

Financial and Economic Education Products and Services of Austrian Institutions and Enterprises

Sabine Schlögl¹

Austrian institutions and enterprises offer a broad range of economic and financial literacy products and services, including online products, brochures, folders, economic simulation games, TV and radio programs, presentations, seminars, company visits and guided tours. On closer inspection, however, it turns out that some areas and target groups remain largely neglected: Education products and services for students attending primary and compulsory school are still scarce, while comprehensive material is available for students and teachers of secondary academic or vocational schools. Moreover, the level of knowledge about certain basic economic and financial concepts was generally found to be low.

The deficiencies might be addressed by making the existing products and services more easily accessible in a structured fashion and by broadening the range of products and services to cater to the needs of all target groups.

JEL classification: A20, I20

Keywords: financial and economic education products/services, austrian institutions/enterprises.

1 Why Should the OeNB Have an Interest in Promoting Financial Literacy in Austria?

Internationalization and the globalization of the economy have long been buzzwords that we encounter every day in the media and that have become an integral part of the public debate. These phenomena have a profound impact on both our working and private lives, for instance when we have to make decisions about housing, taking out a loan or saving for retirement. Given the increasing complexity and speed of economic processes, it has become increasingly crucial for every individual to have a basic understanding of how these processes work. This is why we should consider economic thinking and acting key life skills that should ideally be taught already in school. More than one-half of Austrian students be-

lieve that they learn enough about the international economy in school (Schmid, 2006). This self-assessment is far from objective reality, however: The results of currently available surveys show that the level of economic and financial literacy among young Austrians is generally low (Schmid, 2006; Katschnig and Hanisch, 2006). The results for Germany, Hungary, and the Czech Republic are quite similar (section 2.2).

This contribution postulates that people have to be familiar with basic economic concepts to understand complex economic issues in general, and the function and role of a central bank in particular. Only people who have a basic grasp of monetary transmission, cash supply or banking supervision mechanisms will understand a central bank's key role in the economy. A sound understanding of economic and financial principles is

Refereed by:
Josef Wallner,
Institute for Research
on Qualifications and
Training of the Austrian
Economy.

¹ The author thanks Josef Wallner (Institute for Research on Qualifications and Training of the Austrian Economy) for valuable comments.

also essential in everyday life – it helps us make informed decisions on how to handle pocket money or choose a suitable savings product, on which details to consider when we take out a loan, or on what to make of economic news. Measures to promote financial and economic literacy will benefit every individual; they are in the interest of the general public and the central bank alike. Numerous organizations offer economic and financial education programs, and they do so for a variety of reasons. For more details on the different approaches and objectives, see Gnan et al. (2007).

This study is structured as follows: Section 2 highlights the status quo of economic and financial literacy among young people (notably students at the post-compulsory level²) from Austria and its neighboring countries. Section 3 lists the financial and economic education services of selected Austrian institutions and organizations, including education facilities such as the Austrian Museum for Social and Economic Affairs, the Volkswirtschaftliche Gesellschaft Österreich, the Arbeitsgemeinschaft Wirtschaft und Schule, the adult education centers Wiener Volkshochschulen and the finance portal www.finanzportal.at, as well as the Austrian Federal Economic Chamber, the Vienna Chamber of Labour, the Austrian Trade Union Federation and Wiener Börse AG. The information products and services provided by two banks – Bank Austria Credit-anstalt (BA-CA) and Erste Bank der oesterreichischen Sparkassen AG (Erste Bank) – were chosen to

exemplify commercial banks' contributions to promoting economic and financial literacy. Last, but not least, we present the economic and financial literacy activities of the Oesterreichische Nationalbank (OeNB). Moreover, this review includes a detailed description of the contents, focus and target groups of individual products and services, as well as data on user acceptance and patterns of use, wherever available. Section 4 identifies those areas and target groups that are currently not (or not sufficiently) covered. Section 5 summarizes, provides suggestions on how to improve existing products and presents ideas for creating new ones.

2 Testing the Austrians' Knowledge of Economic and Financial Basics

The surveys described below aim at capturing the level of economic and financial literacy among the Austrian population, especially school students and apprentices. The results of (Austrian and international) surveys are consistent in that they identify numerous knowledge gaps.

2.1 Room for Improvement in Students' Economic and Financial Knowledge

As part of their “go international” initiative (section 3.3), the Austrian Federal Ministry of Economics and Labour and the Austrian Federal Economic Chamber commissioned a study that was conducted by the Institute for Research on Qualifications and Training of the Austrian Economy (Institut für Bildungsforschung der Wirtschaft – ibw) in 2005

² Students aged 15 and older.

(Schmid, 2006). Around 3,300 final-year students³ from 68 different Austrian schools were surveyed as to their interest in, knowledge about, and opinion of the international economy. Students' reading and television habits as well as the frequency with which they talk about economic and financial topics served as indicators of the level of interest in these issues.

Only around 10% of the respondents regularly read the business section of a daily newspaper or articles on economic topics, with commercial college students being a notable exception at almost 20%. The majority of students indicate that they sometimes read an economic article, while one-fourth of the respondents state they never do. Similar results were obtained for patterns of TV watching. More than one-fifth of the respondents said that they regularly discuss economic issues such as inflation, unemployment or economic growth with family members, friends or acquaintances. Around one-third indicate that they never speak about the Austrian economy, Austrian enterprises, the international economy or globalization.

The survey results can be summarized as follows: More than 60% of the students believe they are very well or reasonably well informed about the international economy. It comes as no big surprise that this share is markedly higher among commercial college students (above 80%). Yet the result of this financial and economic literacy test completed by the very same students clearly shows that there

is ample room for improvement: On a scale from 1 (very good) to 5 (very poor), the students scored an average of 3 (satisfactory) for all answers combined. The test questions (20 multiple-choice knowledge and comprehension questions about the international economy and about some basic economic terms) are outlined below, together with a summary of the results.

In response to the question which countries had joined the EU in 2004, only close to one-third of the respondents (31%) were able to choose the correct answers. While almost all students were able to pick the right definitions of "imports" and "exports," merely 55% were able to correctly estimate Austria's export ratio. More than 60% of the students knew the abbreviation OPEC, and seven out of ten respondents were informed about the WTO's tasks. Many students were not aware that no customs duties are levied within the EU: Only six out of ten respondents knew that an Austrian enterprise that imports goods from Portugal no longer has to pay customs duties. Just over one-half of the respondents identified the exact definition of direct investment, and only slightly more than 40% of the students were able to select the term that does not fit into the following list: balance of payments – corporate balance sheet – balance of services – current account balance – balance of trade (Zahlungsbilanz – Konzernbilanz – Dienstleistungsbilanz – Leistungsbilanz – Handelsbilanz).

³ The students surveyed were aged 14+ and attended the following school types: (1) higher education: secondary academic schools ("Allgemeinbildende Höhere Schule"); secondary technical colleges ("Höhere Technische Lehranstalt"); commercial colleges ("Handelsakademie"); secondary vocational schools of business studies, tourism, fashion and design (various types of "Höhere Lehranstalt"); as well as (2) medium-level schools: technical/trade schools; commercial schools; vocational schools (tourism, fashion and design).

2.2 Comparing the Economic Knowledge of Final-Year Students in Secondary Schools across Europe

The Vienna Economic Chamber commissioned a survey testing the level of economic knowledge among final-year students in secondary school. The survey (Katschnig and Hanisch, 2006) was conducted in 2003 and 2004 among more than 2,000 final-year students from Austria, Germany, the Czech Republic and Hungary. The questionnaire consisted of 12 multiple-choice questions about economic theories, about the impact of changes in general economic parameters, and about market economy basics. On average, less than one-half of the respondents were able to correctly assign certain economic policy measures to the underlying economic theories (neoliberal/monetarist vs. Keynesian),⁴ with only the German results being slightly higher at 54%. When tested for their understanding of economic parameters (e.g. budget deficit, inflation rate, or the impact of customs tariff reductions), almost three-quarters of the Austrian final-year students gave the correct answer. They scored higher than the Hungarian and Czech students (65% and 62%, respectively) and were outperformed only by their German counterparts (82%). Between 59% and 67% of the final-year students from all four countries were able to answer questions relating to the market economy, e.g. the characteristics of a

market economy, the significance and implications of a trade deficit and the consequences of increasing public spending.

2.3 Assessing Consumers' Financial Capability

In 2006, the Vienna Chamber of Labour commissioned the market research institute marketmind to conduct in-depth interviews with employees and apprentices from Vienna to assess their knowledge about consumer credits, life insurance policies and mutual funds (Prantner et al., 2006). The questions on consumer credits related to the contents of a loan contract, the components of loan repayments, and the difference between effective and nominal interest rates, etc. Even though many respondents had taken out a loan, only close to one-fourth of them knew that total loan cost is an essential factor in a loan contract.⁵ One-half of the respondents were not aware of the fact that loan installments typically consist of principal and interest payments, and two-thirds of the respondents did not know the difference between nominal and effective interest rates. Only one-third of the surveyed employees were able to outline the typical features of a mutual fund, and one-third could not explain this investment product at all ("don't know"). Several respondents associated the term solely with stocks or thought it referred to speculative transactions.

⁴ The question was: Please assign the following economic policy measures to one of the two main schools of economic thought (neoliberal/monetarist or Keynesian): A) active labor market policy, B) subsidies, C) reducing the public debt, D) cutting social welfare, E) family subsidies, F) abolishing minimum wages.

⁵ Question: What is a loan contract? What types of loans are you familiar with, and what are the essential factors of a loan contract?

3 Economic and Financial Education Products and Services in Austria – An Overview of Providers

This section describes several Austrian institutions and enterprises that provide economic and financial education material or programs because (1) this is their corporate purpose or (2) it is in their business interest to raise financial and economic literacy and they consider it part of their social responsibility to do so. Folders, presentations, Internet downloads and websites are the most commonly used information channels. Several information providers offer target group-specific material (e.g. for teachers or students).

The following overview mainly concentrates on education products and programs for young people as found on the Internet, and thus does not claim to be exhaustive. Moreover, it does not cover initiatives and cooperations by Austrian federal ministries, as they exceed the scope of this study. First, we present organizations that are exclusively concerned with raising economic and financial literacy, and then we turn to those that provide such materials and programs in addition to their core business.

3.1 Austrian Museum for Social and Economic Affairs

The Austrian Museum for Social and Economic Affairs (Österreichisches Gesellschafts- und Wirtschaftsmuseum, www.wirtschaftsmuseum.at) was founded in 1925 as a nonprofit, non-partisan association for the promotion of public education.⁶ Its primary

objective is to provide the public with clear, understandable information about social and economic developments with a focus on Austria. Numerous products (presentations, modular lectures, traveling exhibitions, computer games) are used to highlight the workings of the Austrian economy in an international context. These products were designed to familiarize young people – the main target group – with the interplay of economic forces. The museum also covers several other knowledge areas that are not considered here.

In cooperation with the OeNB, the museum organizes a traveling exhibition that primarily visits secondary academic schools to teach students about economic and financial basics. Using wall charts, an expert informs the students about economic policy and monetary policy issues, focusing on exchange rate developments, monetary policy decisions of the ESCB/Eurosystem and their implications for everyday life, and the OeNB's and the ECB's tasks. In cooperation with the Vienna stock exchange, Wiener Börse AG, the museum organizes another traveling exhibition that concentrates on the Austrian capital market. It is displayed at secondary academic schools as well as (medium-level and secondary) vocational schools and colleges. With these two products, the museum reached out to more than 14,800 students from all over Austria in 2006 (Österreichisches Gesellschafts- und Wirtschaftsmuseum, 2006). The traveling exhibition on economic and monetary policy was shown in

⁶ The members of the association's Board of Trustees come from Austrian ministries (Federal Ministry of Economics and Labour, Federal Ministry for Education, the Arts and Culture), banks (BAWAG-P.S.K., BA-CA), interest groups, and the OeNB, among others.

52 secondary academic schools, which corresponds to a mere 16%⁷ of all secondary academic schools in Austria. A comparison between different Austrian provinces shows that only 4 out of 87 secondary academic schools in Vienna made use of this offer, while it was 28 out of 48 schools in Upper Austria.

Visitors to the museum are invited to learn more about economic basics by viewing wall charts, models, short videos, publications and a modular exhibition staged on the premises of the museum. This modular exhibition conveys topical information on social and economic developments and is often used by schoolteachers as a complement to what they teach in class. The range of issues covered is extensive: labor, the budget, the European Union, money and currency, innovation, the capital market, agriculture and the social security system. The modular exhibition attracted more than 7,300 visitors in 2006. A permanent workshop familiarizes children aged 6 to 10 with economic processes by showing them how potato chips are produced. Teenagers are invited to use interactive learning and teaching software to test their knowledge about labor and employment, the federal budget, the euro, European Union, and the economy. All the information required to answer the questions is provided in the modular exhibition and the workshop.

With 138,660 visitors in 2006 and more than 6,000 guided tours and presentations, the Austrian

Museum for Social and Economic Affairs is one of the most important providers of economic and financial literacy programs in Austria. The number of students who make use of these comprehensive products and services is still quite low, however: The 6,900 students who visited the museum's modular exhibition and media room in 2006 compare with a total of more than 57,000 students attending secondary academic schools in Vienna alone.

3.2 Volkswirtschaftliche Gesellschaft Österreich

Conveying information about business administration and economics in a clear and understandable manner using numerous approaches (presentations, economic simulation games, workshops, projects, company visits, etc.) is one of the main purposes of Volkswirtschaftliche Gesellschaft Österreich (VWG, www.vwg.at). The VWG's material is targeted at schoolchildren, apprentices and teachers. Branch offices in all nine Austrian provinces⁸ offer different education products and services.

One of VWG's most important initiatives is the "Open Your Eyes" series of presentations and workshops, which focuses on current economic policy issues and on improving job skills. This series is designed for students aged 16 to 18 of secondary academic schools and students aged 17 to 19 of secondary vocational schools. The topics covered in classroom presentations include "Enterprises and the Economy" (ecological and eco-

⁷ Source: Grunddaten des österreichischen Schulwesens 2005/2006. Retrieved from www.bmukk.gv.at/schulen/bw/uebersicht/Ueberblick_Zahlen_und_Fa1533.xml

⁸ The corporate associates of VWG Vienna are, among others, Casinos Austria International, Bank Austria Creditanstalt, Brau Union Österreich AG, Hewlett Packard GmbH and Siemens Transportation Systems GmbH & CoKG.

conomic aspects, Austria as a business location), “Finances and the Stock Market” (the international financial industry, euro – U.S. dollar – Japanese yen) or “European and International Issues.” Several presentations and workshops are also available in English or French.

Playing economic simulation games (e.g. Ökoweb, Ökotopia, Ökonomia) allows students – even those with little prior knowledge – to gain insights into economic processes. In Ökonomia, for instance, the players are divided into four groups that represent the government, employees, consumers and companies, respectively. First, the gamemaster outlines the scenario and specifies certain predefined fundamentals such as wages, production volumes or consumption rates. Then the four teams assemble for a mock meeting, at which each team has to fight for its group’s interests on the basis of its own calculations, while at the same time aiming to reach agreement with the other teams. In the next step, the players and the gamemaster analyze the implications of the decisions taken at the meeting (e.g. tax increases, wage increases or higher investment expenditure), using computer-based calculations. This helps the students to better understand economic structures and processes. The target group of Ökonomia is made up of students aged 15 to 19. In 2006, more than 300 students from Vienna and Lower Austria played this game.

VWG also offers business simulation games (e.g. €-Cost, €-Trade, JUNIOR) to cultivate entrepreneurial thinking and acting, while at the same time conveying an understanding of complex business processes. The one-year project JUNIOR, for

instance, is a game for students aged 15 to 19 from all types of schools. Players also participate in a nationwide and Europe-wide competition. In JUNIOR, every team (consisting of a maximum of 15 students) starts a virtual company that offers a product or service. Each player has a specified role within the company. Just like in the real business world, the team has to perform certain tasks (e. g. choose a corporate name, do the bookkeeping, pay taxes). In 2006, more than 350 students from Vienna and Lower Austria participated in this game, thus gaining insights into the challenges involved in managing a company.

In 2005, VWG and its cooperation partners launched the “Dual Language Education (DLE) and Blended Learning” initiative, in which English is adopted as a working language in selected subjects. The program is primarily designed for secondary academic and vocational schools. In accordance with the curricula, English-language digital learning material is provided for the following subjects: geography, economics, and business administration. More than 10,200 students from Vienna and Lower Austria participated in this program in 2006, just one year after its implementation.

In cooperation with the OeNB, VWG offers training sessions for teachers of all school types, in which experts give hands-on presentations on economic and monetary policy issues followed by discussions. Through these seminars, VWG and the OeNB reach out to some 300 teachers per year. Company visits and workshops on business and economic basics as well as financial capability are also available.

3.3 **Arbeitsgemeinschaft Wirtschaft und Schule**

In 1966, economic studies was introduced as a school subject in Austria. At the same time, an association was founded for the purpose of providing teachers with teaching materials about economic issues: Arbeitsgemeinschaft Wirtschaft und Schule (AWS, wko.at/aws). The Austrian Federal Economic Chamber, the umbrella organization of Austrian savings banks (Sparkassenverband), the Federation of Austrian Industry and VWG Österreich are the founding members of AWS. To date, most teachers have already downloaded information material from the AWS's website.

In the context of the “go international” initiative (a cooperation between the Austrian Federal Economic Chamber and the Federal Ministry of Economics and Labour to promote Austrian exports), AWS developed a two-part information kit for schools that focuses on Austria's opportunities in the world markets. This kit deals with external trade from a business and economics perspective and presents a case study. It also contains a glossary and teaching material.

Moreover, in cooperation with the Austrian Federal Economic Chamber and the Sparkassenverband, AWS prepared an information kit for teachers of students aged 15 to 19. This kit aims at enabling students to handle day-to-day business transactions. It addresses questions the students are likely to encounter in their professional and private lives (sales contracts, employment contracts, etc.) and is suited for both self-study and classroom presentations. AWS has also produced information kits with educational material on Austrian in-

dustry, on trade in Austria and on EU enlargement.

AWS keeps teachers informed about current economic issues, publishing information booklets about selected topics at regular intervals. Worksheets are included in the appendix to these booklets. Several issues are available only in English and French. In addition, the AWS prepares economics teaching materials at two-week intervals, selecting current economic articles from print and online media and complementing them with comprehension questions and other test tasks as well as links and resources for further reading.

AWS has also developed an economics information kit for elementary schoolchildren. It consists of four modules and deals with money (from barter transactions to debit cards) and saving. Questions about pocket money aim at making children aware of what they do with their money (spending patterns) and familiarize them with the notion of saving, e.g. by means of short stories. Economic processes and economic sectors are outlined briefly, as is the significance of imports and exports. Worksheets and slides complement this kit, which was produced in close cooperation with teachers.

Last, but not least, AWS provides a German dictionary that defines and explains the most important financial terms and concepts.

3.4 **Wiener Volkshochschulen**

Courses in economic subjects account for a rather small share of the extensive range of courses offered by the adult education centers Wiener Volkshochschulen (www.vhs.at). The basics of business administration can be acquired in several general courses or in preparatory courses for the Berufs-

reifeprüfung exam, which is a necessary entrance qualification e.g. for apprentices to study at university. One course focuses on money management, teaching participants how to become informed customers who can avoid being manipulated by financial advisors. Another course teaches the basics of financial literacy. The adult education centers also offer training courses for the European Business Competence* License (EBC*L), which covers corporate goals, cost accounting, financial planning, etc. EBC*L holders have core business management knowledge of an internationally recognized standard.

3.5 Finance Portal – www.finanzportal.at

Since its creation in 2005, this online portal has provided information on investing, financing and taking out insurance policies for the following three target groups: teachers and students, consumers, and companies and financial service providers. Accordingly, it consists of an education portal, an information portal and a consultants portal. It has been steadily extended through cooperations with the Austrian Federal Economic Chamber, the online portal of the Austrian Broadcasting Corporation ORF (www.orf.at), the Austrian Federal Ministry for Education, the Arts and Culture, and several banks and insurance companies. The information portal provides consumers with clear and understandable information on various types of investment (fixed-income funds, mutual funds or real estate) and common financing products (consumer loans, housing loans or leasing contracts). Foreign

currency financing, however, is mentioned only briefly, which is remarkable considering the significance of this instrument for the Austrian market. The education portal was developed in cooperation with the Austrian Federal Ministry for Education, the Arts and Culture. It focuses on conveying economic and financial information to teachers and students. The portal provides interactive and multimedia material and gives concrete, realistic examples. The knowledge acquired can be tested with multiple-choice questions. With the help of calculation tools, the students can complete given tasks and make their own calculations so as to familiarize themselves with the issues covered. The solutions to the given tasks are available for teachers, who are also provided with suggestions of how, when, and where to introduce a subject to the curriculum in each school type and for which age group.

From 2008, the portal will offer a hands-on financial literacy program (a “financial driver’s license”) that focuses on conveying basic knowledge about the most common financial services. Graduates of the program receive a certificate.

3.6 Austrian Federal Economic Chamber and Its Cooperations

Together with several cooperation partners, the Austrian Federal Economic Chamber (Wirtschaftskammer Österreich – WKÖ, portal.wko.at) offers a broad range of economic and financial education services for different target groups, e.g. an online economics quiz⁹ that contains not only specific questions (about starting a business, Basel II, etc.), but also tests

⁹ This quiz was on WKÖ’s website until August 15, 2007.

participants' knowledge of basic economic concepts (inflation rate, business cycles, etc.). WKÖ's business promotion center (Wirtschaftsförderungsinstitut – WIFI) offers numerous programs and courses, most of which address business issues but also convey economic basics. An initiative to familiarize consumers with financial issues (e.g. life insurance) was launched by the Austrian consumer affairs organization (Verein für Konsumenteninformation) and WKÖ's Viennese organization of financial service providers (Fachverband Finanzdienstleister).

Students should learn about the facts of business life and gain an understanding of business and economic basics at an early age. This is why WKÖ offers a four-module program for students aged 10 to 19 to obtain the Entrepreneur's Skills Certificate in school as an additional qualification. This program aims at improving students' economic knowledge and honing their business skills.

In addition, WKÖ developed a media kit to promote entrepreneurship among apprentices in cooperation with the Austrian Federal Ministry of Economics and Labour and the Institute for Research on Qualifications and Training of the Austrian Economy. The kit offers trainers practical suggestions and examples of how to integrate the relevant key skills in the apprentices' workplace training. WKÖ also provides a brochure that encourages apprentices to consider starting a business as an option for their professional future, and an online game in which apprentices can demonstrate entrepreneurship.

3.7 Vienna Chamber of Labour and Its Cooperations

In cooperation with the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund – ÖGB, www.oegb.at), the Vienna Chamber of Labour (Arbeiterkammer Wien – AK Wien, wien.arbeiterkammer.at) launched a project in 1980 to support schoolteachers in their task of preparing students aged 14 and over for work. The project familiarizes students with life on the job and promotes their social and communicative skills, using teaching material, seminars, job application trainings and economic simulation games.

AK Wien cofinances more than 2,000 education and training courses offered by various institutions (the vocational training institute bfi, WIFI, Wiener Volkshochschulen, etc.). It provides training vouchers that permit all employees to attend courses at a reduced fee. A few of these courses focus on economic topics, especially on the basics of business administration.

Information on financial issues (loans, guarantees, debt restructuring, etc.) can be retrieved from the consumer portal of the Chamber of Labour's website. The Chamber of Labour also produces a wide range of print publications.

In cooperation with the Austrian Trade Union Federation, AK Wien has launched an institute that aims at supporting employee representatives in the fulfillment of their tasks and responsibilities as supervisory board members (Institut für Aufsichtsrat-Mitbestimmung). This institute offers seminars on the basics of economics and business administration as well as specific seminars (e.g. "Understanding Balance Sheets").

The Austrian Trade Union Federation's adult education association (Verband Österreichischer Gewerkschaftlicher Bildung, www.voegb.at) also offers numerous courses for employee representatives. One course addresses monetary policy, interest rates and inflation, while another focuses on stock exchange crises, and a third deals with the early detection of corporate crises.

In cooperation with the Austrian Trade Union Federation, AK Wien offers a four-module program for (future) works council members that covers economics and business topics, among other things.

3.8 Wiener Börse AG

The Vienna stock exchange (Wiener Börse AG) provides beginners and professionals as well as specific target groups (e.g. students and teachers) with capital market-related information on its website (www.wienerborse.at). The newcomer portal (German version only) offers a concise overview of the stock market and introduces some basic concepts. Downloadable brochures, a stock market glossary and video clips are also available free of charge. In cooperation with the WIFI Management Forum, Wiener Börse Academy offers seminars and courses on stock market and capital market issues (mostly for a fee). The target group includes private investors and professional market participants. More than 70 seminars attracting some 900 participants were held in 2006. Website users can choose from among three online tests with varying degrees of difficulty to test their knowledge of the stock market and the capital market.

For several years, Wiener Börse AG has offered a school kit on the Austrian capital market – especially

designed for students aged 16 to 19 of secondary academic or vocational schools – which consists of a textbook, a folder, slides and other teaching material. The textbook focuses on the tasks and functions of the stock exchange, on the various types of securities and on investment decisions. The slides present the key features of the capital market, above all the securities market and the commodity market, the cash market and the futures market. In addition, the material highlights stock market developments, contains information on securities, derivatives and hybrids, and outlines the key organization principles of a stock corporation. The factors influencing stock market developments are sketched, the items in a typical newspaper quotations list are presented, and mutual funds, bonds and investment decisions are explained. The teaching materials include e.g. worksheets with various puzzles and games (Trimino, Domino, or the popular word guessing game Taboo for stock exchange keywords). Playing these games helps students reinforce the capital market knowledge they have acquired in school. Wiener Börse AG offers one- and two-day seminars on capital market issues, which are especially designed for teachers at secondary academic and vocational schools; they are conducted in cooperation with the teachers' association ARGE Geografie und Wirtschaftskunde and the national teacher training institute Pädagogisches Institut des Bundes.

3.9 Commercial Banks – Bank Austria Creditanstalt and Erste Bank

What commercial banks do to promote economic and financial literacy is exemplified by the information

products provided by Bank Austria Creditanstalt (BA-CA) and Erste Bank. In line with their business interests, the two commercial banks offer numerous information brochures and folders on their financing and investment products. Various calculation tools are available on Erste Bank's website – for pension benefits, (foreign currency) loans, housing loans, etc. In addition to providing product-linked advertising, the banks also produce objective information materials on financing and investing. For instance, a glossary explaining frequently used financial terms is available from BA-CA, and Erste Bank publishes a brochure on securities that gives an overview of investment options and includes a small glossary.

BA-CA has created an Internet platform (www.lehrerweb.at/schulinfoheft) on which it presents information – combined with advertising – to students, teachers and heads of schools (all school types). The bank also provides an online simulation game for students that focuses on how to start and manage a business, namely a virtual surf shop, which the students have to run for three years using the predefined startup capital. Playing this game (which takes about one or two hours) helps the students learn more about the facts and demands of business life, as they are responsible for all tasks involved in running such a business (e.g. bookkeeping, marketing and budgeting). The game is designed as a teaching resource for economics teachers.

BA-CA also supports a practice firm project by the Austrian Center

for Training Firms ACT¹⁰ in which students attending vocational school can gain insights into the banking business. The practice firms' banking transactions are carried out by the ACT bank. In addition, payment transactions and bookkeeping forms (featuring BA-CA's logo) can be downloaded from BA-CA's website and used in economics classes. A brochure on treasury instruments is also available from BA-CA, and guided bank tours round off BA-CA's services in this field.

On its website (www.sparkasse.at/sgruppe), Erste Bank offers advice on how to handle money, addressing young people aged 14 to 19. This website section covers various topics (recreation, school, jobs, etc.), but also includes some economic education material. Its main focus, however, is on conveying information about bank card use and account management, which is in line with Erste Bank's corporate purpose as a commercial bank.

Erste Bank also offers students the possibility to gain insight into the banking business through either presentations in class or guided bank tours. Since 2003, Erste Bank has organized presentations in which students learn some basic facts about banking: What are the legal requirements for opening an account (minimum age, etc.)? How do you compare bank services (service fees and overdraft charges on bank accounts, lending and deposit rates, etc.)? What are the most common types of saving and investment vehicles? Which types of payment are available? In addition, some keywords (e.g. interest margin)

¹⁰ ACT was launched by the General Directorate for Vocational Education and Training of the Austrian Federal Ministry for Education, the Arts and Culture.

are explained, the spending habits of young people are discussed and the students learn how to avoid debt. An information leaflet lists 12 tips for creating a simple personal budget plan, thus helping students manage their own finances. Another presentation focuses on retirement provisions, highlighting private pension products, but also covering public and occupational pension systems.

The umbrella organization of Austrian savings banks (Sparkassenverband), to which Erste Bank belongs, and Arbeitsgemeinschaft Wirtschaft und Schule have been working together for decades (section 3.3). The output of this cooperation includes numerous brochures on financial and economic issues as well as a booklet containing tips for students aged 14 to 19 on money management, which was published in September 2006.

3.10 Oesterreichische Nationalbank

Promoting economic and financial literacy has long been a key element of the OeNB's information activities, which address both the general public (e.g. through TV or radio campaigns) and specific audiences, such as students and teachers. The OeNB offers a broad range of financial literacy products and services: It organizes presentations and guided tours to the Money Museum in Vienna, as well as it produces teaching materials for schools.

The OeNB has a particularly great interest in providing students with economic literacy products. At the presentation of the OeNB's school information kit in 2005, the OeNB's governor Klaus Liebscher emphasized the importance the OeNB attaches to familiarizing young people with eco-

nomics fundamentals. The "money and currency" school information kit, for instance, is one of the OeNB's key education products. It was designed for students aged 10 to 14, but can also be used in secondary academic and vocational schools. This free information package for teachers – also available on CD-ROM since 2005 – contains brochures on the Austrian financial system, on money and on the OeNB's role in the European System of Central Banks, as well as worksheets and slides. The teaching materials cover the history of money, highlight the origins and development of the European Union, and deal with monetary policymaking institutions and their key tasks. The material was created and compiled in close cooperation with teachers. Hard copies or CD-ROM versions of the school information kit, which is also available on the OeNB's website (www.oenb.at), have been sent to more than 3,000 Austrian schools. The interactive online quiz T€MPO (with prize draw) is yet another element of the OeNB's educational services.

The OeNB's Money Museum offers guided tours on the history of money for various target groups. After the tour, a free one-hour lecture mostly on monetary and economic policy is available for school groups. These presentations, which are held in cooperation with the Austrian Museum for Social and Economic Affairs, generally serve to deepen the knowledge the students have already acquired in class; the lecture can be adapted so as to meet specific curriculum demands, if required. In 2006, more than 3,000 students from 115 school classes attended lectures at the Money Museum.

In summer 2005, the Money Museum for the first time partici-

pated in the children's university offered by the University of Vienna, familiarizing children aged 7 to 12 with the origins and development of money. The Museum's involvement in the summer activity program the City of Vienna organizes for children and its participation in the annual Museum Night have proved to be a big success, too.

The OeNB actively promotes the advancement and dissemination of economic knowledge at university level, granting scholarships and awards (e.g. Olga Radzyner Award, Franz Weninger Award) to young economists working in various specialized fields. Through its Anniversary Fund for the Promotion of Scientific Research and Teaching, the OeNB also cofinances selected research projects in the social sciences, humanities, medicine or economics.

In addition, the OeNB has e.g. launched numerous campaigns to inform the public about economic basics (such as purchasing power, gross domestic product or price stability), relying on various channels: cooperations with radio and TV stations as well as print media, trade fair events, folders and brochures. Of course, the OeNB also addresses experts, organizing training sessions, congresses, workshops, conferences and seminars.

4 Which Areas and Target Groups Are Not Sufficiently Covered?

To date, a large number of institutions and enterprises provide economic and financial literacy products and programs in Austria. The different products and services are not well coordinated, however: Many areas are covered by several providers,

while others are (sometimes completely) neglected.

For instance, retirement saving is an issue about which one would expect to find more information. Neutral and understandable guides on retirement benefits are hard to come by – it comes as no surprise that the information material produced by financial service providers is guided by their own business interests. Finding neutral in-depth information about financing is not easy, either. While some information covers the most common types of financing, many important basic issues (e.g. the difference between effective and nominal interest rates) are largely neglected. This observation is consistent with the survey results reported above, which reveal critical knowledge gaps in this area. Education products that focus on basic economic concepts (such as inflation, gross domestic product, competitiveness) in a clear, understandable manner are also sorely lacking. The fact that many people still compare the current level of (euro) prices with the 2001 (schilling) price level suggests that they are not sufficiently familiar with the concept of inflation. Additional targeted information campaigns could help remedy this situation. Furthermore, the education products examined hardly ever highlight the difference between real and nominal wages, which is, however, essential to understanding collective bargaining negotiations that directly affect every Austrian employee.

Regarding the availability of suitable educational products for different target groups, much is available for 15- to 19-year-olds, whereas especially primary schoolchildren seem to have been largely neglected so far.

Teaching younger children how to manage money responsibly makes sense, though: After all, the amounts of pocket money they receive have increased steadily in recent years. In addition, not enough educational products are appropriate for 11- to 15-year-olds. Promoting economic and financial literacy among this group is crucial – young people may leave school at 15. The last year of compulsory school education is the last chance to reach out to students who leave the school system at the end of the year and teach them the most important basics (e.g. how to manage a household budget or what the implications of excessive indebtedness are).

5 Conclusions and Recommendations

In the area of economic and financial literacy, knowledge gaps are evident across all age groups in Austria. Several studies conclude that many Austrians have absolutely no or very few basic business skills and no or little economics knowledge. Country comparisons show, however, that these knowledge gaps also exist in other industrialized European countries. The OeNB attaches great importance to promoting economic and financial literacy, as is reflected in a statement by the Governor of the OeNB, Klaus Liebscher, at the opening of the 35th Economics Conference of the OeNB (entitled “Human Capital and Economic Growth”), who labeled education as a bridge to participation in economic and social life. Therefore, the OeNB has defined the promotion of financial and economic literacy as a key strategic goal. The increasing complexity and pace of economic processes have made understanding the basics of business and economics

an essential life skill today. This is why acquiring this skill should begin early. The OeNB has already taken important steps to promote economic and financial literacy, as is evidenced by the broad range of educational products it offers. It will continue and expand its activities in the future.

Even though a number of other enterprises and nonprofit institutions also provide economic and financial literacy products, they do not cover all areas and target groups. Considering the discrepancy between the large number of products available for students and adults on the one hand, and the low level of financial and economic literacy on the other, we may assume that the implementation of education measures must be methodologically improved. It seems that people are either not interested in these issues or find it hard to locate the information they actually need.

Moreover, too few education measures are targeted at specific groups, notably students attending compulsory school. Educational computer games or comics might be a suitable means to reach out to primary schoolchildren. Creating new products and services for students aged 11 to 15 is also of high priority, as compulsory schooling stops at age 15.

The lack of coordination between the different information providers is another major obstacle. Consumers can find it exceedingly difficult to locate specific information products, while teachers tend to find it easier to procure information, as they have access to the school’s resources and educational support material. To remedy the situation, Austria could create a common platform covering the products of different service providers, thus following the examples set by Germany (www.kursraumgeld.de)

or www.geldundhaushalt.de) or the U.S.A. (www.federalreserve.gov) (Fluch, 2007). Ideally, such an initiative should be launched by an independent institution to ensure that people accept and appreciate this project. In a nutshell, our findings suggest that making the available products and services more easily accessible in a structured fashion is key to the success of financial literacy campaigns.

References

- Arbeitsgemeinschaft Wirtschaft und Schule. 2001.** Europäische Wirtschafts- und Währungsunion – Der Euro vor der Bargeldeinführung. Vienna.
- Arbeitsgemeinschaft Wirtschaft und Schule. 2005.** Willkommen in der Wirtschaftswelt. Vienna.
- Arbeitsgemeinschaft Wirtschaft und Schule. 2005.** Wirtschaft im Alltag. Vienna.
- Arbeitsgemeinschaft Wirtschaft und Schule. 2006.** Die österreichische Industrie. Vienna.
- Arbeitsgemeinschaft Wirtschaft und Schule. 2006.** Handel in Österreich. Vienna.
- Bank Austria Creditanstalt.** www.ba-ca.com. Retrieved on May 29, 2007.
- Erste Bank der oesterreichischen Sparkassen AG.** www.sparkasse.at. Retrieved on May 29, 2007.
- Fluch, M. 2007.** Selected Central Banks' Economic and Financial Literacy Programs. Monetary Policy & the Economy Q3/2007. OeNB.
- Gnan, E., M. A. Silgoner and B. Weber. 2007.** Economic and Financial Education: Concepts, Goals and Measurement. Monetary Policy & the Economy Q3/2007. OeNB.
- Hartmann, C. 2000.** Ökonomische Bildung in Österreich. Sonderausgabe der Finanznachrichten. Vienna.
- Katschnig, T. and G. Hanisch. 2006.** Wirtschaftswissen von Maturant/inn/en im internationalen Vergleich. Eine empirische Studie in den Ländern Österreich, Deutschland, Tschechien und Ungarn, 2003/2004. In: Erich Kirchler. 2006. Ökonomische Bildung von Schüler/innen Allgemeinbildender Höherer Schulen.
- Leitinger, R. 2005.** Go International – Österreichs Chancen auf den Weltmärkten. (Commissioned by the Austrian Federal Economic Chamber). Vienna.
- Liebscher, K. 2007.** Opening of the 35th Economics Conference of the OeNB by Governor Klaus Liebscher: Education Promotes Growth and Employment. Press release of May 21, 2007, on the occasion of the 35th Economics Conference of the OeNB in Vienna.
- Lüdecke, S. and C. Sczesny. 1998.** Ökonomische Bildung Jugendlicher auf dem Prüfstand: Diagnose und Defizite. In: Zeitschrift für Berufs- und Wirtschaftspädagogik. Vol. 94.
- Österreichisches Gesellschafts- und Wirtschaftsmuseum. 2005.** Der österreichische Kapitalmarkt. Information im Auftrag des Kuratoriums für den österreichischen Kapitalmarkt.
- Österreichisches Gesellschafts- und Wirtschaftsmuseum. 2006.** Annual Report 2006. Vienna.
- Prantner, C., K. Kollmann and M. Kollmann. 2006.** Verbraucherkompetenz in Finanzfragen. Commissioned by the Vienna Chamber of Labour.

Schmid, K. 2006. Der Internationalisierungsgrad des österreichischen Bildungssystems – Halten Österreichs Schulen und Hochschulen mit der Internationalisierung der österreichischen Wirtschaft Schritt? In: *ibw-Schriftenreihe* 132. Institute for Research on Qualifications and Training of the Austrian Economy. 2006. Vienna.

Servicestelle österreichischer Übungsfirmen. www.act.at. Retrieved on May 29, 2007.

Wiener Börse AG. 2005. Der österreichische Kapitalmarkt. Vienna.

Wirtschaftskammer Österreich. 2007. FINANCIAL EDUCATION: Fortsetzung der gemeinsamen Bildungsinitiative von Wiener Fachgruppe Finanzdienstleister und Verein für Konsumenteninformation (VKI). April 16, 2007. www.diefinanzdienstleister.at/quicklinks/presse/pressemeldung/article/38/financial-ed/?cHash=59a6297832
Retrieved on June 25, 2007.

www.lehrerweb.at/schulinfoheft. Retrieved on May 14, 2007.