

Career Development and Financial Education of Young People in Japan

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Abstract

In Japan, people have long recognized the importance of financial literacy. Simultaneously, the Government has been actively promoting career education for young people on a nationwide basis. The purpose of career education is to teach young people the value of work and to enable them to independently choose a future occupation. The curriculum also includes many areas that enlighten them in monetary matters. Nevertheless, the fact of the matter is that the general public does not have an adequate understanding of the interrelationship between these two educational policies. Therefore, this paper examines the directions in which both of these policies are heading and explores an optimal format for both in the education of Japan's youth.

Keywords: Career Education, Financial Education, Career Development, Financial Literacy, the Central Education Council

1. INTRODUCTION

On June 13, 2018, in Japan, a revision was passed to the civil code that lowered the age of adulthood from twenty to eighteen years. Being made to promote the active participation of young people in society, this change also made it possible for them to enter into financial agreements without the consent of their parents. Young people must take additional precautions against financial scams that target them. The ability to not be tricked is critical. Schools must provide a complete financial education that enables young people to understand financial information and make independent decisions regarding it properly, a capability is known as financial literacy.

Financial literacy is the ability to be economically independent, including understanding the essential nature of financial products and services (risk vs. return, fees, taxes, etc.) in daily life, saving money and managing assets in a planned and logical way, and utilizing borrowing and insurance in a reasonable and non-wasteful fashion. The Financial Services Agency's Financial and Economics Education Research Group (Kin'yū Keizai Kyōiku Kenkyūkai) sees financial literacy as a daily life skill for living a better life in contemporary society, and states, "through improved national financial literacy, the growth of the economy as a whole is promoted via the offering of wholesome and high-quality financial products as well as the effective use of household financial assets." This agency lists fifteen forms of financial literacy that adults in society should acquire.

The importance of financial literacy is being recognized, and the government is making a genuine effort even further to promote career education for young people. According to the Cabinet Office's (Naikakufu) 2014 Children and Young Person White Paper, career education helps young people to develop their own views regarding working and to be able to choose their careers autonomously. This white paper includes a wide range of money-related issues under the category of career education.

Japan revised its civil code and is promoting financial literacy to bring out the energy of young people ; it is also working to advance career education. However, currently, no adequate explanation has been published on the connection between the two educational policies or the relationship between financial education and career education. While discussing their directions, this paper aims to explore the forms that these initiatives should take.

2. FINANCIAL EDUCATION

This section discusses studies on the need for financial education. Uemura & Murakami (2016) assert that the provision of consumer financial education is necessary, and Yoshino & Aoyama (2014) examine the background that has led to the sense of a necessity for financial literacy. Harui's (2008) research concluded that it is urgent for educational institutions as well as diverse channels, such as workplaces and the Internet, to be utilized; comprehensive financial literacy education measures should be instituted encompassing the whole country. The study proposes that the government should conduct the initiative as quickly as possible. Furthermore, Isaki (2007) clarifies that mathematics is important and indispensable for acquiring financial literacy at universities. This was a landmark study, in the sense that it exhibited the existing constraints on the effective functioning of financial education in current society.

However, such studies have approached student curricula relative to the educational sphere of financial education and devote little attention to the relationship of financial education to career education, which has been increasing in importance in recent years and expanding in scope. Since career education must be undertaken by individuals for their own life, it must include education on values and perceptions regarding money.

Furthermore, in financial education, because contemporary society takes a currency economy as its basis, the relationship between employment and financial literacy cannot be avoided. It is worth noting, with regard to this point, that the official website of the previously mentioned Central Council for Financial Services Information divides the idea of money into four areas to develop a concept of financial education that includes career education.

The Central Council for Financial Services Information defines financial education as education cultivating independent action to enable a fuller life and improved society while comprehending the various functions of money and financial issues, thinking deeply about one's life and society, refining one's life and values. Rapid changes in the socioeconomic environment led to the recent attention being paid to the need for financial education. Beginning with the financial reforms of the Hashimoto Cabinet in 1996 (the "Financial Big Bang"), changes were made in Japan's economy in rapid succession, including the revision of the Foreign Exchange Law (officially the Foreign Exchange and Foreign Trade Act) and the relaxation and elimination of restrictions on companies whose operations are confined to one sphere (such as banking, securities, life insurance, or damage insurance) from entering into other spheres.

Parallel to this, new financial products and a credit economy appeared, malicious business methods and fraud increasingly targeted consumers, and the problem of the proportion of the population not enrolled in a pension (which could shake the foundation of the social security system) was discussed, as was the construction of a safety net for those in poverty. In this way, one after the other, phenomena appeared that urgently required financial literacy to be enhanced.

Against this backdrop, cultivating financial literacy not only among adults already active in society but also among minors became an issue.

The Central Council for Financial Services Information divides the sphere of financial education into the following four fields: life planning/household finance management, economic and financial mechanisms, consumer affairs/prevention of financial difficulty, and career education.

Under the head of the career, education is found the description of the relationship between money education and career education. This sphere is related to the meaning of work, selecting a profession, the

motivation to live, and involvement with society. It is also strongly linked to the overall objectives of education in financial literacy. The meaning of working and selecting a profession requires that a curriculum is constructed such that it promotes a proper understanding of the meaning of working and of the relationship between the selection of a profession and daily life. This is because people work throughout their lives, and money is inseparable from this. Having a balanced understanding of these ideas allows the designing of one's career. The motivation and drive to live require the cultivation of the ability of individuals to create an image of their future and work toward their dream. Each person, according to this conception, adds value to himself or herself and is able to understand the importance of advancing.

This idea includes encouraging individuals to have gratitude for the trusting relationship between themselves and society in their work, as well as realizing that their actions do contribute to society.

3. CAREER EDUCATION

In December 1999, the Central Education Council (Chūō Kyōiku Shingikai) released the report "Regarding Improving the Continuity between Primary/Secondary Education and Higher Education" (Shotō chūtō kyōiku to kōtō kyōiku to no setsuzoku no kaizen nitsuite). Asserting that career education should begin in elementary school and develop according to stages, it argues that in the implementation of this, cooperation with both households and communities must be carried out, and experiential learning must be adopted; further, each school must set goals to conduct such education, according to a plan as part of the curriculum.

The appearance of this report marked the introduction of career education into school education. It holds that career education develops desirable attitudes students toward working and strengthens the knowledge and abilities needed for the professions while increasing understanding of the students' individuality and independence to choose their paths. We should note that the focus is placed on the development of views of working. Career education came to be understood as a necessary concept in school education, but it did not become widespread in schools because it was difficult to integrate it coherently into traditional subject-based curricula.

In the January 2004 "Comprehensive Survey Study on the Promotion of Career Education Collaborators Council Report" (Kyaria no suishin ni kansuru sōgōteki chōsa kenkyū kyōryokusha kaigi hōkokusho) it was claimed that career education developed career tendencies and cultivated the necessary drive or attitude and the ability for students to begin their careers. There are differences in emphasis between these, but their contents are quite similar. They both imply that career education should cultivate views on working. In the January 2011 report "Regarding the Proper Form of Career and Professional Education in School Education" (Kongo no gakkō ni okeru kyaria kyōiku shokugyō kyōiku no arikata nitsuite), career education was redefined as promoting career development by developing abilities and attitudes to serve as necessary basis for individuals' societal and professional independence.

This "Example Framework for a Learning Program for Cultivating Views of Working" (Shokugyōkan, kinrōkan o hagukumu gakushū pūguramu no wakugumi rei) was created to encourage professional and psychological development. It is effective for the development of views on working. However, as it focuses on the formation of the ability to select a profession and necessary qualities as future professionals, it might not be effective for developing other abilities (tolerating adverse circumstances and overlooking or letting go of trivial matters).

4. CAREER EDUCATION AND FINANCIAL EDUCATION

The Central Education Council's report "Regarding the Proper Form of Career and Professional Education

in School Education” adopts a view of career education that it widens perspectives, helps individuals make concrete paths for themselves, and improves and enhances the abilities and attitudes needed for societal and professional independence that already exist, via specialized study.

The abilities and attitudes needed for independence can serve as foundations for young people to live safe lives as consumers while engaging in financial transactions and entering into contracts. In an effort to enhance these abilities and attitudes in the specialized study, schools must systematically construct such programs in an organized fashion. This program is further subdivided into eight categories and four fields, found in the Financial and Economic Education Promotion Council’s (Kin’yū Keizai Kyōiku Suishin Kaigi) “Financial Literacy Map” (Kin’yū literashii mappu). The four fields are household management, life planning, understanding of financial information and proper choices in the use of financial products, and the appropriate use of outside knowledge).

The eight categories are proper income management, clear delineation of a life plan and an understanding of the need to secure earnings that takes into account the life plan, basic knowledge of financial transactions, financial items in general, insurance products, loans and credit, asset building products, and the necessity of appropriately using outside knowledge.

The Financial and Economic Promotion Council’s systematization of financial literacy in the form of a financial map for young people to study and acquire was a major accomplishment. It clarified the scope of the financial literacy necessary for financial education from elementary school to university as well as continuing into their lives as senior citizens, and thereby it succeeded in doing away with the abstract conception of financial education, which had had a reputation for being hard to understand beyond a conceptual level.

The above is worth noting as qualities and conditions that should absolutely be present for the construction of individuals’ necessary drive for academic achievement in the foundational part of career education that would support career development and improve/drive individuals’ abilities necessary for creating their career.

5. CONCLUSION

As the economic environment has recently been changing rapidly, it is impossible to predict the socioeconomic state in which we will find ourselves in the future. Thus, we must appropriately grasp our current economic situation and rationally design our careers. Japan’s current environment is one of large-scale financial deregulation, low interest rates, and high stock prices, where it is necessary not only for adults in society but also for students to acquire wide-ranging literacy regarding money as the means of projecting the forms their careers will take.

This uncertainty is found in Japan as well as the rest of the world. This means that the acquisition of knowledge and abilities related to money is indispensable for individuals and that financial education is a necessary part of cultivating young people’s ability to live in this world as it is.

Acquiring reliable financial literacy is a necessary step in designing one’s career. Schools are limited in what they can do on their own across types of education, and financial education is no exception. Directions and plans must be soundly decided upon, and all types of stakeholders must work together to implement them. Here, stakeholders are households, local communities, and related organizations. Stakeholders that form a closely connected, mutually cooperative structure will surely shape the success, or lack thereof, of this education.

Here, a framework for the relationship between financial education and individuals designing their future careers was provided. However, no concrete proposals about curriculum content were made. This is a limitation of this paper, and future work should consider such issues.

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