# school banking programs and financial literacy Education in Schools:

## suggested wording for SCHOOL newsletters

Dear Parents/Carers

On 29 November 2020, the Minister for Education, the Hon. James Merlino MP, announced that from the first day of Term 1, 2021, School Banking Programs and financial literacy education programs offered through banks, building societies and credit unions will be banned in all Victorian government schools.

The ban is based on findings from the Royal Commission into the Banking and Financial Services Industry, which raised concerns about the quality of financial literacy education programs offered by banks and other institutions who are authorised to take deposits. Concerns include:

* banks using inappropriate tactics such as attracting children with prizes and incentives to develop trust and loyalty in banks at an inappropriate age
* interest rates offered through Student Banking Programs (SBPs) being very low, resulting in students missing out on compounding interest, one of the key benefits that comes with saving money and banking
* very little evidence to suggest such programs teach students lasting habits to improve financial literacy.

The Australian Securities and Investment Commission (ASIC) review of SBPs recently confirmed such concerns.

Financial literacy is important as it assists students to understand budgeting, identify financial products or services that meet their needs (e.g. mobile phone contracts or credit cards), make independent financial decisions, and avoid falling victim to scams.

That is why financial literacy education will continue to form part of the teaching and learning offered at [school name] so that our students are well prepared for life and work. Financial literacy is currently taught through the Economics and Business and Mathematics learning areas of the Victorian Curriculum.

The ban on School Banking Programs is effective from Term 1, 2021. This means that students at [school name] will no longer be able to deposit savings through [School Banking Program name/name of authorised deposit-taking institution]. Parents/carers should therefore consider whether they wish to keep or close their children’s school banking accounts and do so through the relevant bank or other institution directly.

You can support your child’s financial literacy education at home by accessing ideas and tips on teaching students to handle money from the Department’s [Maths and Numeracy at Home](https://www.education.vic.gov.au/school/teachers/teachingresources/discipline/maths/Pages/maths-and-numeracy-at-home.aspx) web page.

Should parents/carers have further questions, please feel free to contact the school on [details of the contact person at the school].

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