高等教育における個人金融リテラシーに関する事例
The Case for Personal Finance Literacy in Higher Education

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1. Introduction

A big part of becoming an adult is to keep a budget and managing finances correctly. Financial literacy has been defined as "the ability to make informed judgements and to make effective decisions regarding the use and management of money" (Schagen & Lines, 1996, p. 91). Given their focus on responsible citizenship, the inclusion of finance related courses seems well suited for liberal arts institutions (Crain & Ragan, 2012) instead of an afterthought. In addition to preparing students for the workforce, higher education should help students responsibly navigate financial choices, build wealth, and achieve goals such as financial independence. Students face complex money choices in their daily lives, in addition to concerns about lifetime employment, pensions, and loss of jobs stemming from unforeseen crises. Recently, the coronavirus pandemic initiated the sharpest economic contraction in modern history, and students are justifiably anxious about launching their careers during a worldwide recession. Managing personal finances is essential throughout the life course and especially for graduates entering an unstable job market. Importantly, institutions of higher education can position students and play a larger role toward helping them make optimal financial choices in school and beyond.

2. Need for Financial Literacy

Low levels of financial literacy pervade countries and economies throughout the Asia Pacific (Messy & Monticone, 2016). A significant portion of people remain financially illiterate, overconfident, in debt (Kaplan, Violante, & Weidner, 2014) and may lack financial resources for dealing with a crisis (Lusardi & Mitchell, 2014). The need for financially literate populations has grown in importance (Taylor & Wagland, 2013) as individuals become more responsible for their own financial security and face complex financial decisions and instruments. Households are vulnerable to financial shocks, especially among low-income households and younger generations. Importantly, the knowledge and skills that help people make better financial decisions has been positively correlated with personal wealth (Lusardi & Mitchell, 2011). Without proper guidance, individuals may not save enough for retirement and invest in assets deemed too risky or too conservative, or not participate in employer or government tax-advantaged accounts. According to Lusardi and Mitchell (2011), crisis situations exacerbate problems and make it more important that individuals make well-informed finance decisions. In Japan, the combination of rising-life expectancies and falling birth rates have long strained employer pensions and social security systems. As a result, financial decisions are now placed upon individuals to spend, save and invest, responsibly for their own futures.

Companies today face declines in company profit and continued employee layoffs and hiring freezes worldwide (Cantore et al., 2020). Students entering the job market during a recession can experience devastating results for decades. Research shows students can experience a lifetime disadvantages that include weaker earning, unstable career advancement opportunities, higher mortality rates, higher divorce rates, and fewer children across race and education levels (Schwandt & von Wachter, 2019). The COVID-19 crisis risks devastating consequences in public health, and the real possibility of financial collapse worldwide. Therefore, in the face of financial fragility, higher education should collaborate more closely with students and education staff to help build a more equitable, sustainable and thus more resilient world through enhanced financial literacy education in schools.

3. Learning about Money in School

Young adults navigate a dizzying array of financial services and products to fund college, pay for smart phones, support a family, buy a home, save for a rainy day, and fund future retirement. Learning basic money management principles should start early and continue through higher education. In Japan, the Financial Services Agency (JFSA) and the Central Council for Financial Services Information (CCFSI) promote financial education programs and financial literacy content for diverse age groups. They provide publicly available materials, videos and quizzes to help citizens get educated about finance—albeit in the Japanese language.

Importantly, integrating financial education in the school curriculum can be effective in reaching young adults before they embark on their careers. The placement of financial literacy programs within a general education program in the liberal arts can be achieved through topical readings, in-class discussions/debates and papers that discuss the societal impact of financial decisions (Crain & Ragan, 2012). Higher education is well suited to understand larger structural changes and the interconnection between economy, technology, international relations, and social problems, among others. For example, the digitization of the economy (the rise of e-money, digital wallets, mobile payments, online brokerages, online telework options, and robo-advisors) directly impact the sovereignty of nation states, currencies, migration, families, and individuals. Therefore, financial literacy can be approached from various disciplinary and interdisciplinary approaches in the arts, humanities, natural sciences and social sciences and, economics and business courses. This essay, therefore, is less concerned about the placement and pedagogical design of a financial literacy course—since one course cannot cover all potential finance topics and issues. However, the goal should be to provide familiarity with basic tools and concepts that help students make smart decisions with their money. This may include a basic understanding financial statements, managing taxes, managing cash and savings, making investments, and planning for retirement. From Andrew Hallam to Robert Kiyosaki to Suzie Orman, international best-selling authors on personal finance all share one common criticism of formal education—that it has failed miserably in preparing students for their financial futures. Therefore, a targeted financial literacy course or seminar should effectively diagnose economic challenges, offer practical advice for student financial wellbeing, and motivate the lifelong learning about money management for students to make a positive difference in their lives.

4. Money Basics for College Students

In a cursory review of popular personal finance literature books that *include Rich Dad Poor Dad* (Kiyosaki, 2001), *The Millionaire Teacher* (Hallam, 2017), and *I Will Teach You to Be Rich* (Sethi, 2009), several themes surface. Summarized in one sentence, building wealth involves spending less than you earn and investing the difference wisely. Most personal finance books and blogs, advocate making financial independence a goal, organizing one's money, and making money work for individuals through investments, and starting early. Financial topics and advice are diverse with each person's financial situation unique and circumstantial. However, in targeting young adults in college, a few basic money management principles may be worth promoting. For example, in the international bestselling personal finance book titled the "Millionaire Teacher" (Hallam, 2017) a former international teacher in Singapore outlines the nine rules of wealth that enabled him to retire at 38 on a teacher's salary. A summary of his basic ideas include:

1) Increasing your savings rate
2) Investing over the long term
3) Minimizing fees
4) Avoiding making bad decisions
5) Diversifying
6) Using index funds
7) Choosing advisors with a fiduciary standard
8) Being cautious of being taken advantage of
9) Avoiding common mistakes and learning

Engaging students to consider the economic and social implications for their personal financial decisions can be empowering. Supporting finance principles and concepts with examples and actionable steps is ideal. Reducing costs (fees, taxes), diversifying assets, investing regularly for a long time, and designing a basic investing portfolio are discussions that schools can foster to get students started for a lifetime of making positive financial decisions. For example, in a popular Japanese blog called (http://retirejapan. com), specific advice about spending mindfully with regard to mobile phones, transport, housing and insurance are discussed. Moreover, investing strategies and discussions around Japan's pension schemes, Japanese individual retirement accounts (IDECO and NISA), and robo-advisors are also covered.

For students, the time value of money (effects of compound interest) is perhaps the most essential concept for why investing early pays big dividends later in life. Therefore, a basic financial literary course should explain how students can save money, invest long term, and take advantage of tax savings specific accounts. Finally, the goal for any financial literacy should be to have sufficient students actually interested in taking such a course offering. A course on "financial literacy" and "wealth management strategies" is unlikely to be appealing for many college students. However, if wealth is framed in terms of "having options" and "living their own personal dream," students of diverse backgrounds and majors might be more receptive toward a finance related course in school.

5. Conclusion

Schools can set the foundation for lifelong learning about money in students' lives. A financial education that is simple, practical, relevant, interesting and actionable is likely to stick with student's far beyond their school years. Previous research has identified several weak areas among university students such as investments and budgeting (Chen & Volpe, 1998), suggesting that more can be done in higher education.

Research is needed to identify whether university students in Japan have similar weaknesses and areas for improvement. In addition, more research is needed to explore the best practices of financial literacy courses in higher education. It is beyond the scope of this paper to argue the merits for a required or optional course in the college curriculum, or as a stand-alone seminar about financial literacy. Nevertheless, financial literacy topics are flexible and can be integrated into diverse school subjects including mathematics, English, economics, business, and social science courses.

Recent events have left people both anxious and financially vulnerable worldwide. Students face debt, precarious employment, weakening pensions, a gig economy, and the potential to make serious financial mistakes with long-term consequences for their wellbeing. Before sending students out to the world, higher education institutions should take an active role toward enhancing the financial responsibility and money management skills of students. Providing students the skills to prosper and make informed decisions for a financially stable life should, therefore, be welcome by educators and citizens alike.

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