crucial for enhancing one's financial well-being as well.
- 8.2 The absence of a holistic strategy to promote financial education, and a well-defined 'financial well-being' in Hong Kong's context also make program funders and organizers uninformed about the whole picture of the financial education needs. They can only cater for the needs individually as they observe.
- 8.3 In view of the imbalanced coverage identified, a holistic strategy for better co-ordination and resource matching to create synergy among major stakeholders, and to address the needs of neglected target groups should be developed and promoted.
- 8.4 Financial education is a continuous process to influence one's attitude and behaviours, with related skills and knowledge equipped to help individuals manage their income, save, budget, plan investment, and prevent themselves from being the victims of fraud. However, the study reveals that most of the initiatives in Hong Kong are one-off and piecemeal in nature. People have little idea what financial knowledge they should have as there is no competency framework related to financial literacy. This may hinder them in searching and acquiring the financial knowledge that they need in a proactive manner.
- 8.5 A credible and consolidated platform for the organizers to foster mutual learning and sharing local best practices can facilitate the development of financial education in Hong Kong. However, with no such platform is in place now. The development of financial education in Hong Kong is therefore greatly constrained.

More Collaborative Initiatives Should be Encouraged

- 8.6 Cross-sectoral collaboration harnessing the strengths and enthusiasm of stakeholders from different sectors is a key to delivering financial education for enhancing the public's financial well-being, as proven by overseas and local experiences.

- 8.7 In the in-depth interviews, it has been found that the synergy between business and non-governmental organizations sector helps produce a better result of financial education. However, it is found that over half of the identified initiatives are provided by single organization. Further collaboration should be promoted to enhance the quality of financial education.
- 8.8 Among the identified collaborative initiatives, the key drivers are business and finance sector, especially banks and insurance companies as well as social service sector. The role of the government is not very visible. A more proactive approach should be adopted by the government in terms of developing policies to allocate resources and develop a platform for partner-mapping and information exchange.

Interactive Delivery and ‘Train-the-trainer’ Approach in Financial Education are Arucial

- 8.9 As revealed in the in-depth interviews, financial education with interactive mode of delivery provides rooms for the organizer and instructors to cover important financial concepts that are more complex and abstract to understand. The OECD also recommends interactive and effective communication for participants to acquire concepts relevant to their daily circumstances. As shared by the organizers, interactive mode of delivery helps accommodate the needs and learning mode of the neglected groups. The participants can understand the concepts well as they can relate the concepts to their daily lives and personal well-being with activities and discussion with the trainers. Some of them turn out to become new trainers to deliver financial education to people of similar socioeconomic background.

The Role of Media in Financial Information Dissemination

- 8.10 The media search reveals the relatively limited coverage over money management, retirement protection, risk control and wise use of credit. Rather, they tend to cover investment-related areas. As an important channel for the general public to acquire financial knowledge, the media does not appear to have properly played the role of disseminating comprehensive financial information essential to improving one's financial well-being and assisting individuals to make informed and sound financial decisions.
- 8.11 To create positive changes, it is not the sole responsibility of the media herself. Rectifying imbalanced coverage requires collaborative efforts of various stakeholders. While journalists uphold their principles to be neutral in reporting finance news, columnist, professionals in business and financial and the financial education organizers can take a proactive role as content contributors so as to work with the media to disseminate comprehensive financial knowledge. The joint effort can help shape the norm of delivering proper, neutral and practical information related to money and finance to the population.



Make full use of Schools as a Platform for Delivering Financial Education

- 8.12 School is a key platform for knowledge dissemination which brings about attitude and behavioral changes. Overseas experiences show that financial education has become a compulsory component in school curriculum with specific learning outcomes at different stages of learning. However, primary and secondary curriculum mapping in this study illustrates that elements of financial education have been scattered across different subjects. Besides, financial education is not coherently delivered throughout primary and secondary education in Hong Kong. Thus the delivery is uncoordinated and optional. Even for compulsory core subjects, the coverage on personal finance is very limited, and largely subject to teachers' preference which is often examination-focused.
- 8.13 Despite teachers generally recognize the importance of financial education for students, a number of concerns are expressed in its delivering. They generally do not receive formal training on financial literacy, and they therefore find no confidence in delivering financial education. The packed curriculum and the trend of subject specialization also hinder teachers to take an active role in delivering financial education. Financial education has also been a low priority in schools as it is not examination-related. Higher priorities are often given to issues like discipline, civic and moral education, life and career planning.
- 8.14 To fill the service gap, stakeholders of different sectors are eager to engage schools to deliver financial education. Yet, without a coherent strategy, policies and competency framework to embed financial education into school curriculum and illustrate the importance of financial education that should start young, schools show hesitation to promote financial education in face of a wide range of extra-curricular activities. Even for the participating schools, financial education is most likely to be delivered through one-off and uncoordinated workshops, seminars and experiential activities, making program assessment and follow-up difficult.

Specific Targets Requiring due Attention

Young Adults

- 8.15 Findings show that initiatives that target specific needs of young adults and low-income groups are relatively rare, despite they are at the crucial timing of young adulthood when they have to make a lot of money decisions ranging from saving, budgeting, financial planning, use of credit, student loan repayment and even MPF management. Given the limited intervention to improve young adult's financial literacy, they may be vulnerable in taking unmanageable financial risks or making uninformed money decisions. Their financial well-being may then be adversely affected.
- 8.16 The public poll has found that there have been more opportunities to receive financial education at school for the younger generations in recent years. Yet, the demand for financial education is still significant.

- 8.17 In terms of money management, young adults are generally cultivated with a strong habit of saving and the awareness of saving for the rainy days. However, they display a comparatively weak awareness towards MPF management which is highly relevant to retirement protection. At the same time, budgeting, investment risk management and basic understanding of investment products are three concerned areas that young adults would like to learn more about.
- 8.18 After joining the labor force, there is a lack of formal financial literacy training for young adults. Friends, colleagues and media are the most common channels for the young adults to receive financial knowledge after graduation. To enhance financial literacy, mainstream media (television, radio, newspapers and magazines) as well as talks are two major channels for young adults to acquire financial knowledge. Financial education providers should therefore proactively engaged the media to reach this target group of beneficiaries.

Low-income Families

- 8.19 As illustrated in the landscape, poverty alleviation has not been a key priority in current financial education initiatives. Most of the initiatives that tackle poverty are supported by the government-driven Child Development Fund (CDF). Rather than tangibly improving the low-income families' financial conditions, the projects emphasize intangible asset-building through nurturing children from disadvantaged background to set personal goals and develop positive attitudes. Other than CDF projects, initiatives targeting low-income families or household are relatively rare. Thus, the potential of utilizing financial education as a mean of poverty alleviation is yet to be explored.
- 8.20 Facing tremendous financial stress, low-income families display hostility towards financial education. They find it hard to relate financial education with daily circumstances when they have no extra money to manage. This indicates that they perceive financial education narrowly as related only to financial resources and investment. The misconception of financial education often makes them feel offended when they are asked to discuss financial education.
- 8.21 Such finding implies that financial education should be designed in such a way that it is relevant to the situation of the low-income families. Financial education is not only tantamount to investment but cover money and resource management that address their concerns of reducing expenses and resource allocation for their families and children's development. The ability to engage other members of family and social network, to get access to information about community resources, and utilize the free existing resources are all essential competencies to reduce expenses, cope with financial stress and allocate resources for children' development.
- 8.22 Financial needs of people living in poverty are not cast in stone. For chronically poor households receiving CSSA, the pressing issue is to strengthen their financial security through getting access to the existing community resources and services to sooth financial pressure, creating extra sources of income and developing a habit of emergency saving when more financial resources are available. Another potential intervention is debt education to prevent them from struggling with debt and dragging further into poverty.
- 8.23 For poor households with more stable income, and less financial burden in housing with the support of public housing, the major goal is to stay out of poverty and avoid trapped into poverty again. Other than emergency saving and MPF management, risk control in investment and insurance are themes worth delivering to enhance their financial security and reduce the vulnerability against unmanageable financial risks.



Recommendations for the Development of Financial Education in Hong Kong

- 8.24 In view of the identified gaps in Hong Kong's financial education, this study makes the following recommendations, requiring the attention and efforts by stakeholders of different sectors to improve the coordination and delivery of current initiatives, develop services and intervention for the neglected groups, as well as to monitor and promote the development of financial education in Hong Kong.

Enhancing 'Hong Kong Strategy for Financial Literacy' (HKSFL)

- 8.25 The Investor Education Centre (IEC), a public organization working to promote Hong Kong's population financial literacy, launched 'Hong Kong Strategy for Financial Literacy' (HKSFL) and 'Hong Kong Financial Competency Framework' in late November 2015 with definitions of the key concepts and goals of financial education that suits Hong Kong's circumstances. However, the findings of this study suggest that further discussions and actions should be taken to:
- Reposition financial education as a life-long, continuous and sustainable process essential for financial decision making at different life stages;
 - Identify major knowledge gaps (high priorities in financial literacy) to be filled through financial education;
 - Assess the needs, in an in-depth manner, of the identified neglected target groups for providing more targeted financial education support;
 - Enrich the competence framework by outlining different learning outcomes of financial literacy for not only schoolchildren and adults, but also other different specific groups with special consideration of their unique social economic backgrounds and needs;
 - Identify standardized, specific and measurable outcome indicators to assess and track changes of the general public's financial literacy so to evaluate, and adjust if necessary, the strategy.

Enhancing 'Hong Kong Financial Competency Framework' to Cater the Financial Needs at Different Life Stages

- 8.26 Another key area needs to be tackled is the lack of a coherent framework of financial education which fits the circumstances of Hong Kong. The findings of the study suggest that good financial education should offer timely, relevant financial knowledge, skills and advice before people make informed financial decisions. The Hong Kong Financial Competency Framework proposed by the Investor Education Centre has adopted a target-group approach that only specifies the learning outcomes for school children and adults.

8.27 Yet, financial literacy, as illustrated in this study, is also life-stage specific. Learning outcomes of different target groups should be specified with reference to their financial needs at different life stages. Hence, there is room for further development of the framework. The ultimate goal is to empower people to become financially literate and competent to make informed financial decisions. Therefore, the following actions should be taken into further consideration:

- Apart from developing learning outcomes that students should demonstrate in the primary and secondary education, the competency framework should also cover the content relevant to kindergarten education, for instance, the concepts and functions of money, as financial education should start as early as possible. The competence framework from kindergarten to secondary education serves as a comprehensive and coherent reference for Education Bureau and schools to embed key financial concepts and knowledge in lessons;
- Financial education providers and program organizers should take the framework as reference to design financial education programs for targeted beneficiaries with special reference to their unique social and economic backgrounds and needs;
- The framework should provide ideas for the general public to be aware of what kind of financial knowledge and concepts they should be able to master at different life stages;
- The formation of an administrative platform should be carried out with reference to the framework to coordinate resource mapping and information sharing for stakeholders involved in financial education;
- The framework should have guidelines to regulate financial education initiatives to ensure credibility and neutrality of financial information and advice. Programs and services that involve the promotion of financial services and products should be excluded and cannot be named as initiatives under the name of financial education.

8.28 Enrichment of the framework based on the above suggestions requires collaborative inputs from existing financial education program organizers, as well as experts from financial sector, schools and social service sector.

Establish a Coordinated Platform for Enhancing Cross-sectoral Collaboration

8.29 A platform coordinating different stakeholders from different sectors shall be established. Resources, information and working partners in promoting coherent financial education for the public can then be mapped and made accessible for different stakeholders, with interventions to facilitate knowledge and experience exchanges. Such a platform can be maintained and coordinated by Investor Education Centre, as the organization with a mission to promote the financial literacy of Hong Kong. It is also believed to be a neutral and credible organization with publicly recognized position to take up the initiative.



Foster the Cross-sectoral Collaboration by Unleashing the Potential of Social Service Sector and Schools in Delivering Financial Education

- 8.30 Research findings reveal that social service sector and schools, as the platforms for delivering financial education, are underused. Further actions are needed to utilize and unleash their potentials in delivering financial education.
- 8.31 Despite some social workers and teachers are actively engaged in financial education, it is shared that the awareness of the importance of financial literacy to one's well being are varied among the two key stakeholder groups. In view of this, social workers and teachers should be actively engaged to understand the importance of financial literacy to stimulate them to initiate more services and programs in their service settings. In addition, basic capacity-building initiatives should be provided to social workers and teachers so that they can master the fundamental information and knowledge for them to provide financial education. They should also be informed of the available working partners and resources in delivering financial education.
- 8.32 Recognizing the packed school curriculum, it is advised that financial education can be embedded in Other Learning Experience (OLE) and career planning programs. Synergy between schools, non-governmental organizations and financial experts should be encouraged to provide 'train-the-trainer' capacity building and ensure credible delivery of financial-related knowledge and skills. Information and support for schools and social service organizations to identify and line up with partners with credibility are crucial and necessary.
- 8.33 As for social service sector, financial education can be considered as a new area of recurrent service catering the unique financial education needs of different target beneficiaries. Given the existing subvention from the government, rooms are limited for developing new services for financial education. The existing initiatives of the social service sector are mainly supported by the funding from the private sector. Whether the government can inject new resources, in terms of financial and personal support to the existing social services to develop and scale up service for nurturing financial literacy of different target groups is therefore important and crucial. As a start, the government may engage the social service sector in assessing the needs of the vulnerable groups and formulating the service development plans with a projection of the resource needed.

Supports for the Neglected Vulnerable Groups with High Financial Needs

- 8.34 It is recommended that further baseline researches, especially the longitudinal ones, should be carried out to understand and keep track of the attitude, skills and knowledge towards money matters among specific targets that display higher financial vulnerability.
- 8.35 The respective consumption patterns of the vulnerable groups also worth detailed examination. These studies will provide insight in answering the question of what kind of financial education different specific targets may need. They may also help shape the engagement strategies; thereby design the tailor-made financial education relevant to their daily life context.

- 8.36 Some agencies of the social service sector are helping in nurturing the financial literacy of the target beneficiaries, but they may need further support in better handling the negotiation with other family members to achieve family financial goals and in turn improves family's financial well-being. While 'train-the-trainer' approach is adopted to train up the beneficiaries to disseminate the financial concepts to other people with similar social-economic backgrounds, the approach can be further developed to help equip the target beneficiaries in influencing other family members.
- 8.37 Other than teachers and social workers, parents are also ideal agents in delivering financial education to their children. Recognizing the 'train-the-trainer' approach and schools as under-utilized platform for financial education, more capacity-building initiatives can be offered to equip parents with skills and strategies to communicate with their children about important financial issues as well as proper financial education knowledge and skills. Deeper engagement with parents can also help to facilitate behavioral and attitudinal changes of the parents.

More Proactive Engagement with the Printed Media Should be Initiated by Financial Education Providers

- 8.38 Mainstream media plays a vital role in disseminating financial-related information and knowledge to people. This study has found that information or news about financial education is predominantly related to investment in Hong Kong local Chinese newspapers. Such imbalanced coverage limits the public's access to more comprehensive financial information that is pivotal in improving one's financial literacy.
- 8.39 A wider and more balanced coverage over proper financial education, as emphasized by OECD, offer the general public with appropriate information to make wise financial choices, understanding the risks, and ultimately improve financial well-being.
- 8.40 To change the belief that financial education is seemingly tantamount to stocks and investment, it is recommended that financial education organizers and providers shall take a more proactive role in media engagement by providing proper concepts and practical skills in a wide spectrum of topics such as money management, risk management, goal-setting and financial security through writing columns and op-ed articles in printed media or organizing media events to engage the media as strategic partner in shaping the norm. The shaping requires stable and coherent collaboration between financial education specialist, journalists, columnists and professionals in banking and finance with shared vision in improving the population's financial literacy.



9 Conclusion

- 9.1 Reviewing the financial education initiatives from 2008 to 2015 through desktop research, in-depth interviews, media search, public poll and roundtable seminars, the landscape of financial education in Hong Kong has the following characteristics.
- 9.2 First, without a centralized strategy and coordination platform, the coverage of financial education initiatives has been tilted to investment, money-management (saving, spending, budgeting) and financial planning. Other themes that also play a role in one's financial well-being, such as credit, debt, retirement planning and resource management, are relatively less catered. The imbalanced coverage of financial knowledge is also found in the Finance and Business News by local Chinese mainstream printed media.
- 9.3 The imbalance coverage limits the access of general public and different population groups to a broad spectrum of financial education information, instruction and advice which can help to enhance their financial literacy.
- 9.4 Without a mandatory or coherent curriculum that cover financial education, concepts of money and personal finance are scattered into a several subjects in curriculums of primary and secondary education in Hong Kong. This makes financial education being not an on-going or continuous process for students to master financial concepts at different learning stages. Adding to that, as financial education is not an exam-related topic, it remains as a low priority for teachers facing tight teaching schedule, tremendous workload and limited trainings. Financial education has a very limited coverage among students in Hong Kong though financial literacy shall be a key life skill for all.
- 9.5 Financial education in universities or tertiary institutions becomes more discipline-specific. Students majoring in Business, Accounting and Finance are more likely to be exposed to knowledge related to personal finance, investment and trends of financial markets. However, with no mandatory courses related to personal finance available for non-finance related major students, opportunities to acquire essential financial knowledge are limited or even absent.
- 9.6 Specific groups, such as young adults and low-income families, are being neglected in the landscape. Young adults display weak awareness towards budgeting, retirement planning and protection. Also, they cannot relate how financial education and improved financial literacy play a role at life events and goal achievement. For low-income families, they display greater vulnerability towards debt when they have no savings to cope with immediate financial shocks and their misconceptions towards financial education and investment are identified. Tailor-made financial education programs are crucial to address their specific needs, and thereby improve their financial literacy and financial well-being.
- 9.7 To coordinate the efforts in promoting financial education, the 'Hong Kong Strategy for Financial Literacy' (HKSFL) and 'Hong Kong Financial Competency Framework' were newly launched in November 2015. Yet, there are areas for further development and enhancement, for instance, the extension of coverage of financial education in schools, need assessments in financial education by specific population groups, and the development of a coordinated platform to facilitate cross-sectoral collaborations.
- 9.8 Potential agents in delivering financial education, particularly teachers, parents and social workers, more proactive engagement should be made to enhance their awareness towards the importance of financial education and their roles and involvement in such, while the government should also take an active role in resource injection and policies support.

- 9.9 Organizers of financial education should work closely with the media to disseminate comprehensive and practical financial concepts and knowledge in proper and neutral manner.
- 9.10 The norm of capturing knowledge and assessing the impacts of financial education shall be further encouraged to ensure knowledge transfer and proper impact assessment through evidence-based approach.

Forward-looking

- 9.11 Investor Education Centre, a public organization to promote Hong Kong's population financial literacy, launched the 'Hong Kong Strategy for Financial Literacy' (HKSFL) in 2015. The move is a being late but still a good start for improving Hong Kong populations' financial knowledge and capability. Yet, further actions are needed with evidence support to develop the competence framework in financial literacy, as well as explore the service gaps for necessary follow up interventions.
- 9.12 This landscape study provides reference for the Hong Kong Council of Social Service, as well as the social service sector and the Hong Kong society, to understand where Hong Kong is and what Hong Kong needs for enhancing the existing financial education initiatives. It also helps us to deliberate and take further actions in response to the existing Hong Kong Strategy for Financial Literacy.



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Appendix

Appendix 1. Acknowledgement

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Organizations

A and B makes 3

AXA Hong Kong

Caritas Hong Kong Debt Counseling Service

Citibank Hong Kong

Concerning CSSA & Low Income Alliance

Education Bureau

HKSKH Lady MacLehose Centre

Hong Kong Association of Banks

Hong Kong Federation of Education Workers

Hong Kong Federation of Women's Centres

Hong Kong Institute of Certified Public Accountants

Investor Education Centre

Institute of Financial Planners of Hong Kong

JeiJeiJai Association

Junior Achievement Hong Kong

Mandatory Provident Fund Schemes Authority

Po Leung Kuk (Children & Youth Services)

The Hong Kong and Shanghai Banking Corporation

Tung Wah Group of Hospitals Healthy Budgeting Family Debt Counseling Centre

Individuals

Mr. David Fung, St. James' Settlement

Dr. Law Chi Kwong, The University of Hong Kong

Mr. Simon Lee, The Chinese University of Hong Kong

Mr. Stephen Wong, The Chinese University of Hong Kong



Appendix 2.

Steering Committee of Hong Kong Financial Education Landscape Research

Mr. Stephen WONG, Adjunct Lecturer at the Chinese University of Hong Kong for the Master of Social Science in Global Political Economy (Convener)

Mr. Wayne FONG, Head, Corporate Affairs, Citibank Hong Kong

Mr. David FUNG, Senior Manager of Corporate Venture-Services, St. James' Settlement

Mr. David KNEEBONE, General Manager, Investor Education Centre

Ms. Avis KONG, Vice President, Corporate Affairs, Citibank Hong Kong

Dr. Chi Kwong LAW, Associate Professor, Department of Social Work and Social Administration,
The University of Hong Kong

Appendix 3.

Questionnaire of Public Poll on Wealth Management and Financial Needs of Young Adults in Hong Kong (in Chinese)

- 1 *When you were in school, did your school or teacher teach you any financial knowledge? (N=815)*
讀緊書嘅時候，學校或者老師有冇講過或教過你一啲理財知識呢？ (N=815)
 1. Yes 有 33.7%
 2. No 沒有 66.3%

- 2 *What did your school or teacher teach you on financial knowledge? [Multiple responses] (N=275)*
學校或者老師講過或教過你邊啲理財知識呢？（複選）(N=275)
 1. Building money saving habit 建立儲蓄習慣 84.0%
 2. Formulating expenditure budget 制定支出預算 63.3%
 3. Wise spending and distinguishing “needs” and “wants” 精明消費，分清「想要」及「需要」 62.5%
 4. Setting a financial goal 訂下理財目標 52.0%
 5. Understanding investment products 認識投資產品 33.5%
 6. Investment risk 投資風險 38.9%
 7. Preventing over-extension of debt 避免過度借貸 47.3%
 8. Using credit card cautiously 慎用信用卡 45.5%
 9. How to select MPF investment portfolio 如何選擇強積金組合 12.7%
 10. Others 其他 2.2%

- 3 *How did you acquire the above financial knowledge? (Q3) [Multiple responses] (N=275)*
你係係咩途徑接觸到以上嘅理財知識呢？（複選）(N=275)
 1. Subject curriculum 學科課程 56.7%
 2. School talk 學校講座 51.6%
 3. Extra-curricular activity (exclude school talk) 講座以外的課外活動 33.5%
 4. Leaflet or publication distributed by school 學校派發的單張或刊物 28.4%
 5. Website recommended by teacher 老師介紹的網站 11.6%
 6. Others 其他 2.9%



4 *Did you acquire any financial knowledge after graduation? (Q4) [Multiple responses] (N=815)*
讀完書之後，你有冇接觸過以下啲理財知識呢？（複選）(N=815)

1. Building saving habit 建立儲蓄習慣 72.5%
2. Formulating expenditure budget 制定支出預算 51.5%
3. Wise spending 精明消費 56.8%
4. Setting a financial goal 訂下財務目標 46.7%
5. Understanding investment products 認識投資產品 51.9%
6. Investment risk 投資風險 51.5%
7. Preventing over-extension of debt 避免過度借貸 56.4%
8. Using credit card cautiously 慎用信用卡 58.7%
9. How to select MPF investment portfolio 如何選擇強積金組合 49.4%
10. Others 其他 1.2%
11. Did not acquire any financial knowledge 冇再接觸任何理財知識 8.8%

5 *How did you acquire the above financial knowledge? (Q5) [Multiple responses](N=743)*
你係咩途徑學識以上嘅理財知識呢？（複選）(N=743)

1. Family member 家人 51.1%
2. Friend / Colleague 朋友／同事 60.0%
3. Bank staff / Financial advisor 銀行職員／理財顧問 46.7%
4. Media (newspaper/magazine/television/radio) 傳媒（報紙／雜誌／電視／電台） 57.2%
5. Finance-themed book 以理財為主題的書籍 29.6%
6. Unidirectional information website 網站的單向資訊 40.1%
7. Social media and forum 社交媒體及討論區 31.9%
8. Others 其他 2.6%

6 *Do you have money saving habit? (Q6) (N=815)*
請問你有冇儲蓄嘅習慣呢？(N=815)

1. Yes 有 92.8%
2. No 沒有 7.2%

7 *Why do you have money saving habit? (Q7) [Multiple responses](N=756)*
點解你會有儲蓄嘅習慣呢？（複選）(N=756)

1. Saving for a rainy day 以備不時之需 86.9%
2. As retirement expenses 用作退休開支 49.5%
3. Earning interest 賺取利息 29.1%
4. Achieving future goal 實現未來目標 66.9%
5. Others 其他 1.6%

- 8 *Why don't you have money saving habit? (Q8) [Multiple responses](N=59)*
點解你沒有儲蓄嘅習慣呢？（複選）（N=59）
1. To meet the basic necessities of life 要應付生活基本所需 76.3%
 2. To pay the expenses beyond the necessities of life 要應付生活基本所需以外的開支 47.5%
 3. Using for investment 用 o 左 D 錢去作投資 15.3%
 4. Others 其他 10.2%
 5. No reason 沒有原因 5.1%
- 9 *Do you have habit on formulating personal budget plan? (Q9) (N=815)*
請問你有冇制定個人收支預算嘅習慣呢？（N=815）
1. Yes 有 43.7%
 2. No 沒有 56.3%
- 10 *Why don't you have habit on formulating personal budget plan? (Q10) [Multiple responses] (N=459)*
點解你沒有制定個人收支預算嘅習慣呢？（複選）（N=459）
1. It is troublesome 嫌麻煩 50.8%
 2. Don't know how to do it 唔識 20.7%
 3. I have the plan on my mind 心目中已有預算 60.1%
 4. Difficult to do estimation 難以估算 2.4%
 5. No need 沒有需要 2.4%
 6. Low income/ Unable to make ends meet 入不敷支 1.5%
 7. Unstable income 收入不穩定 0.9%
 8. Others 其他 2.6%
 9. Don't know / No reason 不知道 / 沒有原因 1.5%
- 11 *Before every purchasing, do you have the following habit(s)? (Q11) [Multiple responses] (N=815)*
在平日每次消費前你有冇以下嘅習慣呢？（複選）（N=815）
1. Comparing the prices 比較價錢 80.4%
 2. Considering your actual needs 考慮自己實際需要 84.0%
 3. Considering your affordability 考慮自己負擔能力 84.9%
 4. Others 其他 2.9%
 5. None 沒有 1.1%



12 *Do you invest in the following item(s)? (Q12) [Multiple responses] (N=815)*

請問你有冇以下嘅投資呢？（複選）（N=815）

1. Stocks 股票 45.6%
2. Warrants / CBBCs 認股證（窩輪）／牛熊證 4.9%
3. Funds 基金 34.0%
4. Bonds 債券 20.1%
5. Non-owner-occupied residential properties (local or overseas) 非自住物業（本地或海外） 9.2%
6. Foreign Currencies 外幣 30.1%
7. Precious metals 貴金屬 7.4%
8. Others 其他 2.8%
9. No 沒有 29.3%

13 *What is the major factor of consideration in investing in the above items? (Q13) (N=576)*

投資上述產品時你最主要考慮嘅原因係？（N=576）

1. Whether the potential return will be considerable 潛在回報是否可觀 47.2%
2. Whether the potential return will beat inflation 潛在回報是否跑贏通脹 15.6%
3. Potential risk 潛在風險 30.4%
4. Others 其他 6.8%

14 *How Much Do You Invest On The Basis Of Your Personal Assets Now In Total (Percentage)? (Q14) (N=533)*

你會用現時個人資產嘅百分之幾去投資？（N=533）

1. 10% or below 24.4%
2. 10.1% - 20% 21.2%
3. 20.1% - 30% 22.1%
4. 30.1% - 40% 10.5%
5. 40.1% - 50% 10.1%
6. 50.1% - 60% 3.4%
7. 60.1% - 70% 4.1%
8. 70.1% - 80% 1.7%
9. 80.1% - 90% 1.1%
10. 90.1% - 100% 1.3%
11. Refuse to answer 拒絕透露 7.5%

15 *How is the return on investment so far? (Q15) (N=533)*

你的投資至今回報為？（N=533）

1. Positive return 正回報 72.4%
2. Negative return 負回報 20.1%
3. Don't know 不清楚 6.6%
4. Refuse to answer 拒絕透露 7.5%

16 *Why don't you invest the above item(s)? (Q16) [Multiple responses](N=239)*

不投資上述產品嘅原因係？（複選）（N=239）

1. Don't know how to do it 唔識 50.6%
2. No surplus money 沒有多餘錢 46.4%
3. Worrying financial loss 擔心蝕錢 46.9%
4. No time 沒有時間 45.2%
5. Worrying the potential risk 擔心當中風險 3.8%
6. Others 其他 6.7%

17 *Which aspect do you mostly want to enhance on investment knowledge? (Q17) (N=815)*

你最希望增強哪一方面投資嘅認識？（N=815）

1. Basic understanding of investment products 各項投資產品基本認識 28.5%
2. Investment tips 投資貼士 7.5%
3. Investment risk management 投資風險管理 28.8%
4. Investor protection 投資者保障 7.5%
5. Others 其他 2.0%
6. None 沒有 14.4%

18 *Do you manage your MPF account regularly? (Q18) (N=815)*

你會定期管理你的強積金戶口嗎？（N=815）

1. Yes 會 35.0%
2. No 不會 60.0%
3. No MPF account 沒有強積金戶口 5.0%

19 *When you changed your job, how did you handle your benefit of the MPF account from your previous job? (Q19) (N=774)*

當你轉工時，你會點處理上一份工嘅強積金戶口呢？（N=774）

1. Yes, transfer to an account in another scheme of your own choice for continuous investment 會，轉移至其他強積金戶口 23.5%
2. Yes, transfer to your contribution account in the scheme of your new employer 會，轉移至新僱主的強積金戶口 34.5%
3. No, keep in the original scheme for continuous investment 不會，保留在舊公司的強積金計劃戶口 38.0%
4. Don't know 不知道 4.0%



20 *What do you concern when you choose the MPF scheme? (Q20) [Multiple responses] (N=774)*

如你需要選擇強積金時，你會留意乜嘢資料？ (N=774)

1. Performance in return of the portfolio 基金投資組合的回報表現 68.9%
2. Fee and charges 收費 39.5%
3. Risk of the portfolio 基金投資組合的風險 63.4%
4. Performance of a trustee 強積金公司（受託人）的表現 46.6%
5. Others 其他 3.0%
6. I have no concern on the above items 以上所有都有留意 12.8%

21 *Which aspect(s) do you most want to enhance on the knowledge of MPF? (Q21) [Multiple responses](N=774)*

你最希望增強哪一方面強積金嘅認識？（複選）(N=774)

1. How to select the funds 如何選擇基金產品 49.6%
2. How to understand the performance in return of the fund 如何了解基金的回報表現 56.5%
3. Fees and charges 收費 49.1%
4. Performance of a trustee 強積金公司（受託人）的表現 51.8%
5. Arrangement on transferring MPF benefits 轉移計劃安排 40.4%
6. Others 其他 1.3%
7. None 沒有 9.0%

22 *Do you borrow any loan currently? (including remortgage and student debt) (Not including on-time credit card payment, mortgage, installment and auto loan) (Q22) (N=815)*

請問你現時有冇任何借貸嗎？（包括樓宇加按及學債）（不包括信用卡準時還款、樓按、分期付款、及買車貸款）(N=815)

1. Yes 有 12.4%
2. No 沒有 87.6%

23 *What is your loan currently? (Q23) (N=101)*

你現時有甚麼借貸？（複選）(N=101)

1. Bank or finance company personal loan 銀行或財務公司私人貸款 32.7%
2. Card debt consolidation loan 清卡數貸款 7.9%
3. Remortgage 樓宇加按 28.7%
4. Student debt 學債 42.6%
5. Others 其他 4.0%

24 *Why do you loan? (Q24) (N=101)*

你借貸嘅原因係？（複選）(N=101)

1. To meet the daily expenses 應付日常開支 17.8%
2. To pay the expenses for special events (study, getting married, renovation 應付特別開支（教育、結婚、裝修） 46.5%
3. To pay the expenses beyond the basic necessities of life (trip, buying luxury goods) 應付不必要開支（旅行、購買奢侈品） 13.9%
4. To repay the card debt 清卡數 5.9%
5. To repay other debt 清還其他借貸 6.9%
6. Investment 投資 21.8%
7. Turnover of business capital 生意週轉 6.9%
8. Others 其他 5.0%

25 *Do you repay the loan on time? (Q25) (N=101)*

你有準時還款嗎？(N=101)

1. Yes 有 95.0%
2. No 沒有 5.0%

26 *Why don't you repay the loan on time? (Q26) [Multiple responses](N=5)*

你沒有準時還款的原因係？（複選）(N=5)

1. Unable to make ends meet 入不敷支 20.0%
2. Sudden economic situation (e.g. losing your job) 經濟上有突發狀況，例如失業 40.0%
3. Forget to repay 忘記繳交 40.0%
4. Interest for late repay is low 遲交還款利息唔高 40.0%
5. Refused to answer 拒絕回答 20.0%

27 *How long would you expect to settle all the loans? (Q27) (N=90)*

你預計幾耐會還清所有貸款？(N=90)

1. One year 一年 23.3%
2. Two years 兩年 7.8%
3. hree years 三年 10.0%
4. Five years 五年 7.8%
5. 10 years 十年 20.0%
6. 15 years 十五年 4.4%
7. 20 years 廿年 10.0%
8. 30 years 三十年 5.6%



28 *In the coming 3 years, do you forecast there will be any life events? (Q28) [Multiple responses](N=815)*
在未來3年你有冇一啲預計嘅生活事件將會發生呢？（複選）（N=815）

1. Buying a home 置業 19.8%
2. Buying a car 買車 11.5%
3. Getting married 結婚 14.8%
4. Having children 生小朋友 10.4%
5. Continuing education 進修 39.0%
6. Others 其他 3.1%

29 *Which of the following financial knowledge will help you to achieve the above goal(s)? (Q29) [Multiple responses] (N=815)*
你覺得邊樣理財知識可以幫到你達成上述目標？（N=815）

1. Building money saving habit 建立儲蓄習慣 55.2%
2. Formulating expenditure budget 制定支出預算 43.7%
3. Wise spending and distinguish 'needs' and 'wants' 精明消費，分清「想要」及「需要」 44.8%
4. Setting a financial goal 訂下理財目標 43.1%
5. Understanding investment concepts and risk management 認識投資概念及風險管理 41.3%
6. Management debt 債務管理 25.0%
7. Others 其他 0.7%
8. None 沒有 29.3%

30 *What is(are) your preferred channel(s) which financial knowledge can be acquired? (Q30) [Multiple responses](N=815)*
你認為有咩途徑有助你增強理財知識？（複選）（N=815）

1. Media (newspaper / magazine / television / radio) 傳媒（報紙／雜誌／電視電台）宣傳 47.1%
2. Website 網站 44.3%
3. Talk 講座 45.3%
4. Workshop 工作坊 37.3%
5. Social media and forum 社交媒體及討論區 35.5%
6. Others 其他 2.8%
7. Book 書 4.7%
8. Others 其他 2.8%
9. None / No need 沒有需要 6.3%

Demography of Respondents 受訪者背景

D1 Gender 受訪者性別 (N=815)

1. Male 男性 47.2%
2. Female 女性 52.8%

D2 Age 請問你嘅年齡係以下哪個組別？ (N=815)

1. Aged 18 – 24 22.3%
2. Aged 25 – 29 24.5%
3. Aged 30 – 34 20.0%
4. Aged 35 – 40 32.3%
5. Refuse to answer 0.9%

D3 Education level 請問你既教育程度？ (N=815)

1. Primary or below 小學或以下 1.5%
2. Secondary 中學 22.1%
3. Tertiary (Post-secondary, associate degree, diploma and high diploma 大專（包括專上課程、副學士、文憑、高級文憑） 22.1%
4. University 大學 41.5%
5. Master or above 碩士或以上 12.1%
6. Refuse to answer 拒絕回答 0.7%

D4 W the subjects you studied in tertiary education related to finance? (D4) 大專或大學時所修讀學科和金融有關嗎？

1. Yes 有 74.2%
2. No 沒有 25.4%
3. Refuse to answer 拒絕回答 0.5%

D5 Occupation 請問您現在嘅職業係咩呢？ (N=815)

1. Managers and administrators 經理及行政級人員 11.3%
2. Professionals 專業人員 22.2%
3. Associate professionals 輔助專業人員 16.4%
4. Clerical workers 文員 22.7%
5. Service and sales workers 服務工作及商店銷售人員 10.4%
6. Craft and related workers 工藝及有關人員 3.2%
7. Plant and machine operators and assemblers 機台及機器操作員及裝配員 1.6%
8. Elementary occupations 非技術工人 4.5%
9. Refuse to answer 拒絕回答 7.6%



D6 Full-time working experience 全職工作經驗 (N=783)

1. 5 years or below 5 年或以下 44.2%
2. 6 – 10 years 6-10 年 26.4%
3. 11 – 15 years 11-15 年 15.1%
4. 16 – 20 years 16 – 20 年 12.5%
5. 21 years or above 21 年或以上 1.8%

D7 Personal Monthly Income 個人每月平均收入 (N=815)

1. HK\$10,000 or below HK\$10,000 或以下 7.9%
2. HK\$10,001 to 20,000 41.8%
3. HK\$20,001 to 30,000 23.8%
4. HK\$30,001 to 40,000 9.9%
5. HK\$40,001 to 50,000 3.4%
6. HK\$50,001 or above HK\$50,001 或以上 7.2%
7. Refuse to answer 拒絕回答 5.9%

* * * End of the questionnaire * * *

* * * 問卷完 * * *

Appendix 4.

Hong Kong Financial Education Landscape Research In-depth Interview Questions

1. Planning the initiative & needs assessment
 - 1.1 What were the main driving forces in funding/initiating the programs?
 - 1.2 How the service gaps were being identified?
 - 1.3 Why and how were the delivery tools being chosen?
 - 1.4 Were there any challenges/uncertainties faced when planning the initiative? If yes, what were the strategies in tackling them? What are the unsolved and why?
2. Engaging stakeholders of different sectors
 - 2.1 How did stakeholders of different sectors engaged in the programs?
 - 2.2 What were the challenges faced in stakeholder engagement? How to tackle the challenges identified?
 - 2.3 How was the division of work between funders and organizers?
 - 2.4 What are the keys to successful collaboration? What should the ideal collaboration model be?
3. Delivering financial education to specific targets
 - 3.1 What were the observed financial education needs of low-income families?
 - 3.2 What were the strategies to engage low-income families in delivering financial education?
 - 3.3 How do low-income groups perceive financial education?
 - 3.4 Some people think that specific vulnerable groups (e.g. low-income groups) may not need financial education. To what extent you agree / not agree with them?
 - 3.5 What are the roles of social workers and parents in delivering financial education?



4. Financial Education in school

- 4.1 In what ways financial education is being delivered to students? What kind of financial knowledge was picked up and delivered? Are the approaches effective? Why or why not?
- 4.2 How to engage teachers to enhance their interest and awareness towards financial literacy as one of the essential life skills that students should master?
- 4.3 Can teachers be capable of delivering financial education regardless of their expertise? If yes, what kind of training is needed to support and facilitate teachers?
- 4.4 What are the existing challenges for teachers to equip themselves with financial literacy knowledge?
- 4.5 What should be the approaches and channels for teachers with financial education training background to deliver financial education in schools?

5. Assessing program effectiveness

- 5.1 How is the program being evaluated? What are the chosen assessment tools?
- 5.2 Are there any impact/changes found after evaluation? To what degree the changes in knowledge, behavior and attitude towards money management were captured?
- 5.3 To what extent the program was revised according to the evaluation findings? Why and why not?

6. Platform for knowledge and experience sharing

- 6.1 Is there any existing platform for teachers and schools to learn from one another over experience of delivering financial education?
- 6.2 If there is a platform for knowledge sharing and generation, to what extent you are comfortable enough to share your experience? Which party should take the flagship?

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