

November 2015
Committee for the Promotion of Financial Education
(Secretariat: Central Council for Financial Services Information)

Financial Literacy Map

Standard Learning Goals for Different Age Groups

The standard learning goals designated for high school students and younger students in the *Financial Literacy Map* are consistent with the financial education goals for the same age groups designated in the *Financial Education Program*, which has already been put into use in school education. Accordingly, education on financial literacy at elementary school to high school will be promoted based on the “Financial Education Goals by Age Group” designated in the *Financial Education Program*.

Category 1. Family budget management

Item 1: Making a habit of proper income/expenditure management (eliminating debts and staying in the black)¹

Primary School Students			Secondary School Students	High School Students
1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby <u>forming the foundation of the capability to live in society</u>. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus <u>cultivating the basic capability to live independently in the future</u>. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage <u>cultivate basic skills to live independently when they become adults</u>. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
<ul style="list-style-type: none"> • Learning the value of goods and money, and making much of them. • Learning that one cannot have all that one wants. • Understanding that one has to pay money when purchasing goods or services, and actually doing so. • Learning to be patient when unable to have what one wants and being able to buy goods within one's budget. 	<ul style="list-style-type: none"> • Understanding the limitedness of goods and money and the importance of money. • Understanding that one can save money and use it in the future. • Recognizing the difference between needs and wants. • Becoming aware of the importance of moderateness through learning how to spend money appropriately, and practicing it in one's everyday life. • Being able to manage money by recording the amount of pocket money or money spent. 	<ul style="list-style-type: none"> • Understanding the limitedness of goods and money, and thinking of better ways to use them. • Being able to exercise moderation in spending, while reviewing one's spending habits. • Understanding various functions of money through one's everyday life. • Being able to buy things according to one's plan, while taking indispensability into account. • Learning how to choose goods, and being able to buy goods efficiently. • Acquiring the attitude to make decisions based on one's own idea about how to spend money. 	<ul style="list-style-type: none"> • Understanding the scarcity of goods and services, and trying to make better decisions. • Establishing a favorable lifestyle whereby one makes the most of time and goods. • Understanding household income and expenditure. • Being able to choose, purchase, and use necessary goods and services adequately. • Managing income and expenditure practically, for example, by controlling spending out of money during a school excursion. • Being careful not to overspend invisible money such as various cards. • Understanding that the sense of value differs from person to person through learning about how others spend money, while learning how to spend money responsibly based on one's own sense of value. • Being able to make better decisions based on such concepts as efficiency and fairness. 	<ul style="list-style-type: none"> • Understanding the scarcity of resources, and being able to make better decisions in purchasing goods and services. • Learning one's living cost and the cost of education, etc., and acquiring the attitude to give thought to expenses spent on oneself out of the total household expenses. • Understanding the importance of long-term and well-planned money management. • Being able to practically balance income and expenditure in school events, etc. • Recognizing the challenges to the modern consumer's life, and being able to make appropriate decisions as a consumer. • Being able to make better decisions based on such concepts as scarcity, freedom of choice, trade-offs, opportunity costs, efficiency, and fairness.

¹ The items used in this map correspond to the 15 items used in the "Report of Study Group on Financial Education," published on April 30, 2013, by the Study Group on Financial Education, established by the Financial Services Agency of Japan.

University Students	Young Adults	Adults	Senior Citizens
<p>Students at this stage <u>establish their ability to live independently as adults</u>. They should deepen their understanding of finance and the economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults.</p>	<p>Individuals at this stage <u>start to become independent in terms of lifestyle and financial aspects</u>. They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.</p>	<p>Individuals at this stage <u>live independently and assume full-fledged responsibility as adults</u>. Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families.</p> <p>People raising families should provide financial education to their children at home.</p>	<p>Individuals at this stage mainly consist of <u>retired people and pensioners</u>. They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information.</p> <p>They may <u>provide financial assistance</u> to people around them (e.g., their children), while they may also <u>receive assistance</u> from people around them who take care of them.</p>
<ul style="list-style-type: none"> • Understanding the necessity of income and expenditure management and trying to avoid going into the red (to stay in the black). • Being able to take action to improve the balance of payments, such as earning more from a part-time job as needed. • Understanding the limitedness and scarcity of resources, and being able to judge whether or not one should spend money in consideration of opportunity cost, efficiency, and fairness of spending. • Learning how much money is spent on one's own life and education, and being able to spend money while bearing in mind one's family budget as a whole as a member of the family. • Being able to spend money as necessary for improving one's skills and achieving one's goals within the budget limit and according to a plan. • When using various credit functions, better understanding that credit is future spending (debt), and using credit cards within the extent to which one can make ends meet at the settlement date (and being aware that interest accrues from credit card payments in installments). • Being able to avoid borrowing money at high interest rates. • Understanding one's own income (e.g., remittance from home, student loans, and income from part-time job) and expenditure (e.g., schooling expenses, and living expenses). • Recording one's own income, expenditure, and balance as appropriate. • Understanding that the cost for studying at university is investment in improving one's skills. • Understanding that student loans are debt. 	<ul style="list-style-type: none"> • Understanding the necessity of income and expenditure management and trying to avoid going into the red (to stay in the black) to support one's household income. • Having started to save money by withholding a certain amount of one's salary to be deposited as savings. • Being able to judge the appropriateness of one's spending accurately in light of various factors such as the necessity to spend and the amount of income. • Being able to spend money on one's hobby or improving one's skills according to a plan. • When using various credit functions, better understanding that credit is future spending (debt), and using credit cards within the extent to which one can make ends meet at the settlement date (and being aware that interest accrues from credit card payments in installments). • Being able to borrow money according to a repayment plan, within the extent to which one can make ends meet. • Being able to avoid borrowing money at high interest rates. • Understanding the disposable portion of one's income by checking a payment slip. • Being able to understand the information indicated in one's payment slip and withholding slip (e.g., tax and social insurance premiums). • Understanding one's spending (e.g., living expenses). • Managing one's income and expenditure appropriately by keeping a cashbook or household account book. 	<ul style="list-style-type: none"> • Making a habit of managing income and expenditure appropriately as the breadwinner of one's household, such as by understanding the household's income and expenditure and keeping a household account book. • Understanding one's income (disposable amount) and the nature of expenditure (temporary or constant) accurately, and being able to have prospects for future income and expenditure. • Being able to judge the appropriateness of one's spending accurately in light of various factors such as the necessity to spend and the amount of income. • Trying to improve one's balance of payments and stay in the black, and building wealth for the future by saving money and making investments. • Understanding the outline of the basic living expenses in post-retirement days while taking into account changes in family composition, and being able to estimate one's income and financial assets after retirement and take action as necessary for improvement. • Checking the status of one's assets and liabilities regularly and making efforts to increase assets and reduce liabilities. • Being able to make effective use of liabilities (e.g., housing loans) according to a plan when necessary. • Being able to avoid borrowing money at high interest rates. <p>(For people raising families)</p> <ul style="list-style-type: none"> • Being able to guide one's children on a daily basis to take care of goods. • Being able to teach one's children that money is limited and the household budget needs to be managed within such limit, based on one's own experience. • Being able to make one's children understand the meaning of household budget and the importance of management of money, by devising a way to give pocket money to children or showing them invisible spending (e.g., mobile phone charges). 	<ul style="list-style-type: none"> • Being able to manage income and expenditure and take necessary action for improvement according to a post-retirement plan. • Understanding the amount of pension one is receiving or is scheduled to receive, and changing one's lifestyle so that one can live within the limit of the pension. • Being able to manage income and expenditure in a manner by which extraordinary spending (e.g., congratulatory or condolence payments, expenses for home repair and renovation) can be afforded. • Understanding how long one can live on money obtained by cashing out financial assets. • Having someone who can give reliable advice. • Being able to consider what to do when finding it difficult to manage income and expenditure oneself, such as seeking help from one's family or public assistance, and prepare and take the appropriate measures.

Category 2. Life planning

Item 2: Articulating life plans and understanding the need to secure the funds required for life plans

Primary School Students			Secondary School Students	High School Students
1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby <u>forming the foundation of the capability to live in society</u>. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus <u>cultivating the basic capability to live independently in the future</u>. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage <u>cultivate basic skills to live independently when they become adults</u>. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
		<ul style="list-style-type: none"> • Acquiring the attitude to have dreams, and make efforts toward realizing them. 	<ul style="list-style-type: none"> • Acquiring the attitude of having dreams and hopes, knowing what is needed to realize them, and making efforts. 	<ul style="list-style-type: none"> • Acquiring the attitude of thinking about the actual steps and means to realize future dreams, and putting them into practice.
<ul style="list-style-type: none"> • Learning the pleasure of working for others through helping with housework. • Thinking about one's roles through helping housework, and doing assigned work in class. • Paying respect for working people. • Becoming aware of contrivances and efforts of retailer. • Doing something in cooperation with friends. 	<ul style="list-style-type: none"> • Being responsible for one's work, and acquiring the attitude to complete it. • Understanding the pleasure and hardship of working as well as the value of money through participating in educational activities such as cultivation. • Learning the importance of working, and being willing to work for others. • Thinking about work through activities such as selling what one has cultivated or crafted. • Understanding retailers' aims, and becoming aware of their various efforts and contrivances. 	<ul style="list-style-type: none"> • Understanding the importance of working and the difficulty of earning money. • Understanding the rights and obligations pertaining to work. • Understanding that one serves society through one's work. • Understanding one's strengths and weaknesses, and giving thought to one's occupation in the future. • Understanding that people working in each industry improve their products by adapting new ideas and making efforts. • Understanding the importance of working in cooperation with others, and doing so. 	<ul style="list-style-type: none"> • Understanding that earning money is necessary for the stability of life. • Understanding the relations between work, wages, and job satisfaction. • Realizing work through occupational experiences, gathering information, and thinking about future occupation. • Understanding the significance of work and its role in society as well as the rights and obligations pertaining to work. • Thinking about people who are not in education, employment, or training (NEET) and part-time workers. 	<ul style="list-style-type: none"> • Understanding that earning money by working is the foundation of economic independence. • Understanding that one's lifetime income differs largely depending on one's occupation. • Thinking specifically about occupational choice through choosing one's post high school career path and thinking about the kind of job one would like to be engaged in and its significance in society. • Estimating the expenditure and income (including student loans) accompanying life events such as entering university and getting a job, and thinking about the post graduation career path. • Understanding the meaning of work-life balance.

<ul style="list-style-type: none"> • Trying to save pocket money and a New Year's present of money. • Becoming aware of the importance of planning before buying in practicing how to use pocket money. 	<ul style="list-style-type: none"> • Understanding the significance of saving, and acquiring the habit of saving in a well-planned manner. • Understanding the importance of planning before spending, and acquiring the habit of doing so. • Having respect and gratitude for people supporting one's life. • Understanding the work of those who protect safety and health in society, and being willing to cooperate with them. 	<ul style="list-style-type: none"> • Being able to save in a well-planned manner, while thinking about how to spend in the future. • Acquiring the habit of spending money according to plan, while considering one's future. • Thinking about the effects that one's use of money will have on society and the environment. • Becoming aware of the significance of activities for the local community and society such as volunteer activities through learning about the details of such activities as well as through participating in those activities. • Understanding as a member of society that people working in various areas in society play an important role in one's life, and being willing to cooperate with them. • Learning that the social security system is one of the political functions of a government. 	<ul style="list-style-type: none"> • Understanding the need for life planning, and making a life plan based on one's own sense of value. • Understanding the meaning of investing money for one's life planning. • Understanding various tips to live a better life. • Thinking about the effects that one's consumption and spending will have on society, and being able to behave responsibly, taking those effects into consideration. • Thinking about various social contributions such as work, participating in volunteer activities, and donating, and acquiring the attitude to practice them. • Thinking about what is necessary for building a sustainable and better society, and trying to do that. • Taking a deeper look at elements supporting one's life, such as parents, society, other countries, and nature and having gratitude for them. • Understanding the basics of social security. 	<ul style="list-style-type: none"> • Understanding factors affecting one's own lifetime income and expenditure, and making a life plan. • Understanding the systems of pension and social security, and learning their roles in one's everyday life. • Understanding the basic characteristics of financial products such as bank accounts, stocks, bonds, and insurance, and taking an interest in relevant developments in the economy. • Understanding that the value of real assets such as houses depreciates over time, and that it becomes difficult to sell them. • Understanding the effects that economic policy and business cycle have on one's everyday life. • Foreseeing a sustainable and better society, and thinking about and doing what is needed to realize it. • Trying to use money toward the realization of a better society.
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University Students	Young Adults	Adults	Senior Citizens
<p>Students at this stage <u>establish their ability to live independently as adults</u>. They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults.</p>	<p>Individuals at this stage <u>start to become independent in terms of lifestyle and financial aspects</u>. They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.</p>	<p>Individuals at this stage <u>live independently and assume full-fledged responsibility as adults</u>. Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families.</p> <p>People raising families should provide financial education to their children at home.</p>	<p>Individuals at this stage mainly consist of <u>retired people and pensioners</u>. They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information.</p> <p>They may <u>provide financial assistance</u> to people around them (e.g., their children), while they may also <u>receive assistance</u> from people around them who take care of them.</p>
<ul style="list-style-type: none"> • Envisioning one's dreams and hopes in detail so that one can achieve them while engaging in an occupation after graduation, and studying and training hard toward realizing the dreams and hopes. 	<ul style="list-style-type: none"> • Making one's life plan in detail and revising it in light of the occupation one has chosen and one's dreams and hopes, and working on a life plan so that one can achieve the dreams and hopes while engaging in that occupation. • Planning one's future career path and making efforts to acquire, improve, and maintain one's occupational skills. • Being able to review one's life plan according to changes in one's internal and external environments. 	<ul style="list-style-type: none"> • Being able to share the life plans of one's family members and cooperate with one another toward achieving these plans. • Reconsidering one's life plan, financial plan, and assets to hold when necessity arises in light of the changes in one's circumstances and the gap between the plan and reality (e.g., changes in jobs, housing, and educational plans for children, need to take care of one's parents, inheritance, and selling assets), and making constant efforts to achieve one's life plan in view of one's life in old age. • Engaging in financial education for children at home (e.g., teaching how to manage pocket money and fostering a career view) taking account of what is taught at school. 	<ul style="list-style-type: none"> • Reviewing one's post-retirement life plan while taking into consideration the effective use of leisure time and contribution to one's family and society; at the same time, changing one's lifestyle to one affordable with a pension and making steady efforts so that one can live a spiritually rich and stable life. • Making a plan and preparations for the last stage of one's life while also preparing for the decline in one's strength.
<ul style="list-style-type: none"> • Understanding that one's lifetime income differs largely depending on one's occupation and added value created by one's work, and making active efforts toward improving one's skills required for the occupation one hopes to engage in. • Understanding that one needs to be completely independent in financial terms on the basis of one's income from work after graduation. 	<ul style="list-style-type: none"> • Being able to estimate how much money one would need to achieve one's life plan (e.g., marriage, education, housing, and living in old age), and to save money and manage assets according to a plan; and organizing one's view and sorting the necessary expenses for life events that will happen in the near future (e.g., marriage, child birth, and child raising), and making preparations for them according to a plan. 	<ul style="list-style-type: none"> • Acquiring necessary knowledge and know-how upon one's life events (e.g., buying a house, children's entering higher education), and being able to take appropriate measures, including management of the necessary funds. • Making efforts to repay housing and educational loans according to a plan; at the same time, designing a post-retirement life plan and making preparations to 	<ul style="list-style-type: none"> • Establishing a lifestyle affordable with a pension income, and securing some money as a rainy-day fund in old age and putting it toward sound management and investment. • Understanding the scheme of pension payment and managing one's money in anticipation of changes in the pension income along with changes in the environment (e.g., price indexation and the death of

<ul style="list-style-type: none"> • Having acquired the basic habit of saving, such as carrying over a surplus to the next month and avoiding getting an advance. • Having a realistic image of how much money will be necessary for one's life events, including the funds for the three biggest events in life (i.e., education, buying a house, and living in old age). • Preparing a life event schedule and cash flow table for approximately the coming ten years to have an image of the expected income and expenditure during that period. • Understanding the characteristics of basic financial products such as deposits, stocks, bonds, and insurance, and thinking how to use these products in one's future life. • Understanding that real assets such as houses will depreciate due to use and aging and will be difficult to sell. • Understanding the basic frameworks of taxation and social insurance systems (e.g., medical insurance, employment insurance); with regard to national pension in particular, understanding that students and low-income young people may be given a moratorium on contribution payment, and taking necessary action. • Using student and education loans within the limit that one can repay with one's income from work. 	<ul style="list-style-type: none"> • Identifying long-term income and expenditure and budget problems, and considering necessary measures by preparing a life event schedule and cash flow. • Identifying the status of assets and liabilities of one's household that may affect future income and expenditure, including the characteristics of one's real assets (e.g., housing), and understanding the necessity to take note of such status. • Having one's saving behavior established, by withholding part of one's salary to be deposited as savings. • Understanding the necessity to choose appropriate financial products according to the objective and nature of funds². • Understanding the details of one's medical insurance and public insurance (workers' compensation insurance) programs as well as pension program, and considering subscribing for private saving, insurance, or pension programs as necessary. 	<p>secure the necessary funds for the future (by saving money), based on the estimated pension income.</p> <ul style="list-style-type: none"> • Reviewing one's life event schedule and cash flow table regularly along with the implementation and revision of one's life plan. • Preparing one's balance sheet (e.g., real/financial assets, borrowings) to identify the details, sizes, and characteristics of assets and liabilities, and consider and take necessary measures (e.g., managing assets and squeezing debts). • Enhancing one's knowledge and understanding of finance and economy and improving one's proficiency in asset management and investment, thereby being able to choose appropriate financial products according to the objective and nature of funds². • Anticipating unexpected or emergency situations (e.g., death, injury or illness, or fire) and making appropriate preparations, such as saving money and buying insurance. 	<p>the pension recipient).</p> <ul style="list-style-type: none"> • Reviewing one's life event schedule and cash flow table regularly along with the implementation and revision of one's life plan. • Preparing one's balance sheet (e.g., real/financial assets, borrowings) to identify the details, sizes and characteristics of assets and liabilities, and consider and take necessary measures (e.g., securing funds for living in old age and inheritance of assets). • Trying to make appropriate investment in financial products with one's funds for living in old age according to the nature of the respective types of funds (e.g., funds for living expenses and extra funds) and in consideration of the risk-return relationship. • Having one's assets inherited by one's children and grandchildren according to a plan, in light of taxation measures. • Making preparations for asset management and investment in case one's decision-making ability or comprehension weakens.
<ul style="list-style-type: none"> • Being able to think about how one's spending of money (including donations and investment) can affect and contribute to society and consider one's life plan based on one's own sense of value. • Understanding that consumers have social responsibilities for contributing to achieving a fair and sustainable society through their consumption behavior. • Understanding that contribution to society can be carried out through various levels of behavior, including volunteer activities, donations, investment, and daily consumption, and being able to think of what one should do and to act according to one's view. 			

² Example 1: Understanding the necessity to first identify how much money one will need and when and for what one will need it, and divide one's money into funds ready at hand, funds saved for future use such as education and housing, and funds for long-term investment, and then choose appropriate financial products according to the nature of the respective types of funds.

Example 2: Understanding that appropriate financial behavior differs depending on one's age in that it may be appropriate for young working people to take some risks in choosing financial products due to the need to increase financial assets for the future, whereas senior citizens are generally recommended to set up a portfolio with safer assets.

Category 3. Knowledge of the basics of financial transactions

Item 3: Making a habit of assuming a fundamentally careful attitude toward contracts

Item 4: Making a habit of confirming the reliability of information sources and contract counterparties

Item 5: Understanding that Internet transactions are convenient but require some precautions different than in the case of face-to-face transactions

	Primary School Students			Secondary School Students	High School Students
	1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
	<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby <u>forming the foundation of the capability to live in society</u>. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus <u>cultivating the basic capability to live independently in the future</u>. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage <u>cultivate basic skills to live independently when they become adults</u>. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
Item 3	<ul style="list-style-type: none"> • Being able to choose and buy goods based on one's objectives. 	<ul style="list-style-type: none"> • Being able to choose and buy goods based on one's objectives and prices. • Becoming aware of the importance of giving concerns to safety and the environment in one's everyday consumption. • Acquiring the attitude to immediately consult someone close when in trouble. 	<ul style="list-style-type: none"> • Being able to purchase goods appropriately after deliberating on how to choose and buy them. • Understanding the importance of giving concerns to safety and the environment in one's everyday consumption, and making efforts to live such a life. • Learning that trouble related to money makes one's family worry, and one needs to be careful to avoid it. • Learning the functions and contact addresses of consumer centers, and the fact that one can consult the centers when in trouble. 	<ul style="list-style-type: none"> • Understanding the basics of contracts, and acquiring the attitude not to make promises lightly and to keep promises in one's everyday life. • Learning consumers' rights and responsibilities through understanding the Basic Consumer Act, and acquiring the attitude to make use of such knowledge in one's everyday life. • Understanding product liability, and acquiring the attitude to make use of such knowledge when purchasing and using products. • Being able to give concerns to safety and the environment in one's everyday consumption. • Learning about the cooling-off system and the means to utilize it. • Being able to find the consultant offices as necessary when one encounters trouble. • Acquiring the attitude to think about the role of money in accidents and crimes occurring in society. 	<ul style="list-style-type: none"> • Understanding the meaning, key points, and the responsibilities accompanying contracts, and acquiring the attitude of reading and confirming contracts before signing them. • Understanding that one is charged fees when one signs a contract. • Understanding the Consumer Contract Act. • Understanding the causes of consumer trouble concerning contracts and consumer credit, and acquiring the attitude to avoid such trouble. • Understanding the protection of personal information, and taking an interest in the issues relating to such protection. • Being able to find the consultant offices for people caught up in multiple debt problems and consult with the office staff. • Understanding the importance of consumer protection from the viewpoint of asymmetric information.

					<ul style="list-style-type: none"> Improving one's lifestyle so that one can spend life giving concerns to safety and the environment.
	<ul style="list-style-type: none"> Becoming aware of the importance of keeping promises. 	<ul style="list-style-type: none"> Understanding the importance of keeping rules, and doing so. 	<ul style="list-style-type: none"> Complying with laws and rules. 	<ul style="list-style-type: none"> Understanding that complying with laws and rules will maintain public order, and doing so. 	<ul style="list-style-type: none"> Understanding that complying with laws and rules is important for the market economy to work sufficiently. Complying with laws and rules, and being careful not to cause damage to others.
Item 4			<ul style="list-style-type: none"> Being able to compare and make better decisions in one's everyday consumption by gathering and using relevant information. Learning from actual cases of financial trouble that primary school students are involved in, and being cautious to avoid such trouble. 	<ul style="list-style-type: none"> Being able to compare and make better decisions in one's everyday consumption by gathering and using relevant information. Distinguishing scams and swindles, and avoiding getting involved. 	<ul style="list-style-type: none"> Being able to gather information using ICT (information and communication technologies), etc., and use the information in one's everyday consumption. Learning about the present situation of multiple debt problems, and avoiding easy borrowing.
Item 5			<ul style="list-style-type: none"> Learning from case studies of trouble arising from the use of the Internet and cellular phones that primary school students are involved in, and understanding how to use them appropriately. 	<ul style="list-style-type: none"> Learning from case studies of trouble arising from the use of the Internet and cellular phones, and understanding how to prevent such trouble, and acquiring the attitude to act appropriately. 	<ul style="list-style-type: none"> Learning from case studies of trouble arising from the use of the Internet and cellular phones, and understanding how to prevent such trouble, and acquiring the attitude to act appropriately.

	University Students	Young Adults	Adults	Senior Citizens
	Students at this stage establish their ability to live independently as adults . They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults .	Individuals at this stage start to become independent in terms of lifestyle and financial aspects . They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.	Individuals at this stage live independently and assume full-fledged responsibility as adults . Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families. People raising families should provide financial education to their children at home.	Individuals at this stage mainly consist of retired people and pensioners . They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information. They may provide financial assistance to people around them (e.g., their children), while they may also receive assistance from people around them who take care of them.
Item 3	<ul style="list-style-type: none"> • Being able to engage in appropriate consumption behavior by comparing collected information. • Being able to closely examine the necessity of a contract when confirming its terms, and also confirm the contract details, such as whether the contract can be canceled and whether or not a penalty arises upon cancelation, as well as the burden to pay fees. • Making a habit of confirming the terms of a contract and the responsibilities accompanying it not only by receiving the service provider's explanation but also by checking the document oneself, and asking oneself whether one understands these matters. • Making a habit of not signing a contract when failing to fully understand its terms and the responsibilities accompanying it, until one can understand these matters by seeking further explanation from the service provider or taking a pamphlet home to read through. • Being able to seek advice from an appropriate third party if necessary before signing a contract. 			
	<ul style="list-style-type: none"> • Understanding the laws and systems applicable to various types of selling and soliciting practices, and being able to follow the procedures to conclude a contract as well as to cancel a contract (e.g., the cooling-off system). • Knowing about various organizations to consult with when in trouble concerning a contract, and being able to seek advice from appropriate organizations. 			
	<ul style="list-style-type: none"> • Acquiring basic knowledge that senior citizens would need in asset management (e.g., inheritance and adult guardianship), and being able to consult with experts as necessary. 			
	<ul style="list-style-type: none"> • Making a habit of checking oneself whether the status of the financial products one holds has deteriorated, rather than leaving their management to the service provider. • Being aware of consumers' rights and obligations and being able to act as an independent consumer. • Improving one's lifestyle so that one can spend life giving concerns to safety and the environment. 			
Item 4	<ul style="list-style-type: none"> • Being able to gather information using ICT, etc., and use the information in one's everyday consumption. • Being careful in signing a contract, while understanding that those engaging in financial transactions tend to be targeted by fraud or other malicious attempts, and when one is defrauded of money, it is difficult to recover in full. • Knowing that one can check on the Financial Services Agency's website whether the service provider one is trading or will trade with is registered, and checking this as appropriate. • Knowing that one can check on self-regulatory organizations' websites whether the service provider one is trading or will trade with is a member of such an organization, and checking this as appropriate. 			
Item 5	<ul style="list-style-type: none"> • Knowing about incidents involving Internet transactions (e.g., stealing of identification data by spyware or phishing, and unauthorized computer access), and understanding the need to be careful not to be involved in these incidents. • Understanding the possibility that unintended contracts may be executed due to incorrect input. • Understanding that trading can be interrupted temporarily due to the failure of machines (PCs) or communications. • Understanding that if one's financial transactions are concentrated in Internet transactions excessively, one would incur greater damage when one's data are stolen or accessed without authorization. 			
	<ul style="list-style-type: none"> • Being able to take security measures when conducting Internet transactions, such as updating the security software in one's PC, not opening emails sent from unknown persons, and not using PCs available for anyone to use. • When conducting Internet transactions, trying to use the PC carefully to avoid incorrect inputs and bearing in mind the alternative methods for trading in the event of failure. 			

Category 4. Common to all categories of finance

Item 6: Understanding the key concepts constituting the foundations of financial education (interest [simple interest and compound interest], inflation, deflation, exchange rates, risk-return, etc.), and the selection/use of financial products suited to financial and economic circumstances

Item 7: Understanding the importance of ascertaining the actual cost (price) of a transaction

		Primary School Students			Secondary School Students	High School Students
		1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
		<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby forming the foundation of the capability to live in society. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus cultivating the basic capability to live independently in the future. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage cultivate basic skills to live independently when they become adults. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
Item 6	Functions of money and finance	<ul style="list-style-type: none"> • Understanding that one has to pay money when purchasing goods or services, and actually doing so. • Becoming aware of the difference between coins and notes. 	<ul style="list-style-type: none"> • Understanding that one can save money and use it in the future. • Understanding that one earns interest by depositing money at banks. 	<ul style="list-style-type: none"> • Understanding various functions of money through one's everyday life. • Understanding the basic functions of banks, such as accepting deposits and providing loans. 	<ul style="list-style-type: none"> • Understanding the roles of money. • Understanding the types and the functions of financial institutions. • Understanding the mechanisms of direct and indirect finance. • Understanding the functions of central banks. • Understanding the mechanisms and methods of various types of settlement. • Understanding the types, functions, and mechanisms of various cards. 	<ul style="list-style-type: none"> • Understanding the functions of currency. • Understanding the mechanisms and functions of finance, including the significance of direct and indirect finance. • Understanding the functions of interest rates and the reasons for their fluctuations. • Deepening the understanding of the functions of central banks. • Understanding the features of electronic money and regional currencies. • Understanding the causes and effects of the diversification of settlement functions.
	Saving and investing	<ul style="list-style-type: none"> • Trying to save pocket money and a New Year's present of money. 	<ul style="list-style-type: none"> • Understanding the significance of saving, and acquiring the habit of saving in a well-planned manner. 	<ul style="list-style-type: none"> • Being able to save in a well-planned manner, while thinking about how to spend in the future. • Learning principal types of bank accounts, understanding the 	<ul style="list-style-type: none"> • Understanding that there are various types of financial products such as stocks and bonds. • Understanding the relationship between risks and returns. • Understanding the meaning of investing money 	<ul style="list-style-type: none"> • Understanding the basic characteristics of financial products such as bank accounts, stocks, bonds, and insurance, and taking an interest in relevant developments in the economy. • Understanding the importance of

				<p>difference of interest rates on various kinds of deposits, and being able to calculate simple interest.</p>	<p>for one's life planning.</p> <ul style="list-style-type: none"> • Understanding that personal investment leads to supporting firms' economic activities. • Understanding the calculation of compound interest, and obtaining the attitude to save and invest continuously. 	<p>self-responsibility in selecting financial products for investment.</p> <ul style="list-style-type: none"> • Understanding the relationship between risks and returns, taking into consideration the characteristic that financial products can generate both profits and losses. • Understanding how to manage risks such as through allocating funds into various financial products. • Understanding the relationship between saving periods and the compound interest obtained, and obtaining the attitude to save and invest in the long run. • Understanding that continuing to save and invest regularly, even in small amounts, is beneficial in preparing for the future.
	Business cycles and economic policies		<ul style="list-style-type: none"> • Understanding the relationship between regional production activities and one's everyday life. 	<ul style="list-style-type: none"> • Understanding the effects of the changes in regional production activities and sales activities on one's everyday life and society. 	<ul style="list-style-type: none"> • Understanding that business cycles and price fluctuations affect people's everyday lives. • Understanding the relationship between actual economic developments and movements in economic indicators. • Understanding the central bank's monetary policy. • Understanding the relationship between the government's economic policies and one's everyday life. 	<ul style="list-style-type: none"> • Understanding the factors causing business cycles and the effects on one's everyday life. • Understanding the relationship between the government's/central bank's economic policies and one's everyday life. • Understanding the means and aims of the central bank's monetary policy. • Understanding the relationship between the government's economic policies and fiscal deficits. • Understanding the meaning of inflation and deflation and their effects on people's everyday lives.

<p>Understanding the mechanisms of the economy</p>	<ul style="list-style-type: none"> • Learning that goods and money can be exchanged. 	<ul style="list-style-type: none"> • Examining regional production activities, and understanding the circulation of goods and money. • Understanding that retailers have pricing strategies, considering that consumers consider prices as a criterion when purchasing goods. • Learning how to determine prices of agricultural and manufactured goods. • Understanding the functions and roles of farms, factories, and stores. 	<ul style="list-style-type: none"> • Understanding the circulation of goods and money among households, firms, the government, and banks. • Understanding means and efforts, including those regarding prices and costs, of people working in agriculture and manufacturing industries. • Understanding that prices of goods fluctuate. • Understanding the circulation of goods and money between Japan and overseas countries. 	<ul style="list-style-type: none"> • Understanding the circulation of goods and money among households, firms, financial institutions, the government, and overseas countries. • Understanding the meaning of the yen's appreciation and depreciation and their effects on people's everyday lives. • Gaining a practical understanding of the functions, roles, and social responsibilities of corporations through, for example, a simulation of starting a business. • Understanding firms' various methods of collecting funds. • Understanding that personal investment leads to supporting firms' economic activities. • Understanding that firms make fixed investment with the collected funds. • Understanding that prices have a function to efficiently allocate scarce resources in the market economy. 	<ul style="list-style-type: none"> • Understanding the overall circulation of goods, money, and people among households, firms, financial institutions, the government, and overseas countries. • Understanding the significance of the market economy as well as of choices and competition within the economy. • Understanding the functions of markets for commodities, financial products, securities, foreign exchange, etc. • Understanding the establishment, the significance, and social functions of firms. • Understanding economic globalization based on knowledge about international trade, foreign exchange, etc.
<p>Others</p>	<ul style="list-style-type: none"> • Becoming aware of contrivances and efforts of retailers. • Becoming aware that people often need to pay a fee to use public facilities. 	<ul style="list-style-type: none"> • Understanding retailers' aims, and becoming aware of their various efforts and contrivances. • Understanding various public activities supporting society and the necessary expenses. 	<ul style="list-style-type: none"> • Understanding that people working in each industry improve their products by adapting new ideas and making efforts. • Taking an interest in problems in society while relating them to one's everyday life. • Understanding major types of taxes and their significance as well as the public's obligation to pay taxes. 	<ul style="list-style-type: none"> • Understanding how a company is run and the contrivance of and efforts needed for its management through, for example, a simulation of starting a business. • Understanding the significance of the government's economic activity, such as providing social security and public services. • Acquiring the habit to gather information about the economy through various media such as newspapers. • Taking an interest in economic problems caused by the low birth rate and aging population, globalization, and highly advanced information technologies. • Understanding the significance and the role of taxes and the public's obligation to pay taxes. • Understanding the significance of having regulation and deregulation of economic 	<ul style="list-style-type: none"> • Acquiring necessary knowledge for starting a business, and thinking about the potential of a new business. • Understanding the necessity of increasing added value in company management. • Being able to gather information from various sources on modern economic and social problems and analyze them. • Acquiring the attitude to actively think about the policies that the government should take toward the settlement of economic and social problems. • Giving thought to the government's fiscal deficit problem. • Understanding the objectives of fiscal policy. • Understanding the meaning and the necessity of public burden, such as taxes, and the public's obligation to pay taxes. • Understanding that the government conducts

					<p>activity.</p> <ul style="list-style-type: none"> • Understanding the rights and obligations of workers. • Taking an interest in the wide-ranging economic problems and acquiring the attitude to actively think about economic problems. 	<p>economic policies to guarantee the freedom of economic activities, secure efficiency and fairness, realize growth and stability, etc.</p> <ul style="list-style-type: none"> • Giving thoughts to firms' responsibilities and contribution to society and reflecting them in one's occupational choice. • Acquiring the attitude to check working conditions as well as understanding worker's rights and obligations. • Acquiring the attitude to consider problems rationally and subjectively toward the settlement of economic and social problems.
Item 7						<ul style="list-style-type: none"> • Understanding the basic characteristics of financial products such as bank accounts, stocks, bonds, and insurance, and taking an interest in relevant developments in the economy. • Understanding that one is charged fees when one signs a contract.

		University Students	Young Adults	Adults	Senior Citizens
		Students at this stage establish their ability to live independently as adults . They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults .	Individuals at this stage start to become independent in terms of lifestyle and financial aspects . They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.	Individuals at this stage live independently and assume full-fledged responsibility as adults . Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families. People raising families should provide financial education to their children at home.	Individuals at this stage mainly consist of retired people and pensioners . They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information. They may provide financial assistance to people around them (e.g., their children), while they may also receive assistance from people around them who take care of them.
Item 6	Wealth building and asset investment	<ul style="list-style-type: none"> • Understanding the relationship between risks and returns of financial products (see Category 7 "Wealth-building products"). • Understanding the three characteristics of financial products (i.e., liquidity, safety, and profitability). • Understanding how to manage risks such as through allocating funds into various financial products. • Understanding the importance of saving and investing regularly from a long-term perspective. • Understanding the difference between saving and investment and between investment and speculation. • Knowing the Rule of 72 and being able to employ it.³ • Understanding the relationship between the value of money and time (e.g., compound interest and present discounted value). 			
	Functions of money and finance	• Understanding the functions of central banks.	• Understanding how central banks' policies affect households and firms.		
		• Understanding the factors involved in interest rate fluctuations.			
	Business cycles and economic policies	• Understanding settlement means other than cash, such as credit cards and electronic money.	• Using settlement means other than cash, such as credit cards and electronic money, appropriately depending on the purpose.		
		• Understanding the types of economic policies.	• Understanding how changes in economic policies affect households and firms.		
Understanding the mechanisms of the	• Understanding how inflation and deflation affect the economy.	• Understanding how inflation and deflation affect households and firms.			
	• Understanding major financial and economic indicators.	<ul style="list-style-type: none"> • Understanding domestic business trends based on major financial and economic indicators. • Understanding global economic trends based on major financial and economic indicators in foreign countries. 			
	Understanding the mechanisms of the	<ul style="list-style-type: none"> • Understanding the functions and roles of the three sectors of the economy (households, firms, and the government) and those of financial institutions. • Understanding the functions of markets for financial products, securities, and foreign exchange. • Being able to collect domestic and international economic information with the use of information devices and information and communication networks. 			

³ The Rule of 72 is a formula for easily calculating the number of years required to double money (doubling time): the doubling time $\approx 72 / \text{interest rate}$. For example, when money is invested at an interest rate of 3%, the doubling time would come to $72/3=24$, which means the invested money would double in about 24 years. The interest rate used in this formula is a compound interest rate, and the result is a rough estimate.

	economy				
Others		<ul style="list-style-type: none"> • Carrying out activities for self-development as appropriate for one's career path. • Developing one's skills and acquiring qualifications as necessary for occupational choice. • Understanding that one's income would differ depending on one's work style or occupation. • Understanding how much money and what kind of business plan are needed for starting a business. 	<ul style="list-style-type: none"> • Making a career plan and carrying out necessary activities for self-development. 		
				<ul style="list-style-type: none"> • Making a donation to the extent that one can afford it. 	
				<ul style="list-style-type: none"> • Having children understand from where their family gains income. • Having children record their pocket money or money spent to learn the importance of money management. 	
		<ul style="list-style-type: none"> • Understanding the government's fiscal conditions. • Understanding the government's role from the national revenue and expenditure. 			
		<ul style="list-style-type: none"> • Understanding the current status and problems of taxation and social security systems. 		<ul style="list-style-type: none"> • Understanding the current status and problems of the public pension and insurance schemes. 	
		<ul style="list-style-type: none"> • Understanding the types of taxes and social insurance premiums. 	<ul style="list-style-type: none"> • Understanding the significance of tax payment through understanding what taxes and social insurance premiums are being used for. 		
Choosing financial products according to the financial and economic circumstances		<ul style="list-style-type: none"> • Understanding the basic details and the nature of financial products (e.g., savings and deposits, stocks, bonds, investment trusts, insurance, products in foreign currency, and various types of loans). • Understanding how business trends, interest rate fluctuations, inflation/deflation, and exchange rate movements (the yen's appreciation and depreciation) affect the prices, real values, interest rates (yield rates) and other aspects of financial products (e.g., savings and deposits, stocks, bonds, investment trusts, products in foreign currency, and loans⁴). • Understanding the nature of various types of financial products and the relationships between risks and returns, and being able to invest in these products on one's own responsibility in light of the financial and economic circumstances. 			
Item 7		<ul style="list-style-type: none"> • Understanding the details of various types of financial products, such as savings and deposits, stocks, investment trusts, and insurance. • Understanding that various methods are available for buying financial products and obtaining loans (e.g., face-to-face transactions and Internet transactions). • Understanding that the fees to be charged and other costs for buying financial products and obtaining loans would differ according to the types of products and trading methods. • When investing in wealth-building products (e.g., stocks, investment trusts, real estate-related products, and various assets in foreign currencies), choosing the products to invest in while understanding all costs to be actually incurred (e.g., the fee charged upon purchase, administration costs, and amount retained in trust property). • Understanding the outline of the taxation system and taxes related to transactions of financial products.⁵ • When using loans, understanding not only the interest rate but also all costs incidental to the loan contracts (e.g., various fees, taxes, and premiums for group credit insurance). 			

⁴ For example, supposing that one buys a loan product, the interest burden at a floating rate would be heavier if the rate increases in the future. On the other hand, the fixed interest rate is generally higher than the floating rate at the initial stage. Therefore, it is necessary to make a choice between a floating rate loan and a fixed rate loan based on the view on the interest rate in light of the financial and economic circumstances.

⁵ Including a grasp of tax benefit programs for wealth-building (e.g., wealth-building savings for housing, wealth-building savings for pension, personal pension insurance, defined-contribution pension plan, and Nippon Individual Savings Account (NISA) -- namely, tax exemption for small-amount investment).

Category 5. Insurance products

Item 8: Understanding which contingencies (death, illness, fire, etc.) one should seek insurance coverage for

Item 9: Understanding the amount of economic security required should a covered contingency occur

	Primary School Students			Secondary School Students	High School Students
	1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
	<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping housework, thereby forming the foundation of the capability to live in society. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus cultivating the basic capability to live independently in the future. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage cultivate basic skills to live independently when they become adults. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
Item 8	<ul style="list-style-type: none"> • Becoming aware of surrounding risks, understanding the importance of living safely, and acting accordingly. 	<ul style="list-style-type: none"> • Understanding the possibilities of various accidents, natural disasters, and illness in one's everyday life, and acting accordingly. • Understanding people's means and efforts to prevent accidents and natural disasters. • Becoming aware of the possibilities of causing injury to others or damaging others' belongings in one's everyday life, and being careful to avoid them. • Understanding the need to prevent accidents and provide against natural disasters. 	<ul style="list-style-type: none"> • Understanding the considerable impact on one's own life caused by accidents, natural disasters, and illness in which oneself or a family member is involved, and acting safely to avoid any danger. • Understanding efforts to prevent natural disasters. • Imagining the impact of causing injury to others or damaging others' belongings such as when riding a bicycle, and acting carefully to avoid such incidents. • Understanding that one is insured against accidents and illness during school excursions, etc. • Understanding that insurance is another way besides savings to provide against unexpected events. 	<ul style="list-style-type: none"> • Understanding that various risks exist in one's everyday life, and acting cautiously by predicting and responding to the risks. • Understanding that insurance is one way to reduce the risks of and burdens imposed by accidents, natural disasters, and illness. 	<ul style="list-style-type: none"> • Understanding that various risks exist in one's everyday life, and acting cautiously by predicting and controlling the risks. • Recognizing the heavy burden on household expenses when risks of illness, accidents, etc., materialize, and understanding risk management methods. • Understanding the functional difference between insurance and savings as a method of provision against unexpected events.
Item 9				<ul style="list-style-type: none"> • Understanding that one has to compensate when causing injury to others or damaging others' belongings in the event of a bicycle accident, etc. 	<ul style="list-style-type: none"> • Understanding the complementary relationship between social insurance and private insurance. • Understanding that one has to take responsibility and compensate when, for example, causing a motorcycle (including bicycle) or automobile accident involving injury.

	University Students	Young Adults	Adults	Senior Citizens
	Students at this stage establish their ability to live independently as adults . They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults .	Individuals at this stage start to become independent in terms of lifestyle and financial aspects . They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.	Individuals at this stage live independently and assume full-fledged responsibility as adults . Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families. People raising families should provide financial education to their children at home.	Individuals at this stage mainly consist of retired people and pensioners . They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information. They may provide financial assistance to people around them (e.g., their children), while they may also receive assistance from people around them who take care of them.
Item 8	<ul style="list-style-type: none"> • Knowing the basics of risk management, i.e., identifying risks (e.g., injury, death, disease, traffic accident, fire, and earthquake), controlling risks (avoiding, preventing, and mitigating damage), taking risks (acting in anticipation of the burden of [minor] loss), and transferring risks (passing a loss onto another). • Knowing that insurance is a means of transferring risks and that it is suitable to cover such an event that would occur less frequently but could cause a greater loss once it does. • Understanding the types and details of the risks which one should be prepared for. 			
	• As for nonlife insurance understanding risks that may arise as university students have more social contact through living alone or going on trips.	• As for nonlife insurance understanding that at the company where one has found a job, the management insures the business sites and factories, thus insurance functions in the society and economy.	• As for nonlife insurance when buying a car or home, understanding the respective types of insurance necessary for one's family and oneself from the perspective of risk management.	
	<ul style="list-style-type: none"> • Understanding the outlines of the characteristics of various private insurance products and the fact that appropriate insurance products differ depending on needs. • As for life insurance understanding the importance of life planning. 			
	<ul style="list-style-type: none"> • Checking whether the details of the insurance product that one is planning to buy meet one's needs. Confirming in what cases insurance would not be paid out (exemptions), by checking the document or hearing the service provider's explanation. • Understanding that some insurance products also serve as savings programs, and judging whether one should buy such products in light of one's needs. 			
Item 9	<ul style="list-style-type: none"> • Being able to examine risks that one should be prepared for and choose appropriate insurance products to cover the necessary amount, and to reconsider one's insurance according to changes in family composition or income. 			
	• As for life insurance being able to make a medium- to long-term life plan and make appropriate preparations such as saving money and buying insurance.	• As for life insurance having started to make financial preparations based on a post-retirement life plan, by saving money and joining a private pension plan.	<ul style="list-style-type: none"> • Understanding the necessity and benefit for the elderly to have insurance, and the types of insurance (including the difference between accident insurance and medical insurance). • Being able to consult with one's family and acquaintances as necessary when buying insurance. 	
	<ul style="list-style-type: none"> • Understanding the outlines of pension and social insurance systems (e.g., medical insurance and industrial accident compensation insurance). 			

	<ul style="list-style-type: none"> • As for life insurance , understanding the respective roles and details of the three types of protection against risks in everyday life, i.e., "public protection," "corporate protection," and "private protection." 	<ul style="list-style-type: none"> • As for life insurance being able to identify the necessary amount to be covered by an insurance product, while taking into consideration the amount that can be covered by social security and corporate welfare programs, and one's income and savings. • As for medical insurance, being able to identify the necessary amount to be covered by an insurance product, while taking into consideration the amount that can be covered by social insurance programs (e.g., refund of medical expenses).
	<ul style="list-style-type: none"> • Understanding that the damages for a victim's injury in a car accident may not always be covered in full by compulsory automobile liability insurance. • Understanding that liability to pay a hefty amount of damages to a victim could arise even in a bicycle accident. 	
		<ul style="list-style-type: none"> • Understanding that taking out an insurance policy is a contractual act and that the terms of the insurance policy are provided in the policy conditions.
		<ul style="list-style-type: none"> • Understanding in what cases one can or cannot receive insurance benefits, and the basic points of the procedure for making an insurance claim. • As for life insurance, knowing the system for making a claim by the designated agent, and the adult guardianship system.

Category 6. Loans/credit

Item 10: Understanding basic precautions when arranging a home loan
(1) Importance of setting a reasonable loan limit and putting together a repayment plan
(2) Importance of preparing for the possibility of circumstances that could make repayment difficult

Item 11: Making a habit of avoiding thoughtless/reckless use of credit cards and credit card loans/ personal loans using cards issued by banks, etc., termed “card loans” in Japan

	Primary School Students			Secondary School Students	High School Students
	1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
	<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby forming the foundation of the capability to live in society. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus cultivating the basic capability to live independently in the future. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage cultivate basic skills to live independently when they become adults. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
Items 10 and 11	<ul style="list-style-type: none"> Understanding the importance of planning before spending, and acquiring the habit of doing so. 	<ul style="list-style-type: none"> Acquiring the habit of spending money according to plan, while considering one's future. 	<ul style="list-style-type: none"> Understanding the need for life planning, and making a life plan based on one's own sense of value. Understanding the mechanisms and the functions of loans. 	<ul style="list-style-type: none"> Understanding factors affecting one's own lifetime income and expenditure, and making a life plan. Understanding the mechanism of loans such as for housing and student loans, and considering repayment methods, interest rates, and the effects of delayed repayments. 	
	<ul style="list-style-type: none"> Avoiding borrowing money from friends or lending it to them. 	<ul style="list-style-type: none"> Learning from actual cases of financial trouble that primary school students are involved in, and being cautious to avoid such trouble. 	<ul style="list-style-type: none"> Understanding important notices on the use of credit cards, and acquiring the attitude to act appropriately. Being able to calculate interest rates on loans, understanding the burden of payment of interest, and acquiring the attitude to act appropriately. 	<ul style="list-style-type: none"> Understanding the roles and functions of various cards and the important features to bear in mind when using them, and acquiring the attitude to use them appropriately. Understanding the relationship between interest rates on loans and the amount of repayment through case studies, and acquiring the attitude to act appropriately. Learning about the present situation of multiple debt problems, and avoiding easy borrowing. Understanding the need to check the feasibility of repayment taking into account one's life plan when taking out a loan. 	

	University Students	Young Adults	Adults	Senior Citizens
	<p>Students at this stage establish their ability to live independently as adults. They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults.</p>	<p>Individuals at this stage start to become independent in terms of lifestyle and financial aspects. They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.</p>	<p>Individuals at this stage live independently and assume full-fledged responsibility as adults. Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families.</p> <p>People raising families should provide financial education to their children at home.</p>	<p>Individuals at this stage mainly consist of retired people and pensioners. They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information.</p> <p>They may provide financial assistance to people around them (e.g., their children), while they may also receive assistance from people around them who take care of them.</p>
Item 10	<ul style="list-style-type: none"> • Understanding the necessity of money for housing. • Considering a life plan while taking into account the importance of one's credit for borrowing money. 	<ul style="list-style-type: none"> • Making a life plan while taking into consideration the need for housing. <ul style="list-style-type: none"> - Including the need for housing in one's life plan. - Considering whether buying a house with a loan is more appropriate than buying one with cash, or renting a house in the course of achieving one's life plan, while taking into account various factors (e.g., income, age, family composition, and inheritance). • Understanding the basic characteristics of housing loans. <ul style="list-style-type: none"> - The loan amount generally exceeds the borrower's annual income, and it usually takes a long time to repay the loan, around 10 to 35 years. - Housing loans are divided into private loans and public loans, and loan details (e.g., type of interest rate, interest and other costs, loan limit, and loan terms) vary depending on the type of loan and the financial institution that provides the loan. - The burden to repay a loan can be mitigated by having a large amount of one's own funds. • Being able to consider when one will need the money for housing and make a plan to secure such money. 	<ul style="list-style-type: none"> • Steadily carrying out one's life plan that takes into consideration the current need for housing and the need for post-retirement housing. • Understanding the basic characteristics of housing loans. <ul style="list-style-type: none"> - The loan amount generally exceeds the borrower's annual income, and it usually takes a long time to repay the loan, around 10 to 35 years. - Housing loans are divided into private loans and public loans, and loan details (e.g., type of interest rate, interest and other costs, loan limit, and loan terms) vary depending on the type of loan and the financial institution that provides the loan. - The burden to repay a loan can be mitigated by having a large amount of one's own funds 	<ul style="list-style-type: none"> • Being able to review the balance between one's liabilities and assets as necessary for a stable life after retirement.
		<ul style="list-style-type: none"> • Having specific knowledge necessary for taking out a housing loan. 		

		<ul style="list-style-type: none"> - Most financial institutions offer loans on several types of interest rates, such as floating rate loans, loans on a fixed rate for the entire loan period, and loans on a fixed rate for a selected part of the loan period; loans on a floating interest rate entail the risk that the amount due to be repaid would vary according to the fluctuations of the domestic interest levels after taking out the loan. - Various expenses (e.g., tax, fees, security deposit, and insurance premiums) are incurred in addition to interest. - Loans can be repaid by principal-based equal repayment in addition to principal and interest-based monthly equal repayment. - In principle, borrowers can repay their loans early when they have more funds available for loan repayment (however, fees may be applied). - There is a risk that one may not be able to repay the loan due to events that occur during the long loan repayment period depending on the changes in the financial and economic circumstances, such as a rise in the interest rate, or a decline in income because of the loss of a job or for other reasons. - When one wishes to sell a house after reviewing one's life plan (due to the change in the family composition, need to take care of one's parents, or job change), the selling price may not always be sufficient to cover the outstanding housing loan. • Being able to take out an appropriate housing loan in accordance with one's ability to repay. <ul style="list-style-type: none"> - Being able to compare several financial institutions and the loan products they provide, and choose an appropriate product that meets one's needs in terms of the type of interest rate, interest and other costs, loan limit, and loan terms. - Being able to choose a loan on an appropriate type of interest rate in accordance with the economic circumstances and one's ability to repay (especially when the interest rate rises) based on the understanding of the advantages and disadvantages of various types of interest rates. - Understanding that the "amount one can borrow" is not the same as the "amount one can repay" without anxiety, and being able to judge and decide the amount of loan, repayment period, and type of interest rate in light of one's ability to repay, and make a reasonable repayment plan. - When making a repayment plan, being able to take into consideration the amounts of taxes and other expenses required for acquiring and maintaining a house, in addition to the amount to be repaid, savings to secure funds for education and for living in old age, as well as the possibility to review one's life plan. • Being able to check the balance between repayment and income and between liabilities and assets regularly during the housing loan repayment period to ascertain whether it is necessary to review the repayment plan, and consider prepayment or revision to the terms of loan repayment, while consulting with the financial institution and experts as necessary. • Consulting with the financial institution and experts immediately when having a fear of delay in repayment of the housing loan, and avoiding an idea of obtaining another loan easily to repay the former loan. 	
Item 11	<ul style="list-style-type: none"> • Having the will to repay student loans oneself, and being able to make a repayment plan. 	<ul style="list-style-type: none"> • Making steady repayment of student loans while understanding the effect of a delay in repayment and the moratorium on repayment. 	

<ul style="list-style-type: none"> • Understanding the effect of a delay in repayment of the student loans and the moratorium on repayment. 		
<ul style="list-style-type: none"> • Keeping in mind that unlike housing loans that are likely to lead to wealth-building, card loans and paying by credit cards can easily lead to using up of the money . • Understanding that the use of credit cards and card loans should be properly positioned in one's life plan, and haphazard or reckless use should be avoided. • Understanding the characteristics of consumer finance (e.g. card loans) and credit cards, and the advantages and disadvantages thereof, as well as the possibility that one would not be able to repay the debt due to the improper use of such means. • Keeping in mind that credit card debt can be repaid by several methods, and that fees (interest rate) are charged for repayment in installments or revolving repayment. • Knowing the Rule of 72⁶, and being able to employ it. • Understanding that when one fails to duly repay a loan, such non-performance is recorded at the credit information agency, which will make it difficult to borrow money in the future from financial institutions or service providers other than the party to which one has failed to repay. • Understanding that when one falls into personal bankruptcy, one would be released from debts but would lose property and become subject to some restrictions in one's life (e.g., restricted from taking certain types of occupations). • Being able to consult with an appropriate organization when one carries a debt in an amount that cannot be repaid with one's future income. 		
	<ul style="list-style-type: none"> • Deciding one's own loan limit before using consumer finance (e.g. card loans) and credit cards, while considering the amount one can repay, rather than the amount one can borrow. • Making clear the purpose of borrowing money when using consumer finance (e.g. card loans) and credit cards. • Making a plan up to full repayment before using consumer finance (e.g. card loans) and credit cards. • Not using consumer finance (e.g. card loans) and credit cards for the purpose of repaying one's debt. • Making sure to confirm the interest rate and terms of contract when using consumer finance (e.g. card loans) and credit cards. • Being careful about malicious service providers or scams when using consumer finance (e.g. card loans) and credit cards. • Keeping in mind that a combination of commodity sale and a loan credit is often used in scams. 	

⁶ The Rule of 72 is a formula for easily calculating the number of years required to double money (doubling time): the doubling time $\approx 72 / \text{interest rate}$. For example, when money is invested at an interest rate of 18%, the doubling time would come to $72/18=4$, which means the invested money would double in about 4 years. The interest rate used in this formula is a compound interest rate, and the result is a rough estimate.

Category 7. Wealth-building products

Item 12: Understanding that seeking higher returns will entail assuming higher risks, although risk tolerance varies from person to person

Item 13: Understanding the effectiveness of diversification in wealth-building (diversifying investment assets and investment start times)

Item 14: Understanding the effectiveness of long-term investments in building wealth

	Primary School Students			Secondary School Students	High School Students
	1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
	<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts, through experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby forming the foundation of the capability to live in society. Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus cultivating the basic capability to live independently in the future. They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage cultivate basic skills to live independently when they become adults. They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
Items 12 and 13				<ul style="list-style-type: none"> • Understanding the relationship between risks and returns. • Understanding the meaning of investing money for one's life planning. • Understanding that personal investment leads to supporting firms' economic activities. 	<ul style="list-style-type: none"> • Understanding the basic characteristics of financial products such as bank accounts, stocks, bonds, and insurance, and taking an interest in relevant developments in the economy. • Understanding the importance of self-responsibility in selecting financial products for investment. • Understanding the relationship between risks and returns, taking into consideration the characteristic that financial products can generate both profits and losses. • Understanding how to manage risks such as through allocating funds into various financial products. • Understanding that risk-taking ability differs by person. • Understanding the difference between investment, speculation, and gambling.
Item 14			<ul style="list-style-type: none"> • Learning principal types of bank accounts, understanding the difference of interest rates on various kinds of deposits, and being able to calculate simple interest. 	<ul style="list-style-type: none"> • Understanding the calculation of compound interest, and obtaining the attitude to save and invest continuously. 	<ul style="list-style-type: none"> • Understanding that investing in financial products requires a long-term perspective, and should not be affected by short-term price fluctuations. • Understanding the relationship between saving periods and the compound interest obtained, and obtaining the attitude to save and invest in the long run. • Understanding that continuing to save and invest regularly, even in small amounts, is beneficial in preparing for the future.

	University Students	Young Adults	Adults	Senior Citizens
	Students at this stage establish their ability to live independently as adults . They should deepen their understanding of finance and economy, develop a sense of value, and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults .	Individuals at this stage start to become independent in terms of lifestyle and financial aspects . They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.	Individuals at this stage live independently and assume full-fledged responsibility as adults . Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families. People raising families should provide financial education to their children at home.	Individuals at this stage mainly consist of retired people and pensioners . They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information. They may provide financial assistance to people around them (e.g., their children), while they may also receive assistance from people around them who take care of them.
Item 12	<ul style="list-style-type: none"> • Thinking about how one will build wealth in one's life plan. • Understanding the mechanism (source) of returns of financial products and the risks entailed in it. • Understanding that the relationships between risks and returns are generally categorized into "low-risk, low-return," "middle-risk, middle-return," and "high-risk, high-return," and that the higher the return sought from financial products, the higher the risk to be taken, while the lower the risk, the lower the return. 			
	<ul style="list-style-type: none"> • Understanding the relationships between risks and returns of various types of financial products, and being able to save and invest in these products on one's own responsibility. • Being able to allocate one's assets and choose financial products in consideration of one's risk tolerance. 	<ul style="list-style-type: none"> • Understanding the importance of risk-oriented products from the perspective of wealth-building, and being able to consider these products as an investment portfolio. • Understanding the desired returns and the tolerable risks. 	<ul style="list-style-type: none"> • Understanding that one's risk tolerance varies according to age, family composition, and lifestyle. • Understanding the desired returns and the tolerable risks. 	<ul style="list-style-type: none"> • Understanding the relationships between risks and returns, and being able to suspect financial products claimed as offering high returns with no risks. • Avoiding investment in products that one cannot understand.
Item 13	<ul style="list-style-type: none"> • Understanding that diversification of investment can mitigate risks. • Understanding that risks can be diversified through "diversification of assets," "diversification of regions," and "diversification of times." • Understanding that investment trusts and savings-type financial products are designed to enjoy the effectiveness of diverse investment. 	<ul style="list-style-type: none"> • Understanding that diversification of investment in several financial products with different risk characteristics may mitigate risks. • Understanding diversification of investment and being able to carry it out according to one's life plan. 	<ul style="list-style-type: none"> • Understanding that one should review the investment outlets (countries and products) regularly even in the case of diversification of investment. 	<ul style="list-style-type: none"> • Understanding the necessity to review the percentages of the investment portfolio in light of one's age and lifestyle.
Item 14	<ul style="list-style-type: none"> • Being able to compare long-term investment outcomes arising from the difference in the yield rates. • Understanding the investment strategy called dollar cost averaging for reducing the acquisition cost by buying a fixed amount of a financial product regularly over a long term. • Understanding that long-term investment has an effect of "diversification of times." 	<ul style="list-style-type: none"> • Understanding that long-term investment is also effective in preventing a loss resulting from a hasty investment decision in the event of a sudden market slump. • Understanding the investment strategy called dollar cost averaging for reducing the acquisition cost by buying a fixed amount of a financial product regularly over a long term. 	<ul style="list-style-type: none"> • Understanding that long-term investment is also effective in preventing a loss resulting from a hasty investment decision in the event of a sudden market slump. • Understanding the investment strategy called dollar cost averaging for reducing the acquisition cost by buying a fixed amount of a financial product regularly over a long term. 	<ul style="list-style-type: none"> • Being able to place importance on liquidity and safety rather than long-term investment in light of one's age.

Category 8. Appropriate use of outside expertise

Item 15: Understanding the importance of appropriately employing outside expertise when selecting/using financial products

Primary School Students			Secondary School Students	High School Students
1st and 2nd grades	3rd and 4th grades	5th and 6th grades		
<p>Students at this stage gradually acquire experience, knowledge, and skills in dealing with money by actually handling it. Specifically, they should acquire the attitude to take an interest in money, society, and the economy, think by themselves, devise good ways, and make efforts through the experience in buying things, managing pocket money and New Year's present of money, and helping with housework, thereby <u>forming the foundation of the capability to live in society.</u> Although they may have different levels of knowledge on money in the beginning, their knowledge will be organized step by step through learning. Educational programs at this stage should be carried out in tandem with the subjects to be learned in the respective school grades, namely lower (1st and 2nd), middle (3rd and 4th), and upper (5th and 6th) grades.</p>			<p>Students at this stage gain a basic understanding of how the economy and finance are related to their everyday lives, thus <u>cultivating the basic capability to live independently in the future.</u> They have more experience in managing their pocket money and buying things, engage in a wider range of activities, and better understand household expense management and financial life planning. They can comprehend the meaning of working and occupation, and imagine their future lives in detail to some extent.</p>	<p>Students at this stage <u>cultivate basic skills to live independently when they become adults.</u> They can understand the importance of whole life planning and their social responsibility. They have to make decisions of their own about their post high school career path. Educational programs at this stage should associate gaining knowledge on the economy and finance with practical training to be able to have a view of their independent lives in the future.</p>
	<ul style="list-style-type: none"> Acquiring the attitude to immediately consult someone close when in trouble. 	<ul style="list-style-type: none"> Being able to compare and make better decisions in one's everyday consumption by gathering and using relevant information. Learning from actual cases of financial trouble that primary school students are involved in, and being cautious to avoid such trouble. Learning the functions and contact addresses of consumer centers, and the fact that one can consult the centers when in trouble. 	<ul style="list-style-type: none"> Understanding the basics of contracts, and acquiring the attitude not to make promises lightly and to keep promises in one's everyday life. Understanding that there are various types of financial products such as stocks and bonds. Being able to calculate interest rates on loans, and understanding the burden of payment of interest, and acquiring the attitude to act appropriately. Understanding the relationship between risks and returns. Learning from case studies of trouble arising from the use of the Internet and cellular phones, and understanding how to prevent such trouble, and acquiring the attitude to act appropriately. Distinguishing scams and swindles, and avoiding getting involved. Being able to find the consultant offices as necessary when one encounters trouble. 	<ul style="list-style-type: none"> Understanding the basic characteristics of financial products such as bank accounts, stocks, bonds, and insurance, and taking an interest in relevant developments in the economy. Understanding the relationship between interest rates on loans and the amount of payment through case studies, and acquiring the attitude to act appropriately. Understanding the importance of self-responsibility in selecting financial products for investment. Understanding the relationship between risks and returns, taking into consideration the characteristic that financial products can generate both profits and losses. Being able to gather information using ICT (information and communication technologies), etc., and use the information in one's everyday consumption. Learning specific methods to deal with consumer trouble and trouble related to working conditions, and being able to practically use them. Being able to find the consultant offices for people caught up in multiple debt problems and consult with the office staff.

University Students	Young Adults	Adults	Senior Citizens
<p>Students at this stage <u>establish their ability to live independently as adults</u>. They should deepen their understanding of finance and economy, develop a sense of value and take action on their own, and be conscious of their social responsibility. They have to pay money more often, and many of them leave home and start to live alone, have part-time jobs and earn money, and use bank cards and credit cards. They should acquire the same level of financial literacy as that of young adults.</p>	<p>Individuals at this stage <u>start to become independent in terms of lifestyle and financial aspects</u>. They also start to assume responsibility as adults. Although lifestyles and the sense of value have diversified, many individuals in this age group need specific knowledge and skills in savings and asset management to make money for housing and marriage. Educational programs should target both unmarried people and people who are about to have their own families.</p>	<p>Individuals at this stage <u>live independently and assume full-fledged responsibility as adults</u>. Although lifestyles and the sense of value have diversified, they assume greater responsibility not only for themselves, but also for their families and people around them. Many individuals in this age group have to raise and use funds for their housing, children's education, and living in old age. They should build wealth in earnest for their future. Educational programs should target both single people and people raising families.</p> <p>People raising families should provide financial education to their children at home.</p>	<p>Individuals at this stage mainly consist of <u>retired people and pensioners</u>. They cover their living expenses mainly with pension income and money obtained by cashing out financial assets. All in all, they have more financial assets and have more confidence in their financial knowledge than those in other age groups, but many of them are not active in collecting information.</p> <p>They may <u>provide financial assistance</u> to people around them (e.g., their children), while they may also <u>receive assistance</u> from people around them who take care of them.</p>
<ul style="list-style-type: none"> • Understanding the mechanisms and characteristics of basic financial products (e.g., deposits, bonds, stocks, and investment trusts). • Paying attention to how developments in the economy affect the prices and other aspects of financial products. • Understanding that high returns cannot be gained without taking high risks. • Recognizing that when buying financial products, it is necessary to use outside expertise according to the level of risks. • When buying products, being able to actively collect information and compare products, and thereby choose the appropriate product in light of the purpose and budget, while understanding that one should take final responsibility for one's own investment. • Understanding the outline of the provider of the financial products one holds (e.g., bank and securities firm). • Recognizing the necessity to know the appropriate and impartial organizations and experts whom one can consult with when buying financial products. 	<ul style="list-style-type: none"> • Understanding the necessity to appropriately use outside expertise when buying financial products. <ul style="list-style-type: none"> - Understanding that finance is an area of high specialty and complexity. • Understanding that one may be affected by psychological or emotional factors when using money. - Understanding that high returns cannot be gained without taking high risks. - Understanding the mechanisms and characteristics of basic financial products (e.g., deposits, bonds, stocks, and investment trusts). • Knowing the information one would need when judging whether or not to buy financial products, knowing the appropriate and impartial organizations and experts whom one can consult for advice, and being able to act appropriately. <ul style="list-style-type: none"> - Keeping the following points in mind when judging whether or not to buy financial products: <ol style="list-style-type: none"> (1) Mechanism and evaluation of each financial product from the perspective of the risk-return relationship (2) Availability of competing or similar products and their evaluation from the perspective of the risk-return relationship (3) Evaluation of one's own ability to take risks in light of one's asset conditions (4) Know-how and preparation necessary for appropriate risk management (5) Conditions and evaluation of related markets (6) Whether or not the financial product is subject to warning issued by the public authorities for frequently causing problems (7) Evaluation of the quality of a dealer's after-sales services (e.g., authenticity of the information provided thereby) - Being able to collect information and seek advice from outside experts regarding the above points according to the scale of the risk of the financial product. <ul style="list-style-type: none"> - Collecting information from the Internet, books, and several dealers to gain a better understanding of the characteristics of the product, and comparing products. - Knowing organizations and advisory service providers which provide reliable information from an impartial or purchaser's standpoint, and being able to seek advice from them. - Understanding that one should make a final decision on one's own by taking information and advice into account. 		
<ul style="list-style-type: none"> • Making it a basic policy to avoid buying (complex) financial products that one cannot understand. • Knowing that consumer centers and various ADR (alternative dispute resolution) schemes are available [as consultation services when in trouble, and being able to consult with these services. 			