

HUNGARIAN SECONDARY SCHOOL STUDENTS' SELF-CARE KNOWLEDGE IN PRACTICE

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Abstract: In our research, we investigated Hungarian high school graduates' knowledge of financial products related to self-care by measuring their practical knowledge at the end of the 2020/2021 school year. In our preparatory secondary research, in addition to reviewing the Hungarian and Central European literature, we collected data on all expected and unanticipated life situations and the financial instruments that can be used to deal with them. In addition, we systematised the specific financial knowledge currently available in the curricula of different types of secondary schools that can be linked to self-care. In our primary research, we used a questionnaire method to address members of the age group surveyed in all types of secondary schools and asked them about their specific knowledge of financial products. We compared the results of our survey with the knowledge of secondary school students in class and found that the knowledge of financial instruments among graduating secondary school students is poor, many of several products have not even heard of and that they have heard of, most of them do not know how they work. We also found that their knowledge of tax benefits or other government subsidies related to financial products is also sketchy. It seems clear from the responses received that students consider this knowledge necessary and would be willing to take action to acquire it, even outside the classroom, but these results still need further analysis, which will be published in a study to conclude the research.

Key words: financial literacy, financial culture, self-care, secondary school

Introduction

In Hungary, as in the other former Eastern European socialist countries, state monopolies operated in the financial market in the second half of the last century, excluding real market competition. After the change of regime, the financial market reopened, but on the one hand, there were no financial professionals with modern knowledge in the country and, on the other hand, the financial culture of the population virtually disappeared. The first problem was quickly solved by foreign-owned financial institutions, but it took more time to re-establish a retail financial culture. The impact of the 2009 global economic crisis has also made it clear that people need a deeper financial education and a change of mindset, as they now have to stand ground cope and make financial decisions in a money-centred, market economy environment. (Mészáros 2012).

One of the most important questions is where and when the young generation will be able to acquire the financial knowledge they will need in their lives, because unfortunately there are unexpected events too. Knowing about these events in advance and in good time will make them manageable by preparing for them through self-care. The most essential elements of self-care are: creating the conditions to manage with unexpected and predictable situations, the willingness to save and conscious saving (Állami Számvevőszék 2020). In other words, the means of self-care for future expected and unexpected events are mostly some kind of financial solutions, simplified: savings-based products for the former and insurance-based products for the latter. Judging financial culture is not an easy task, but it is a very important measure of development for an economy and a society (Bárczi, Zéman 2015). This is why it is important to learn about life situations and financial literacy from a young age. Many forms of self-care are supported by European states, either directly or through tax incentives, These measures indirectly develop financial literacy through a more conscious use of resources, which can later reduce the social burden on states, thus ensuring a more sustainable and predictable future for all.

In our research, we investigated the knowledge of self-care and financial products and the knowledge of related state subsidies of Hungarian secondary school students graduating in the school year 2020/2021 through the knowledge of 17 specific financial products in all types of schools, and we also examined the specific methods of knowledge acquisition and the willingness to acquire knowledge of the young people. A large representative sample was selected. 62.3% of schools belonging to the vocational education sector and 62.6% of schools belonging to the public education sector were asked to cooperate in the research.

Data collection was carried out by means of an online questionnaire, a link to the questionnaire was sent to the sampled schools by e-mail, accompanied by a letter of invitation and information. In this paper we summarise the main findings of our research to date, some of which have already been published, and our final analysis will be published in a final paper.

Literature review

Developing financial awareness and deepening financial knowledge helps, among other things, to make informed, considered choices among the offers available in the competitive banking market and helps to avoid making decisions based on previous routines (Kovács, Sütő 2020). In a global world driven by finance, financial literacy is seen as almost a basic competence. Today, there is almost no country that has not taken steps to develop and improve financial literacy, but these steps have mostly been delayed (Csiszárík-Kocsir, Garai-Fodor 2018).

According to Dunay and colleagues (2015), consumer economic and financial education should start as early as possible, in schools, and be integrated into mainstream curricula wherever possible. In terms of financial orientation and financial literacy, it is advisable for students to learn about basic financial concepts and contexts during their secondary school years, as they will be able to make good decisions in the future based on these (Hegedűsné Barna et al. 2017).

In Slovakia, the importance of financial literacy for young people is increasing, with students from families with more than one child more financially literate than students from families with fewer children, but their results are weaker than expected (Gavurova et al. 2019). Research by Belás et al. (2016) on the level of financial literacy of Czech and Slovak students showed that students in both countries have low interest in economic issues and are not sufficiently motivated to learn new knowledge.

In the Czech Republic, financial education is a compulsory part of primary school education. It is already clear that the inclusion of financial education in the school curriculum was necessary (Opletalová 2015).

In Poland, most students are fully aware that savings are important, but the amount they save is not large, with students typically keeping money in cash and bank accounts (Osinska, Wasilewska 2020). Students are not well educated during their studies and are therefore not able to make good financial decisions (Palimąka 2020). Polish families' consumption levels have recently approached the EU average, but their financial savings are still one fifth of the EU average (Wereda, Prokopowicz 2017).

Financial literacy in the Hungarian secondary education system

In Hungary, the National Curriculum regulates the teaching of general subjects in public education institutions. It does not contain specific curricula, but defines the tasks, values, development areas and educational objectives of public education. These 12 objectives include economic and financial education. The tasks of public education are broken down and detailed in framework curricula, but these do not currently include a time frame for economic and financial education, which can only be taught by the individual educational institutions within the limits of the number of free hours. There is currently no standardised teaching aid for financial education, and teachers have not yet been prepared.

In the field of vocational education and training, the new Vocational Education and Training Act has unified the training requirements for the 174 basic professions, the financial literacy is only professional part of two specific profession, so it can be concluded that there is no uniform method for teaching financial literacy and conscious financial education in either public education or vocational education. In practice, the financial education of secondary school pupils depends on the conscience of class teachers and individual subject teachers.

Fortunately, there are now several out-of-school programmes in Hungary that aim to provide young people with financial education and develop their financial literacy. These are usually programmes run by non-profit organisations or by individual financial institutions as part of their social responsibility activities, with the aim of broadening financial culture and introducing young people to practical finance and modern financial tools. The organisers of these programmes help teachers to develop creative, innovative and practical approaches that are already familiar in Europe, for example by combining financial education with mathematics and history. Accredited textbooks and free training courses are now available for enterprising secondary school teachers.

Results

By the end of the survey, 811 complete responses had been received. Descriptive statistics methods were used to process the data, focusing on frequency trends. Simplification was applied to the data on the type of school, as institutions with a similar purpose operate under several names. We narrowed down to three types: institutions offering only school-leaving qualifications (gymnasium), institutions offering both school-leaving qualifications and vocational training (technical high school, vocational high school) and institutions offering only vocational training (vocational school, technical school). Women were the majority of respondents (56.7%), while the capital city had a low response rate.

Secondary research prior to the survey showed that at the time of the survey, 17 financial products provided a self-care tool to cover and manage all future expected and unexpected life situations. The products can be divided into five groups that will follow each other in terms of use as people age. They are: day-to-day banking products (bank card, bank account), preferential loan products for young people (student loan, Family Home Loan, baby shower loan), universal savings products (Hungarian Government Bond Plus, bank deposit) and finally health and pension pre-savings products (pension insurance, health fund, voluntary pension fund, pension pre-savings account). In addition, insurance products (life insurance, accident insurance, health insurance, home insurance, car insurance, compulsory motor liability insurance) provides a fifth group of life-long contingency covers. Table 1 shows the individual and cumulative awareness of the five groups. No weighting between products was applied, all products were included in the calculations with the same weight.

Awareness of Products is only acceptable for banking products, the soft loan and savings products awareness of young people is very low, and this age group already should be aware of these products. The results of the research show that the knowledge of senior secondary school students is poor in terms of knowledge of specific financial products related to self-care, with less than half of the students (45.3%) knowing only these products.

Looking at the results further analysed in addition to product awareness, we asked specifically whether or not state aid was linked to certain products. This question also served as a control for the product knowledge questions. The values obtained showed a large variance, again the data is examined broken down into 5 groups. Knowledge of state aids linked to financial products is summarised in Table 2.

Table 1: Awareness of self-care products

	never heard of it	I've heard of it, but I don't know it how it works	I heard about it and I know its operation
Banking products	0,4%	12,9%	86,7%
Preferential loan products	5,1%	51,8%	43,2%
Universal savings products	17,1%	53,4%	29,5%
Health and pension pre-savings products	18,4%	60,3%	21,3%
Insurance products	6,7%	39,3%	54,0%
SUMMARY	9,7%	45,0%	45,3%

Source: own editing (2023).

Table 2: Knowledge of the public subsidies of products related to self-care by product group

	correct answer	incorrect answer
Banking products	79,3%	20,7%
Preferential loan products	76,1%	23,9%
Universal savings products	62,1%	37,9%
Health and pension pre-savings products	49,3%	50,7%
Insurance products	58,6%	41,4%
SUMMARY	62,3%	37,7%

Source: own editing (2023).

Looking at the data, it is immediately apparent that the high rate of correct awareness of public subsidies for youth products is better than product knowledge and the same is true for savings and pension products. Awareness of subsidies for insurance and daily products is similar to product knowledge. The results of the research show that the knowledge of graduating secondary school students is deficient in the knowledge of public subsidies (tax, interest) related to some specific financial products, with only 62.3% of students being familiar with these types of public subsidies (Kovács, Dunay 2023).

Reviews at the ways of acquiring knowledge, the determining channels for acquiring self-care knowledge in all forms of education are the immediate human environment (parents, family, friends, acquaintances) and social media. 93.8% of students in gymnasium education said that they had acquired knowledge about self-care through their immediate human environment. The proportion was 86.7% for technical high school, vocational high school and 73.8% for vocational schools. 52.0% of students at vocational schools, 60.7% of students at technical high school, vocational high school and 61.5% of students at secondary schools learn financial literacy in support of self-care from social media (Kovács et al. 2021).

Conclusions

Our results support the findings of Dunay and colleagues (2017) and Hegedűsné Barna et al. (2017): consumer economic and financial education should start in schools and be integrated into the general curricula, as it will help them to make good decisions in the future. It should be highlighted that not only the teaching of financial topics is important, but also their methodological background (Baranyi et al 2019). Contrary to the Czech example of Opletalová (2015), financial education is not a compulsory part of school curricula in Hungary. In contrast to the Polish example of Osinska and Wasilewska (2020), Hungarian students are not fully aware of savings.

Summarizing the results of the research, can be found at clearly the knowledge of financial products and the knowledge of state aids related to these products is incomplete among high school graduates. This is particularly detrimental as this lack of knowledge can soon lead to concrete losses when they enter the world. They will not be financially well prepared for the challenges of life if they are not aware

of the options available to them. Financial literacy is not just a matter for schools, but it is here that young people would have the opportunity to acquire cutting-edge knowledge in a coherent and structured way. To be successful, parents should also be involved in the programmes, their main role being support and practical education.

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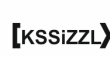
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