

## The importance of *praxis* in financial literacy education: An Indigenous perspective

Levon Blue

Griffith University

<levon.blue@griffithuni.edu.au>

Peter Grootenboer

Griffith University

<p.grootenboer@griffith.edu.au>

Mark Brimble

Griffith University

<m.brimble@griffith.edu.au>

We argue the importance of *praxis* in financial literacy education teaching practices that is, the moral and ethical nature of teaching and learning. Post the global financial crisis of 2008, the teaching of financial literacy has become a priority for many countries. Indigenous communities are often the target of broad FLE strategies and/or government policies. We present a case for *praxis* in financial literacy education by drawing on interview data following a financial literacy ‘train the trainer’ workshop in an Indigenous community in Canada that failed to gain traction.

### Introduction

Improving financial literacy is a global concern with many countries establishing initiatives and strategies to help citizens acquire the financial knowledge that is thought to be necessary to ensure effective management of personal finances over a lifetime. With financial well-being the ultimate aim of most financial literacy initiatives (Blue & Brimble, 2014), financial literacy education (FLE) promotes financial skills and knowledge. Therefore, a plethora of FLE initiatives established by government, industry, workplaces and community are available, although there is concern about the effectiveness and appropriateness of many of these programs (Worthington, 2013).

In Australia and Canada, FLE *train-the-trainer* multiple day workshops have been offered to Community organisations working with low-income individuals. These workshops are usually developed and financially supported by financial institutions and this approach to training and learning is an area of concern that will be addressed in this paper, particularly vis-à-vis the *praxis* of FLE. Indeed, despite the trainers best intentions to financially educate vulnerable individuals, there is a risk that the individuals receiving this training are being misguided into thinking their financial problems could be ‘fixed’ if only they could acquire the basic personal financial skills such as developing a budget (Pinto, 2009; Willis, 2008). While these tools and skills do provide financial awareness, they do very little to change behaviour and are unlikely to assist an individual move from their current financial circumstances (Lyons, Chang & Scherpf, 2006).

In this paper we examine the trend to educate some of the most vulnerable individuals in society with generic FLE. The impetus for this study was the ineffectiveness of a FLE *train-the-trainer* workshop in an Indigenous community in Canada. It is important to note that the first named author of this paper is a member of the Indigenous community, and so in conjunction with fellow Community members, the approaches to learning, the relevance of FLE, and their felt needs regarding FLE were explored. Furthermore, understanding educational *praxis* as “the moral, ethical and caring dimension of teaching” (Grootenboer, 2013, p. 1) appears to be lacking from current FLE practices. In this study we examined the possibilities of what could be achieved in the Community and it was found that site-

based and Community developed FLE was desired, relevant and important, and some of these ideas are outlined in later sections. We also discuss FLE as *praxis* in Indigenous financially excluded communities and report some findings from the interviews (both individual and group) that took place in the Community with Community members who had either attended the training and/or had an interest in FLE.

### Financial literacy and financial literacy education

Financial literacy has been defined as “a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing” (Atkinson & Messy, 2012, p. 2). Financial literacy continues to be a priority area for the OECD

... as highlighted by three sets of principles, endorsed by G20 leaders: the G20 Principles on Innovative Financial Inclusion; the G20 High-Level Principles on Financial Consumer Protection and the OECD/INFE High-level Principles on National Strategies for Financial Education. (Atkinson & Messy, 2013, p. 9)

Regardless of whether an individual ever achieves financial well-being, the pedagogical focus of FLE is being able to equip students with the financial skills and knowledge to perform appropriate and efficient mathematical calculations when faced with everyday financial decisions. This is what Sawatzki (2013 p. 557) refers to as the ability to problem solve your way through real life “financial dilemmas”. In Australian primary and secondary mathematics classrooms students will be taught these financial literacy skills under the *money and financial mathematics* component of the mathematics curriculum (Mathematics Curriculum, 2015). Therefore, education that focuses on increasing an individual’s financial literacy through the acquisition of personal financial knowledge we refer to as FLE (Blue, Grootenboer & Brimble, 2014). We understand the importance of teaching FLE however, we do believe that the expectations of FLE are unrealistic and argue that they need to be reframed so that they align with the appropriate expectations and outcomes for each individual and their life choices (Blue & Brimble, 2014). Nevertheless, FLE has a role to play in reaching individuals living in financially excluded communities. What this role is, and the expectations and outcomes associated with the delivery of FLE to financially excluded communities will be explored throughout this paper.

### *The role of a praxis perspective and site-based education development*

We align praxis in the FLE classroom/workshop to the dual purpose of education, that being for the benefit of both the individual and society (Grootenboer, 2013). Therefore, FLE teachers and/or practitioners may have a critical role in developing students’ financial identities, similar to those reported about mathematics classroom teachers, but also to develop financial literacies across the Community for the benefit of the Community as a whole. Financial literacy is in the compulsory school curriculum in many countries, and it is often the mathematics teachers that are given the responsibility of teaching it (Blue, Grootenboer & Brimble, 2014). Grootenboer (2013) argues the importance of having skilful and knowledgeable practitioners from a pedagogical perspective, but that good “...teaching is more than knowledge and technique – it is a form of *praxis*” (p. 1). We view this as an important requirement in order to prevent the inequalities and marginalisation that may occur when financially vulnerable individuals, whom are financially educated, are unable to act on the financial knowledge they receive. Moreover, FLE is not the solution to poverty as, “...poverty is ... an issue of low wages” (Ivanova

and Klein, 2014, p. 2), long working hours and lack of access to social goods (Raffo, 2011). Part of teaching financial literacy with a praxis perspective involves understanding what FLE can and cannot offer students. It also involves understanding who benefits in a capitalist economic system and who suffers; that is that some individuals will obtain great wealth and others will face poverty - such a system guarantees these two extremes (Arthur, 2012).

Also, many researchers have argued that there is no ‘one-size fits all’ approach to education and each site and has specific circumstances and conditions (Kemmis, Wilkinson, Edwards-Groves, Hardy, Grootenboer & Bristol, 2014). Therefore, the move to more sustainable FLE pedagogies involves responding the specific demands of the site, what Kemmis, et al. (2014) refer to as “site-based education development”. This is “when educators think together about how best to do this, in a particular school, for particular students and a particular community, they are engaging in site based education development” (p. 212). This was an important aspect of this research project, particular as the generalised ‘best practice’ notions of FLE had been ineffective and even damaging in the past. Indeed, it was evident that the Community members interviewed wished for FLE resources that were collaboratively developed and connected to their existing practices and site conditions.

## The Study

This study took place in a Canadian Indigenous reservation and the Community is located on an island. Approximately 620 residents or 250 households live on the reservation year round and approximately 1000 members live off reserve (First Nation Profiles, 2015). There is no access to a mainstream financial institution (i.e., a bank) on the island (it is a financially-excluded Community). Both ‘on’ and ‘off’ members of the Community were included in the study. The study focused on three key themes:

1. The Community’s experiences with FLE;
2. The Community’s interest in FLE; and
3. The Community’s perception of what FLE can/cannot achieve and its relevance.

We conducted interviews with individuals and with groups of Community members who had either attended the previous financial literacy workshops and/or had an interest in financial literacy education. These interviews took place approximately one year after a financial literacy ‘train-the-trainer’ workshop failed to gain traction. The workshop was run by an established organisation (funded by one of the big Canadian banks) was invited by some Community members to deliver a financial literacy train the trainer workshop after some consultations. Nineteen participants were interviewed and their audio recorded interviews were transcribed. During these interviews we explored the reasons for this workshop inability to develop new trainers and the relevance, interest and perception of financial literacy in Community. After the interviews were transcribed, the text was analysed and this involved first manually analysing the transcripts for themes and then using the NVivo software to further refine and organise the thematic structure.

## Findings

After the data were analysed there were a number of themes and issues that emerged. Here we will report specifically on the findings related to the relevance of FLE in the Community; the train the trainer workshop inability to develop “new” trainers; and the

practice of FLE and the issues associated with a financially-excluded Community. There were four key findings that emerged:

1. FLE is important and relevant for the Community;
2. Community members are not comfortable presenting;
3. The previous practices of FLE were unsustainable; and,
4. Living in a financially excluded Community present several challenges.

Together these make a case for a praxis approach for FLE in this Community, and also lend weight to similar considerations in other similar disadvantaged and marginalised communities and groups. We will now outline and discuss each of these findings in turn, and in doing so we will rely on the Community members own words to make each point.

### *FLE is important for the Community*

We found FLE was important and relevant for the participants. Some Community members reported the desire to start a program for youth before they leave the Community to attend post-secondary school. For example, a Community member (Female, CM1) stated;

It's [FLE] relevant ... You know everyone wants to learn about money and everyone wants to, I guess, it's like everything revolves around it right? It brings out either positive behaviours or negative behaviours that everyone sees especially in a small community.

And, another Community member similarly commented;

.... we've been wanting to make a program to start it with the later years in the public school and then to our high school kids... before they go off to college education. So that they know how to manage their money right away. (Female, CM2)

With this in mind, and was noted in the second quotation, many Community members wanted FLE to be an integral part of their high school education.

... I do think that there should be more in the education system. Like you know growing up and in high school and stuff doing math most of the time it ends up being stuff you will never use again. You know I wish that more education in the education system you know focused on personal finances like how do you do your taxes and how to do business stuff and investment stuff and be smart with... I don't know anything about taxes or how it works. Like I have student loans but I don't necessarily know how it all works. I think there are a lot of things that we don't learn that are really important, you know growing up. I think that is something that can be for the Community if you are going to leave the Community and you are going to be going to school or to get a job somewhere. It is stuff you need to know. So you know maybe not for everyone, that stuff is relevant but maybe for parents to learn. (Male, CM1)

However, there was also a concern that the FLE that was undertaken in the high school was relevant and appropriate for the particular needs of the students in this site. This was as necessary for the individual students themselves, but also for the Community itself, thus highlighting the dual purposes of education noted earlier.

Some of it went over their heads; like it was too much information and then we are looking at budgets for our work anyway just teaching people the basics financial things. (Female, CM2)

... when a client comes to a realisation on actually what they are spending, like that budget sheet was a real eye opened for me. To see dollar for dollar were it was going and it was going to things that I didn't really need like magazines, the cigarettes, pop, junk food, anything like that. So when I [saw] that for myself it was a matter of making those choices on whether or not, prioritising what is really important. (Female, CM3)

These snippets of data are reflective of the larger data set, and together that show a clear desire for FLE in the Community. Furthermore, this FLE needs to be appropriate and designed for the particular needs of the individual and the Community more broadly.

*Community members are not comfortable presenting*

Although the Community members expressed a desire to be involved in the planning and development of FLE in the Community, they expressed a sense of discomfort about actually being financial educators themselves. This is somewhat ironic given the ‘train the trainer’ model for the previous FLE program in the Community. The goals of this previous program were to:

1. Increase the financial skills and knowledge of the “trainers” that attended this course;
2. Establish financial literacy trainers in the Community; and,
3. Increase other Community members personal finance skills and knowledge by these ‘trained’ members teaching the content to others in the Community.

It was reported by Community members that attended this training that their financial skills and knowledge did increase after attending the workshop however, it was also reported that no one was willing to become a financial literacy trainer after attending this workshop. Therefore, no financial literacy trainers were established in the Community and these newly acquired financial skills and knowledge were not reported to be passed onto other Community members in a workshop setting.

No, the majority that were there thought it was a pretty good course and gave them some awareness into financial literacy and what to look at and what to expect around budgeting and all that but they all agreed that or the majority agreed that they wouldn’t be willing to go out and teach people. (Male, CM2)

They would be uncomfortable presenting and I think presenting is another piece in itself that is not specific to financial literacy but with anything. You know presenting anything, they are uncomfortable with that. I mean which we knew that was going to be case anyway. But [name of the organisation delivering the workshop] was hoping to get more facilitators and instructors out in the Communities and that is part of their goals to educate more people out there who can educate their clients or Community members. And we thought that was a good idea and that’s why we brought the program here. So it’s not taking off that way because people are just, really just don’t want to present. (Male, CM2)

Clearly there is a need in this Community to develop and implement FLE that is morally and culturally appropriate for this particular site – a praxis approach to FLE. To this end, a brief one-off workshop that attempts to ‘train the trainers’ is unlikely to be effective or appropriate, even if the content can be seen to be relevant.

*The previous FLE practices were unsustainable*

Not surprisingly, the previous generalised FLE practices based on the ‘train the trainer’ workshops delivered by external agencies were unsustainable with unrealistic expectations and outcomes. We argue that it is an unsustainable practice because the generic training material that is taught as an *additional* practice for individuals to adopt. By this, we mean that it does not connect or is not incorporated into the Community members’ existing practices, nor is it tailored in any way to the address the needs of the Community. Furthermore, the pedagogical practices seemed to disconnect with the Community.

It kind of stopped we're probably the only ones that use it. Because other people don't like to do workshops or conferences. (Female, CM2)

But, I think coming back to our discussions that we've had and designing a program or a model that we can use in our community. [One] that people would be comfortable using and delivery it in our own style. Whether it is one on one or group sessions or even if it comes down to people deciding that we would like an independent person not part of any staff to be delivering this type of information as like an advisor that comes in once in a while. Maybe more people [would be] comfortable with that because they don't have to devolve their financial information or their habits. (Male, CM2)

That said, there was one participant (Female, CM4) who spoke about using a "budget sheet" that she had incorporated into their practices at her place of employment, thus indicating that some practices were taken-up in a limited way where the individual could see the relevance and application.

This is another personal budget sheet for them [the clients] [it] has [been] incorporated in the system, we all have it, if a person comes in requesting assistance with hydro or maybe they need an appliance or something that is just part of TSF (transitional support funding) this is part of the application and it is already in our system and we just enter the numbers in.

### *Living in a financially excluded Community present several challenges*

With one store in the Community individuals were faced with either using the ATM to withdraw money from their account (no deposit facilities), handing their cheques (from employment and/or social assistance) over to the store and spending the required percentage to have the cheque cashed, and/or traveling on the ferry and then by vehicle into town to deposit and/or withdraw their cheque (this could also include sending your cheque into town with a trusted relative/friend to do this for you). The opportunity to turn to predatory lenders is possible as a simple task of depositing a cheque requires two modes of transportation and almost an hour of your time to get to the bank (assuming direct deposit is not set up).

The implementation and use of direct deposit and online banking is of such importance and makes so much sense today. When you think of the current method, where members of the community are earning an income or social assistance, and they have to make this great journey to cash their cheque. Using direct deposit and online banking methods will eliminate the need to make the trip with your pay cheque from the island into the town where there is a financial institution and then you also have to wait the 3-7 day business hold day until that cheque clears, is going to prevent people from wanting to go to these pay day lenders [cheque cashers] that are charging them a massive amount of interest upfront. So it just makes so much sense to have direct deposit where they will have immediate access to their money. If payday is Friday they have access to their money on Friday it would just completely eliminate all of this because a lot of people are thinking if I've got to get off this Island and I am relying on the fact that the boat running and the weather is good. Then I've got to get into town, and then I have to wait 3-7 business days, people are probably thinking I don't have up to a week before this money clears. I need this money as soon as possible. Instead they side with thinking it is simpler and quicker to pay this person at the payday lender place \$100 so I can get my money now; I am going to do it. (Female, CM5)

Clearly, the standard FLE usually offered by a major financial institution is not going to be appropriate under these conditions. Furthermore, a lack of employment opportunities, homelessness and lack of collateral in their land were identified as issues for the Community that meant that quite particular FLE was required.

... there's not much work here so there aren't even opportunity to get money for people that have low education or don't want to leave the reserve or whatever (Male, CM3)

I don't know how people get there? I guess it could be pretty easy. I am just thinking if I lost my job I could be on the street pretty quickly. (Female, CM6)

FLE that focuses on specific initiatives or activities in the Community such as learning how to prepare the financial sections in grant applications and learning how to read the Band Office's financial statements was deemed important. Also, how to navigate it financially without having collateral was identified as a major issue in the Community.

[Indigenous people] are funded by and can only be funded by grants and that's what we have to do each year and even the programs at the [Indigenous] admin office they have to submit their grant application every single year and this is what we are getting from the Government. Now people on the outside don't understand this and they think we have all this potential to have great businesses and stuff like that but we have no collateral. Because we can't do that and banking institutions rely on collateral and we don't have any of that so no one would ever fund us and if we wanted to go into a [type of] business. We won't be able to do it because financially no institution would finance us. So it's a matter of okay where do we go now? (Female, CM7)

Throughout the four findings outlined above it is clear that FLE was wanted and needed in the Community, but they needed different content and teaching practices than they had experienced in the past.

### Conclusions, Implications and Recommendations

The inappropriate one-size fits all approach to FLE that is often is delivered across a wide range of contexts and communities reaches only a small few who fit the generic or textbook model (Pinto, 2012). However, the example of this Community shows that this can be almost completely useless and inappropriate. These *quick fix* approaches seem particularly problematic in sites of poverty and disadvantage, particularly where it is not easy to change your circumstances (e.g., take on a higher paying job). Importantly, we recognise that FLE is not the solution to poverty. The *real* issue of poverty which involves low wages, working long hours and lack of employment opportunities are not going to be solved by FLE. Understanding what FLE can and cannot achieve is what we view as the moral and ethical aspect of teaching and learning FLE. Specifically, within a high school mathematics classroom connecting FLE to real life “financial dilemmas” is an approach that we support as some participants we interviewed wished this would have occurred in their classrooms. However, increased financial awareness will not ensure that the student can financially support themselves outside of their Community. Rather the student will be more aware of the “financial dilemmas” they are likely to experience. Thus FLE content that is relevant, age and culturally appropriate, inclusive and requires the students to critically explore multiple solutions is well placed in inquiry based high-school mathematics classrooms. Classrooms where the teachers realises that being financial literate does not leads to financial well-being and that ‘poverty’ will not be overcome by making effective financial decisions.

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