


5D-1

New Course of
“An Introduction to Financial Literacy”:
Content and Student Response of
Women’s University in Japan



TAKAHASHI, Keiko., Ph.D
Jissen Women’s University

Today's Content

- Background
 - Financial and Economic Education in Japan
- Introduction to Financial Literacy
 - Lecture Outline
 - Syllabus
 - (reference) Life Design 2022
- Summary

Background

2005.04 Lifting the ban on payoffs → "First Year of Financial Education"

2007.02 **Bank of Japan (Central Committee for Financial Services Information) "Financial Education Program"** released

2008.12 Lehman Shock → 2012.06 International Network on Financial Education

2012.11 Establishment of the Study Group on Financial and Economic Education → 2013.04 Financial and **Economic Education Study Group (Financial Services Agency) "Report of the Study Group on Financial and Economic Education"** published

2022.05 Kishida Cabinet "**Asset Income Doubling Program**"

*"Asset income": dividends and shareholder's dividends (stock investment), rental income (real estate investment), affiliate, video posting (YouTube), etc.

2022.11 Council for the Realization of New Capitalism "**Asset Income Doubling Plan**"

Realization

(Pillar 1) Shift from savings to investment → Radical expansion and permanent establishment of **NISA**

Japanese household financial assets: Over 50% "cash and deposits" out of approx. 2,000 trillion yen

(Pillar 5) Spread the importance of stable asset formation → Enhance **financial and economic education**

Financial and economic education on investment and asset formation in high school home economics (from a consumer perspective) and "public" (from a macro perspective)

Civil Code Reform, etc.

Civil law reform, social system

- 2022.04 Lowering of the age of majority: from **20** years old to **18** years old
- Mandatory enrollment in the **National Pension Plan** at age **20** years old

Trend

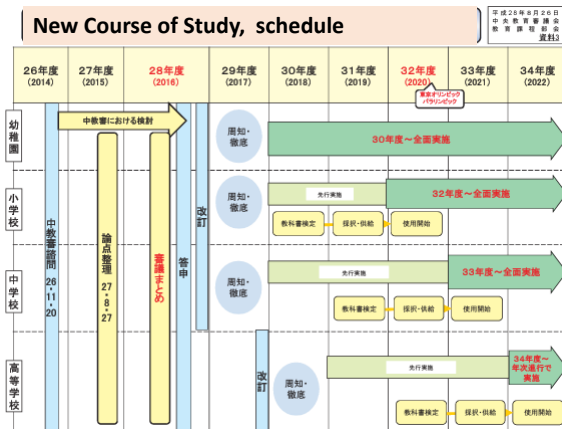
- Increase in the number of students utilizing JASSO student loan of JASSOs (1 in 2 university students)

→Colleges also need to offer cultural studies on finance and economics.

2023.04- "Introduction to Financial Literacy," a new class launches

→Through the students' comments, examine the level of financial literacy of college students and what they are interested in.

National Curriculum



2017-18 Notification of the current "Course of Study"

2022.04- High schools, annual progression = "financial and economic education" enhancement

"Introduction to Financial Literacy" Lecture Outline

- Number of students : n=137 (15 sophomores, 93 juniors, 29 seniors)
- class format: on demand (more than 100 students are on demand, in principle)
- Year of class: FY2022~
- Period, number of times, etc.: 14 lectures in the first semester, 100 minutes per class
- Method of teaching: 2-3 videos each time, each about 20 minutes + response to Respon
- Three comments on Respon



- 1) New things learned, from two to three
- 2) One thing you would like to know more about through this class
- 3) Others

Financial Socialization in **family domain**

Previous research reveal that

- **Parents** have the greatest impact on children's financial sense (Shim, Barber, Card, Xiao, & Serido, 2010; Serido & Deenanath, 2016).
- **Consumption habits and patterns** are developed in adolescence (Nyhus & Webley, 2001), and **parents** are found to be the primary, the strongest agency (Gudmunson & Danes, 2011).



We Japanese have something unique aspects of family domain compared to western countries.

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Japanese context: family

- 1. Family attitude to money:** "Talking about money is **bad manner**" → we don't talk about money in public nor in parent-child conversation. "Children don't need to worry about money".
- 2. Pocket money** is not something a child earns on his/her own, but it's something **their parents give them** regularly/ needed-based.



One slot
Not transparent
Enjoy getting



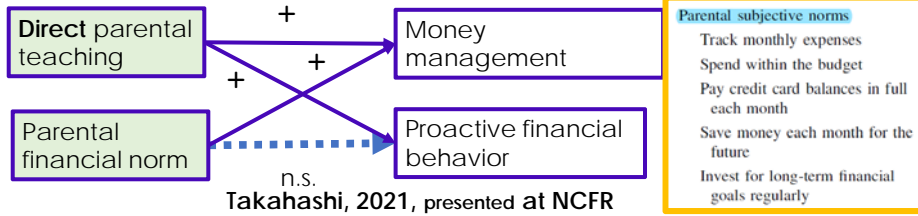
Money Savvy Generation

- 3. College tuition management** → **Without having a dry run**, students suddenly face hard situations when living apart from parents. Most Japanese have grown up in **Greenhouses** as for money. They have lack of training money management. Parents are expected to suddenly face hard situations when living apart from parents. "It is a parental responsibility for children".

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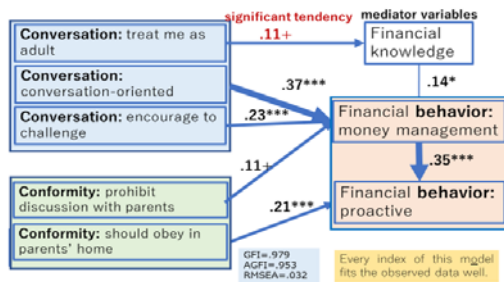
conducted quantitative research focusing on **FFS**

©2020 direct, norm(Shim at al. 2010), n=1000



Takahashi, 2021, presented at NCFR

©2022 family conversation pattern(Ritchie & Fitzpatrick 1990), n=440



Similar results to previous studies
I could not be convinced considering the Japanese context.

Takahashi, 2023, presented at IHC

"Introduction to Financial Literacy" Syllabus

No	contents
1	Guidance, basic knowledge (population, economy, law)
2	Part-time job for college students: paycheck, legal deductions, disposable income, anticipatory savings
3	After receiving a salary: Income tax - 1 (overview: expenses, deductions, taxable income), Gini coefficient
4	When You Get Paid: Income Tax - 2 (Calculation: Taxable Income → Income Tax)
5	JASSO Scholarship as a student loan (overview, repayment)
6	National Pension (Basic Pension): Understanding the System
7	National Pension (Basic Pension): What Is My Number? Special payment system for students
8	Indirect Finance (Deposits, Interest, Interest) and Foreign Currency Deposits
9	What is direct finance?
10	Fundamentals of Stock Investment
11	Basic knowledge of bond investment
12	Mutual funds and asset management
13	Outline of NISA, iDeCo, and corporate defined contribution pension plans
14	Summary

Feature

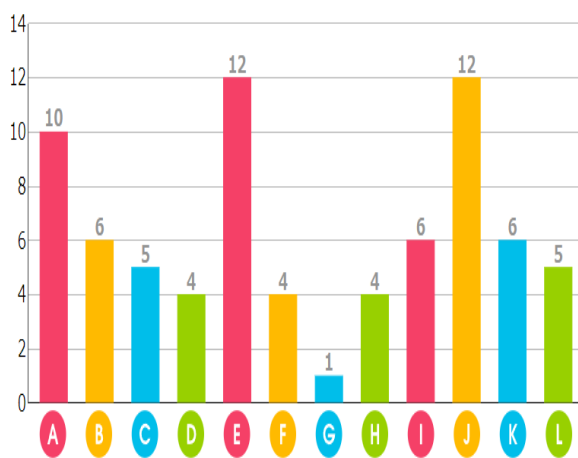
- College students and part-time jobs, income tax
- student loan of JASSOs and Repayment
- Compulsory National Pension
- High school students are learning about bonds, stocks, and mutual funds
- Defined contribution company pension plan for working adults

Response to "Introduction to Financial Literacy"

No	contents	n	ratio
1	Guidance, basic knowledge (population, economy, law)	131	96%
2	Part-time job for college students: paycheck, legal deductions, disposable income, anticipatory savings	120	88%
3	After receiving a salary: Income tax -1 (overview: expenses, deductions, taxable income), Gini coefficient	104	76%
4	When You Get Paid: Income Tax - 2 (Calculation: Taxable Income → Income Tax)	115	84%
5	JASSO Scholarship as a student loan (overview, repayment)	126	92%
6	National Pension (Basic Pension): Understanding the System	121	88%
7	National Pension (Basic Pension): What Is My Number? Special payment system for students	122	89%
8	Indirect Finance (Deposits, Interest, Interest) and Foreign Currency Deposits		
9	What is direct finance?		
10	Fundamentals of Stock Investment		
11	Basic knowledge of bond investment		
12	Mutual funds and asset management		
13	Outline of NISA, iDeCo, and corporate defined contribution pension plans		
14	Summary		
enrollment(person)		137	

(Reference) Life Design (2022) Class Evaluation

Areas of interest (14th Survey, n=75)



No	contents
1	Guidance, Basic knowledge
2	A Payroll
3	B Income tax
4	C Bank, Financial products
5	D Yen deposit
6	E Student loan of JASSP
7	F Bonds, Stocks, and Mutual funds
8	G Foreign currency deposits
9	H Public pension
10	I Contracts and cooling-off
11	J Co-working society: Women's continued employment
12	K Co-working society: Men's participation in household work
13	L Labor and Law
14	Summary

FY2022, 2nd semester,
Enrollment n=138

(Reference) Life Design (2022), NO.6 Student Loan

- Q1) Impressions after class
- Q2) What would you say to yourself at the start of college about student loan of JASSO?

Q1) Impressions after class

- I learned a lot because I am a student loan of JASSO borrower myself. I had always only attended information sessions at high school and university and read the materials, so I now have a deeper understanding of student loan of JASSO.
- I had an image of student loan of JASSO being difficult and hard, so this class made me realize the weight of the responsibility of borrowers, me.
- I realized that even now that I am a college student, there are still many things that I do not know.
- I think it is necessary for high school students to have an opportunity to learn about student loan of JASSO to culture more responsible manner.
- I felt that the return of student loan of JASSO affects my future life plan more than I thought.
- I think it is absolutely necessary to understand the contents of student loan of JASSO if it is related to my own money.
- I had an image that many people suffer due to student loan of JASSO, but now I know that the amount of money to be returned is not set at a large amount and JASSP have several relief measures, my image has completely changed.
- I think there are too few opportunities to learn about student loan of JASSO in junior high and high school before entering college.
- I think it would be better if student loan of JASSO were properly introduced in economics and other classes during high school.

Q2) What would you say to yourself at the start of college about student loan of JASSO?

- My mother remarried during my senior year of high school. I was worried and wondered whether or not I should use the student loan of JASSO. If I would not use it, which would put a burden on my new father allowing me to go to a private university. So I want to say to myself , "It will take a long time to pay back the money, and on your new father's word, you don't need to borrow the student loan of JASSO. But when you enter the workforce, you should repay your new father and mother for that."
- You are borrowing money, and you should be a little more aware of the system and how much you will have to pay back.
- You should be more conscious of the amount of money you are borrowing.

Students' Opinions on "Introduction to Financial Literacy"

Respon

(I will complete this part before the conference.)

Summary

- Elementary school home economics: from 5th grade · · · TOO LATE
- Japanese do not have a dinner table like U.S.
- “I don’t want to have pennies because they get in the way!” elementary school children
- Billing, games Elementary school students
- “Save-orientation, and do not know other way to use money

- Sound financial sense, take care of your money, and daily life under budget constraints
- Both side needed: Creating an investment-friendly environment, and individuals need to acquire sufficient financial literacy (understanding)