

A Financial Drivers Licence for Youth

By Daniel Osmer

The idea of the Financial Drivers Licence is to give young adults the means to steer their own life through an increased awareness of the economic and financial ‘rules of the road’.

The phrase Financial Drivers License (FDL) first occurred to me in the late 1990s while listening to the description of a financial literacy workshop for inner city students in Baltimore, Maryland. I could see for the first time that a proper understanding of economics and finance is directly related to the ability of young adults to develop their abilities and fully meet their destiny in the world. Just as obtaining a license to drive a car at age 16 has become a teenage ‘rite-of-passage’, so too could a ‘financial’ license help a young person to learn to steer his/her own life in today’s monetized world. Such a training would help students begin to find equilibrium and a true perception of their own interests, talents, and place in the world. It is intended for young people at the threshold of stepping out into the world with their unique destinies and contributions.

Adolescence is a critical time when disequilibria and confusion is the rule. Questions of who am I, what will I do in the world, and who will I work with in the future, begin to emerge. Above all, young adults are beginning the process of determining their place in the world and finding their voice. The premise of the Financial Drivers License is that the human being’s innate creative capacities are at the centre of economics, its very heart and soul. Production and consumption left to themselves, create inequalities and require conscious human intervention in order to bring about equilibrium. From one perspective, economic life is about meeting human needs (consumption) through developing and applying one’s talents and capacities (production). It is the accurate perception of this exchange and circulation by human beings (distribution) that brings equilibrium, the emerging individual needs to learn how to bring equilibrium into his relationship with the world as well as with himself. Just as economic regulation is a task of perception, so too is the self-regulation of the adolescent. The more accurate the perception of the world and one’s place in it, the more equilibrium comes into play when trying to meet one’s destiny and find one’s task in life. Here, the words of Martin Luther King come to mind: “All men and women are caught in an inescapable network of mutuality, tied in a single garment of

destiny. Whatever affects one directly affects all indirectly. I can never be what I ought to be until you are what you ought to be, and you can never be what you ought to be until I am what I ought to be.” In high school, understanding economics and finance through visual art and money science can stimulate both imaginative mobile thinking as well as objective universal precision. This can lead to a new and increasingly accurate perception of the economic world pupils will soon be entering. Practical projects, financial plans, field trips to local enterprises, lead to a real connection with modern economic and financial life. This new perceptive possibility can be aimed at the future for the purpose of finding one’s own task on earth out of one’s unique talents and gifts unfolding. During adolescence that future impulses begin to assert themselves in the young person’s soul.

Alongside the Enron, WorldCom, and Arthur Andersen scandals, another drama has been slowly unfolding in America. In April 2002, the Journal of Accountancy carried an article entitled, ‘The Crisis in Accounting Education’, which documented the dramatic decline in the relevance and quality of accounting education. The author condemned the current accounting education structure, saying: “Technology, globalization and other factors have contributed to the need to prepare students differently. Newer programs, newer approaches to delivery and content that emphasize cooperative learning, field trips, interaction with professionals, and a learning-by- doing approach are needed.” Similar stories about economics education around the world are also expressing concern at the lack of openness toward taking a fresh look at economics and accounting. Key to such a review, but key also to teaching financial literacy to young people, is the practice of double entry bookkeeping. As what could well become the most commonly used language in the world, double entry bookkeeping allows access to a means of transforming economic life into a world that works for everyone. As well as helping to orient the individual, it provides an objective and informative framework for the shared discipline of an entire group committed to a shared intent. Double entry bookkeeping and its products – financial statements and plan – provide the tools for overcoming one of the greatest challenges facing humanity today: to be accountable for our individual and collective impact on each other and the world around us.