

*Associate!* Special Edition / January 2021

# Youth Financial Literacy

**Newsletter of the Economics Conference of the Goetheanum**  
*Part of the Social Sciences Section of the School of Spiritual Science*

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The meaning of financial literacy as I have come to understand it as used in the context of the Economics Conference of the Goetheanum – knowledge and practice of double-entry bookkeeping, accounting and economics to facilitate the fulfilling of one's destiny via entrepreneurial activity – takes on particular relevance when considered both from the standpoint of the pedagogical needs of adolescents and as a tool for modern human beings to gain orientation in an increasingly disorienting and disoriented world. This issue of *Associate!* presents an informative overview of the pedagogy of adolescence as well as specific curriculum indications for teaching financial literacy.

**Daniel Osmer's** article draws on years of personal research of adolescent development – the phase referred to by Rudolf Steiner as 'earth maturation' – which we use as the topical background. Then there are several reports given by participants who attended the Colloquium on Financial Literacy, which was finally held in-person at the Goetheanum in October despite several postponements. This was a collaborative event organized by the Pedagogical Section and the Economics Conference. In his original piece, **Oliver van der Waerden**, Waldorf teacher at the Steiner School in Kreuzlingen, Switzerland, offers teachers much grist for their mills with specific grade-by-grade curriculum suggestions. **Fionn Meier** and **Arthur Edwards** both also share their extensive teaching experience. And as a plea to teachers and those responsible for schools, **Camila Panain** points out that nothing can be taught that is not already known by the teacher, exhorting the adults to learn first what has been so conspicuously absent for the students, who, she says, must not leave (the lower) school without it!

All in all, it is quite heartening to learn, as **Christopher Houghton Budd** also describes, what has quietly been taking place in many different settings in the world by way of financial education. If this work is taken up with the urgency necessitated by the times, undergirded by the macro policies that it implies, instead of the false images in numbers that **Leif Sonstenes'** insightful piece depicts, ever more young people will hit the ground running, knowing what and how to achieve what they came into life to do. Such a vision is also embedded in L'Aubier's *Ecole Autrement* entrepreneurial training contributed by **Anita Grandjean**.

This issue of *Associate!* was put together for educators who may find in it a source of inspiration to follow through with what Rudolf Steiner said in 1919: "In fact, no child ought really to reach the age of 15 without being led from arithmetic to a knowledge of the rules, at least, of the forms of bookkeeping."<sup>1</sup> We look forward to hearing from you, your experiences, challenges and questions and wish you the greatest possible success in your endeavors. We plan to circulate this special edition widely to teachers around the world. If you know of someone who might appreciate a copy, please let us know. That said, see Note for non-Waldorf teachers on p. 16.

With warm wishes for your continued work on behalf of a bright future for all!

**Kim Chotzen**

PS: Because we decided to focus this issue on financial literacy, other news from Economics Conference colleagues is absent. If there is anything anyone wishes to share, please send it in and we can issue a *Digest*. One thing of substance already concerns developments in Latin America, which may well require another special issue.

PPS: In the references, GA stands for *Gesamtausgabe*, Complete Works in English.

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<sup>1</sup> *Practical Advice to Teachers*, Rudolf Steiner, 3 September 1919. (GA 294)

## Economics Conference Financial Literacy Page

Christopher Houghton Budd

In 2018, Fionn Meier took on to be the Economics Conference 'ambassador for youth financial literacy'. The first year was exploratory by way of engaging in various teaching and seminar opportunities as part of his further steps concerning the teaching of *associative* financial literacy in, primarily **Waldorf**, high schools. Outwardly seen, Fionn is undertaking this work in collaboration with myself as convenor of the Economics Conference for the finance part, and Florian Oswald as leader of the Pedagogical **Section** at the Goetheanum for the pedagogical aspect (see later items). In fact, this is a collaboration between colleagues. It is also aimed at high school and high school aged students worldwide, whether or not in Waldorf schools or, indeed, in schools at all!

Fionn has continued this work through 2019 and 2020 by way of teaching in various schools, participating in discussions groups and other contexts where he is researching not only the how of teaching associative finance, but also the what. This includes 'mainstream' interfacing with me as regards the Organisation for Economic Co-operation and Development (OECD) and other on-going connections in academic and policy settings, where it ought to be a neutral matter to point out their omission of bookkeeping. Neutral in that bookkeeping is bookkeeping and so not in itself a representation of **spiritual scientific** research per se. And even what we have to say about bookkeeping in its deeper aspects is not really controversial in that there is a substantial related literature. The problem is rather that policy-makers, economists and ideologues sense their own understanding is lacking in clarity and objectivity, as also their standings and livelihoods.

Fionn has been able to do this work thanks to a mix of charged fees and grants, a financial ground that is now secured for another year at least. The nature of the work is also developing, so that this year Fionn will create and then maintain a website specifically related to youth financial literacy and intended to be 'interactive' with teachers. This relationship is already existing in Switzerland especially, which gives encouragement to taking it further afield - i.e. the rest of the world!

Pro-tem, Fionn is setting up a new website, to be called *youthfinancialliteracy.com*, through which he plans to create a platform where teachers all around the world can share teaching material and reports about their teaching experience. The idea is that it will become a shared platform where the 'fruits' of Rudolf Steiner's pedagogical impulse applied to the teaching of double-entry bookkeeping to youth can be shared with anyone in the world who is interested to learn more about it. For the time being, ideas or material (videos, etc. on practical teaching) can be sent to Fionn at [fk21@finanzkenntnis.ch](mailto:fk21@finanzkenntnis.ch). Meanwhile the Financial Literacy page on the Economics Conference website serves to heel in that rose bush, pending its transplanting to deeper, more permanent soil.



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### The 8<sup>th</sup>/9<sup>th</sup> Divide

A second human being emerges  
Daniel Osmer / Sebastopol, California

*The following article sets the tone for this special issue focused on youth financial literacy. Daniel Osmer has long been faithful to his belief, implicit in his idea of a 'Financial Driver's License', that in an age when young people can drive very young (in California at any rate), vote at 18, and take part even earlier in school governance, how can it be that they are not also taught the (bookkeeping) rules of the financial highways and byways they are expected to travel on? By drawing attention to Rudolf Steiner's counsel on adolescence, this piece serves as a measure of what teachers might hope to achieve, or have already achieved.*

The so called '**8<sup>th</sup>/9<sup>th</sup> divide**' refers to the profound change that occurs in young adults at the time of adolescence that also marks the transition from grade school to high school. This is where "school-like treatment" is no longer appropriate for young people at this momentous change called puberty. Rudolf Steiner described this process as the "grand metamorphosis" where a second human being begins to appear, and deeds

and intentions can now be inscribed into the newly transformed heart organ where an entirely new element enters the middle of the human being.<sup>2</sup> The teacher's approach with students also changes, requiring the acquisition of different skills, aptitudes and attitudes from those that once served in the lower grades.

Responsibility toward the earth and the need to manage one's disrupted soul forces parallels the beginning of **karma** as it now becomes activated.<sup>3</sup> It is no wonder then that one often hears expressed a motto that characterizes entry into High School: *Who am I, who will I work with and what will I do?*

Rudolf Steiner describes this grand metamorphosis<sup>4</sup> process in the adolescent as having three aspects that suddenly require integration and transformation due to the forces of will that stream up from below, disrupting the rhythmical and nerve-sense processes. *True "maturity of soul" is only gained when all three levels of physiological activity are recognized* and not only puberty but 1) the senses (nerve-sense system), 2) breathing (rhythmical system) and 3) sexuality (metabolic-limb system). Rudolf Steiner calls the phenomenon of puberty 'maturity for the earth' that corresponds to the metabolic-limb system.<sup>5</sup> Yet this is only one of the three systems of physiological function that comprise the totality of the 'Maturity of Soul' in the adolescent. First, maturity in the senses is represented by the neuro-sensory system. Second, maturity of breathing is represented in the rhythmical system. We know that the nerve-sense and rhythmical systems and processes dominate development in the first two seven-year developmental periods. Whereas the third aspect of the "Maturity of Soul" arises at adolescence as the metabolic-limb system and begins to exercise its influence in the human being as "earthly organization and will-carrier".<sup>6</sup>

Adolescence is a time of crisis and transition where a feeling emerges of being cut off from a previous world only to be cast out into the external world, not unlike the historical 'time of transition' during the Renaissance. Typically, the inner world of boys is experienced as confusing and unapproachable whereas the outer world becomes incomprehensible to girls. The adolescent developmental period is also marked by a significant event and process that begins with the birth of the **etheric** and **astral** heart<sup>7</sup> where **the 'I'** moves to center itself and become active in the blood. For the first time one's actions can now be inscribed into the universe and karma begins.<sup>8</sup> What one does in the world is now imprinted into the cosmos each night when the adolescent sleeps. This is one reason why the *main purpose of Waldorf education is to establish and nurture the mutual attunement<sup>9</sup> of the rhythms of sleeping/waking,<sup>10</sup> breathing, heart pulse and nerve-sense processes.*<sup>11</sup> All these middle systems have a direct relationship to the development of thinking in the adolescent. The breathing rhythm for example, affects the rising and falling of the cerebral spinal fluid and the quality of thinking.

At this time, the adolescent's relationship to sleep and breathing changes as the impulse to reconnect to **the spiritual world** begins. The newly emerging I-being of the young adult begins to converse with the

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<sup>2</sup> "What is this human being, this second human being that now appears? It is the one who lived in the **previous life** on earth and now enters into the present life on earth as a shadow. Humanity will gradually learn to take account of karma in this strange element entering into life at around the time of sexual maturity (maturity for earth). – *The Youth Movement*, Rudolf Steiner, Breslau June 12, 1924.

<sup>3</sup> "With the fourteenth year of life, the second **hierarchy** begins to be active – Exusiai, Dynamis, Kyriotetes – not only inscribing their own actions and intentions into an individual's destiny or evolving karma, but also activating the individual past-karma and its activity and why one's own karma only begins to take effect after earth maturity." – *The Human Soul in Relation to World Evolution*, Rudolf Steiner, lecture, Dornach, May 26, 1922.

<sup>4</sup> *A Grand Metamorphosis, Contributions to the Spiritual Scientific Anthropology and Education of Adolescents*. Peter Selg, Steiner Books, 2008.

<sup>5</sup> *Earth-Maturity as a Stage in the Maturation of the Soul*. Hans Müller-Wiedemann, Monograph, Stuttgart 1973. He describes how around the time of earth-maturation (adolescence), the heart, the sun organ, becomes the central organ of the body. What a human being does from the moment of earth-maturation on, what they aim at with their ideals and ideas and by which they act, is inscribed into the wonderful soul-etheric formation of the heart. The human being is also presented at this time with the gift of an organ of perception which now and in the future, they can perceive their own individual destiny; this is the perceptive organ of the heart, forming itself within.

<sup>6</sup> *A Grand Metamorphosis*, op. cit.

<sup>7</sup> "Like-wise at puberty: in an invisible way, our etheric heart is given over to disintegration, and we now acquire a kind of permanent ether heart." *The Human Soul in Relation to World Evolution*. Rudolf Steiner, Lecture 6, Dornach, May 26, 1922.

<sup>8</sup> "The forming of karma, properly speaking, begins only at the moment when the astral heart takes hold the etheric heart and they join together. This, indeed, is the real organism for the forming of karma." – *The Human Soul in Relation to World Evolution*, Rudolf Steiner, Op. cit.

<sup>9</sup> "The task of education conceived in the spiritual sense is to bring the Soul-Spirit into harmony with the Life-Body. The task of the educator, and of the teacher too, is the mutual attunement of these two members."

<sup>10</sup> "The young adult is not yet able to carry into sleep what is experienced between waking and falling asleep again." – *Study of Man: General Education Course*, Rudolf Steiner, Stuttgart, August 21 – September 5, 1919.

<sup>11</sup> "The adolescent does not breathe in a way that maintains the nerve sense process with equilibrium." – *Study of Man: General Education Course*. Op. cit.

nearest hierarchies and strives to cohere and balance the arrhythmia of their physiological functions: senses, breath/pulse and metabolism.<sup>12</sup>

The question for the new human being at adolescence, 'Who am I?', leads to the need for developing and learning how to think along with reflecting on the needs of the earth. The question of 'Who will I work with?' requires recognition and interest in others, the earth and humanity generally. Third, the young adult answer to 'What will I do' calls for responsibility, spiritually developed earthly willing meeting human needs through initiative and service.

It was Anita Grandjean from Switzerland who, at our annual gathering in Montreal in 2015, said it is not high school but, the I-school that fosters the development of a "living essence of thinking" as students reflect on the needs of the earth while cultivating a love for all that is worthy on earth, leading them to take responsibility through initiative.

Whatever men do in business merely for the sake of their own livelihood, to the extent that their business only serves that end, just so much is lost in the way of spiritual gain. On the other hand, everything that is introduced into the work for an objective end, everything that is connected with the interests of another, helps to conserve our consciousness for future evolution."

– Rudolf Steiner, 23.12.1904

Genuine imagination is born from the three aspects of the process of 'maturity for earth' during adolescence. In lectures concerning adolescent education Rudolf Steiner emphasized what he called a real "will culture", educating the will that would lead to initiative and genuine interest in the world.<sup>13</sup> This means an education of the adolescent will for the future by activating a kind of thinking where the active will is ignited by enthusiasm and the love of taking initiative in order to meet human needs. As Rudolf Steiner declares, 'Be a person of initiative!' In the I-School the motto will also be a new formative principle for society. Where the principle of individual initiative needs to become the principle of civilization.<sup>14</sup>

The process of waking and sleeping for the 'new' human being is more challenging than for adults and needs nurturing and balancing through strengthening one's mobile imaginative thinking along with a training of the 'will'.<sup>15</sup>

*"This is what all education has to aim for – to awaken these intuitions so that each human being can feel: I am not just of this earth, I am not just a product of physical heredity; I have come down to earth from the spiritual worlds, and, as the individual human being that I am, I have something to do on this earth."*

– Rudolf Steiner August 29, 1922.

According to the late educator Benediktus Hardorp in his article, *Life Orientation through Bookkeeping*, all schools should teach their students this instrument for developing the consciousness soul and learning to cross the threshold of adolescence by integrating their three a-rhythmical functions and becoming an autonomous actors in both worlds.<sup>16</sup> Bookkeeping (and financial literacy more generally) is a universal pedagogical tool for training the thinking will and preparing the adolescent for entering the external world as an independent thinker and 'knowing-doer'.

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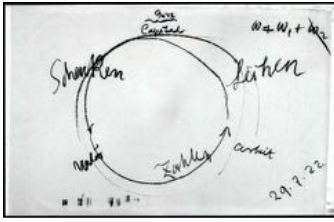
<sup>12</sup> "During puberty heart activity and blood circulation are apt to lose their relationship in various ways, manifesting above all in the so-called arrhythmia, typical of this age, during which heart and breath lose their regular rhythms." – Paul W. Scharff, M.D. Monograph, Spring Valley, NY. 1988.

<sup>13</sup> *A Grand Metamorphosis*, op. cit.

<sup>14</sup> "The Evolving Body of the Anthroposophical Society." Marc Desales. Lecture Six from a series of lectures given at the annual conference of the Anthroposophical Society of Switzerland, Dornach. Steiner Books 2018. After, 'The principle of initiation becomes the principle of civilization', the words used by Rudolf Steiner to describe the purpose of spiritual science.

<sup>15</sup> "For the faculty of transformation: thinking or imagination; for the opposite condition: the will." – *Secrets of the Threshold*. Rudolf Steiner, Rudolf Steiner Press, Lecture 3, Munich 1913.

<sup>16</sup> "All schools should teach their students this instrument for life-orientation. They can make their own 'life decisions' and learn to be autonomous both in the world of matter and in the world of spirit." "They begin to understand the world of senses, the world of social relations and the world of spirit." Benediktus Hardorp, *Life-Oriented through Bookkeeping? (Die Drei, 1994)*, summarised with commentary in *Perspectives in Finance*. Fionn Meier, Researcher; Christopher Houghton Budd, Editor. Associative Economics Worldwide 2018, p. 41.  
<https://cfae.biz/publications/associative-economics-worldwide/authors/fionn-meier/perspectives-in-finance/>



## Financial Literacy Colloquium

A Collaboration between the Pedagogical Section  
and the Economics Conference

If you would like to help finance our financial literacy work, please visit <https://economics.goetheanum.org/funding> for details.

On 17 October 2020 we were able to have a reduced gathering at the Goetheanum, namely, the one-day financial literacy event documented in this issue. Enough has been said in the other contributions to give an image of that day. My concern here is to give some context – and to express a fervent hope. The main context I want to mention is the paucity of financial literacy, certainly of any associative kind, not only in circles one might think already close to associative economics but in the world at large. For instance, in its recent recommendations on financial literacy and follow-up worldwide webinar with ten presenters from economic institutes, government agencies and central banks, the OECD made no mention of accounting or bookkeeping, let alone teaching such things to young people. I hope, therefore, that the work of the Economics Conference and the Pedagogical Section bears quick fruit, whether within Waldorf schools, in favelas, or elsewhere. (See Note for non-Waldorf teachers on page 16.)

Many rail against today's inequalities and it is an easy hook to catch the sense of injustice of young people, but today's wealth disparities would disappear were money to be bookkeeping and prices to be true. The only way wealth could then be transferred from one person, group, party or country to another would be by deliberate gift. This, in essence, is the effect that any genuine financial literacy should be aiming for. It is a long-haul story, but such an outcome would be soon coming if we but took Rudolf Steiner's ideas seriously and built our economic worlds upon them.

I hope this special issue can be the start or entry point into a substantial ongoing resource for teachers everywhere who want to see financial literacy embedded in their school programmes. As reported on p. 2, the Economics Conference has an introductory page (<https://economics.goetheanum.org/publications/publications-1-1>), offering a doorway onto what we hope will be a growing resource, comprising both archival and new material. From the big picture to the day-to-day, there are not many topics that have not been treated already in publications that range from short articles to full dissertations. And in the mix, is always the key component of entrepreneurial experience.

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### Financial Literacy in the Context of History

This article is based on my talk given 17<sup>th</sup> October 2020 at the Goetheanum.

Fionn Meier

After the financial crisis of 2008, not only did the USA establish a "President's Advisory Council on Financial Literacy" but also many other countries started programs to enhance Financial Literacy among their population. The idea behind teaching financial literacy is that a better understanding of finance will lead to a more stable economy.

The main institution that promotes Financial Literacy today is the Organisation for Economic Co-operation and Development (OECD). Its recommendations go to many countries around the world. One such recommendation is that governments should cooperate with financial institutions to provide teaching material. In Switzerland, UBS, Raiffeisen, Post and other major banks provide financial literacy material for teachers on their websites.

Looking at this material it is clear that according to them the children should learn how to save, invest and control their expenses. However, is this really 'financial literacy'? Or is it just about knowing how interest rates are calculated, what inflation is, and why risk diversification is important – the three main measures the OECD uses in its Financial Literacy surveys?

The financial literacy concept that colleagues from the Economics Conference and myself promote is that it must be grounded in an understanding of money as bookkeeping. This entails two aspects: First, knowing the main steps in the evolution of money and, second, being able to apply double-entry bookkeeping to one's own financial affairs.

Why the history of money?

Many people today think of money as a 'thing' that is produced by the state and enables the exchange of goods and service. But today money is almost nothing but numbers in accounts. For many people, lay and scientists alike, this is puzzling. Looked at from an historical point of view and using the concept that money is bookkeeping (more precisely, Rudolf Steiner's understanding of this), one can become clear as to where one is in evolution. In my master thesis on the history of money,<sup>17</sup> I came to the following image:

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<sup>17</sup> Meier, F. (2018), *Money as Accounting*; Associative Economics Worldwide. Available on <https://cfae.biz/publications/associative-economics-worldwide/authors/fionn-meier/money-as-accounting/>



### **Ancient Mesopotamia**

Temple Administration  
Centralised Accounting  
Single-Entry Bookkeeping

### **Greek and Roman Time**

State Administration  
Coins (later also notes)  
Externalised Bookkeeping

### **Starting in Renaissance Italy**

Economic Administration  
Decentralised Accounting  
Double-Entry Bookkeeping

If the evolution of money is understood in this way it can give orientation to the broader historical moment we are living in. Further, it mirrors the evolution of consciousness. To use anthroposophical terminology, the monetary system changed at the same times as the periods of the **Sentient Soul** (2907 BC–747 BC), **Intellectual Soul** (747 BC–1413) and the **Consciousness Soul** (1413–3573) began.

Why double-entry bookkeeping?

In his pedagogical lectures, Rudolf Steiner states that elementary economic concepts have to become part of general education to the same degree as elementary mathematics is part of general education today (GA 193, 8/2/1919). At another instance he states that no child today should pass the age of 15 without having been taught elementary accounting (GA 294, 3/9/1919).

According to my own research, the first person in the Waldorf school context to focus on double-entry bookkeeping and its pedagogical importance was Dr. Benediktus Hardorp. In 1986, he published two articles in the magazine *Das Goetheanum* entitled 'Double-Entry Bookkeeping as Instrument for developing the Consciousness Soul' and 'Bookkeeping as an Instrument of Self-Administration: A Pedagogical Challenge'.

Hardorp pointed out many pedagogical aspects of learning double-entry bookkeeping. The details cannot be described here, but one aspect will be mentioned. Hardorp put a lot of emphasis in his later articles on the characteristic of double-entry bookkeeping as a mirror of one's activities: It 'reveals' everything that one has done. In this way, double-entry bookkeeping shares many characteristics with what Rudolf Steiner describes as the '**Guardian of the Threshold**' (German: Hüter der Schwelle), the being that needs to be faced before one is able to take responsibility for one's own life affairs. This is a step that any student should be able to achieve in the process of becoming adult.

Since today financial literacy is promoted by the OECD without even mentioning double-entry bookkeeping, it is clear what the Waldorf schools can and should contribute. It is not about promoting a worldview, economic dogma or ideology. Double-entry bookkeeping needs to be discovered for its own sake.

If they have the will, Waldorf schools can start tomorrow to teach double-entry bookkeeping. By providing practical examples and case studies of what happens if students are able to learn to manage financial affairs with the help of double-entry bookkeeping, they could become 'model schools' in the field of economic education. Any other school, whether state, private or public, could then emulate their way of teaching 'financial literacy' – something Steiner regarded as a key task for the Waldorf Schools, especially in Switzerland (GA 260, 28/12/11923 and GA 260a, 16/3/1924).

### **Teaching Experience**

In November 2020, I twice taught a two-week 9<sup>th</sup> class (age 14-15) main lesson. One class did not have any economics or accounting beforehand, so we had to start from scratch. The other class I had taught the basics of double-entry bookkeeping the year before when they were in class 8 (age 13 to 14). That meant I could do a 'second round' with them. In this second round, I started with a short repetition of double-entry bookkeeping, but then we began to look at the economic process. How is value created? What is the economic role of nature and labour? What is capital? What is the difference between investing in capacities and buying land?

Based on this experience, I would recommend starting with double-entry bookkeeping in the 8<sup>th</sup> class. However, it became clear for me that in this class it's not the concepts that are important, but the technique and the experience. If they have this as a soul experience at this age it becomes much easier for them to grasp the basic concepts of double-entry bookkeeping and to understand the ideas that are linked to associative economics when they are in the 9<sup>th</sup> class.

This method, of working in class 8 and 9 on the same content but in a different way, Rudolf Steiner recommended for history lessons as follows:

"Essentially what is needed, is that you could deal with the content in different ways, in the 8<sup>th</sup> class more narrative, in the 9<sup>th</sup> class more going into the ideas of the last centuries. There is a lot of material in the lectures that can simply be expanded if you take the literature here and there." (GA 300a, 15/11/11920)

«Eigentlich würde es sich darum handeln, dass Sie die Dinge in verschiedener Weise vornehmen könnten, in der 8. Klasse mehr erzählend, in der 9. Klasse mehr auf die Ideen der letzten Jahrhunderte eingehend. Es ist viel Material in den Zyklen da, was einfach erweitert werden kann, dass man die Literatur da und dort hernimmt» (GA 300a, 15/11/1920)

Is the same true also for economics and accounting? I think so. Dealing with this topic in these two different ways in class 8 and class 9, I think double-entry bookkeeping could indeed become a "life-orienting instrument", as Benediktus Hardorp called it.



## Economics in Grades 1-8

Oliver van der Waerden / Kreuzlingen, Switzerland

Revised keynote speech at the "Research Colloquium of the Pedagogical Section and the Economics Conference of the Goetheanum, Dornach October 17, 2020

### Starting position

The founding of the Waldorf School in 1919 was accompanied by radical ideas. Since then, many have been widely taken up in Waldorf schools and made into educational trail-blazers:

- common lessons for boys and girls, children of all social classes and talents
- teaching as an artistic activity; lessons as "works of art that teachers create with their students." (Personalities instead of systems!)
- the greatest possible freedom of design for teachers / colleges / school movement
- the same importance for artistic and technical subjects as for linguistic, mathematical or natural science-oriented subjects.

Steiner's other demands have so far hardly had any broad impact. This includes aligning all lessons (especially from intermediate level) to economic issues, to the business community.

As 'spiritual workers', teachers are often relatively far removed from the needs of business (at least professionally!). They do not invoice their "clients" (the children!) and the finances of their "companies" (schools) are usually looked after by specialists. Any class teacher who wants to take up Steiner's suggestion, therefore, has to approach economic and entrepreneurial issues in the same way as other unfamiliar subjects, such as chemistry or physics.

Rudolf Steiner valued economic education highly. Possibly because on the one hand it gives egoism a legitimate place, but also because it carries within itself the basic mood of brotherhood. A 'good deal' is only really good if it is good for both parties. The balance of mutual economic interests requires an attentive, concrete perception of the counterpart.

## Suggestions

Of course, Steiner's request does not mean throwing everything else overboard in favor of an early commercial training. Just as we do not want to raise all children to be professional artists through fundamentally artistic lessons! However, the requirement makes it possible, in addition to 'new' subjects, to design some lessons in connection with economic issues.

In what follows, a few specific tips and a reference to the sometimes much more comprehensive suggestions from colleagues. In particular, the established 'Waldorf curriculum' for the first school years already carries the subject in itself:

Kindergarten: actively creating a relationship to the natural foundations (e.g. baking bread, pouring candles). In the "round dance" artistic processing of economic relationships ("we crouched but lively, carry the grain down to the mill").

1<sup>st</sup> / 2<sup>nd</sup> Grades: Artistic freedom – Color, form, music, language, **eurythmy**, number and signs are experienced practicing their qualities, without economic connections.

3<sup>rd</sup> Grade: Creation and exit from Paradise – Necessity to acquire house and food "by the sweat of one's brow".

4<sup>th</sup> Grade: Human and animal studies – Human beings, related to animals, but as free beings, capable of fraternal action. Release of the hands from the body. Cooperation through crafts.

About math lessons: Understanding the nature of money has not played a role as a subject up to this point, just as money is not needed in family life either. However, one can observe how arithmetic usually goes faster if we link it to monetary thoughts. Some children don't know how to answer the question, what is 2 times 0.75. But if you ask how much money they have, e.g. if they have received 75 cents twice by exchanging empties in the beverage store, the answer will come in no time. The socially effective reality of money has an incarnating effect!

### **Now some rather new suggestions:**

5<sup>th</sup> Grade: History lesson – In addition to cultivating the natural foundations (Persia, Mesopotamia, Egypt), writing also emerged from the necessities of “temple bookkeeping”, the wisdom-based management of economic life by initiates. Ziggurat as a granary. The oldest written documents are not literary, but economic!

6<sup>th</sup> Grade: Roman coinage – Portrait of the emperor with his (military) power vouches for the value of money. (The signature of the President of a National Central Bank on banknotes is a late echo). Roman merchant fleets. Teutons as Roman mercenaries. Roman gold as the cause of the so-called “migration of peoples”.

In *geography* lessons, raw materials, agricultural cultivation conditions, trade routes (‘economic geography’). *Mathematics*: Interest calculation embedded in a consideration of the credit system. *German*: business letters (orders, offers, reports, invoices, reminders) instead of ‘profound’ articles.

7<sup>th</sup> Grade: According to the change in money in the Renaissance (from coins to book money), exercises could now be carried out that train an awareness of money as (simple) bookkeeping, detached from its appearance as coins/bills. Bookkeeping of mutual benefits as a true and clear language of balance. Possibly exercises in accounting for the students' own expenses (pocket money, etc.). There is a lot to develop here!

Chemistry and physics also offer many opportunities for economic aspects.

8<sup>th</sup> Grade: Basic double-entry bookkeeping, but complete with journal, balance sheet, income statement, the closing. This is more manageable than you might think at first, every **class teacher** can develop the necessary basic understanding in a few vigorously practicing hours. To found, manage and liquidate a presented, or better yet, actual company (small student company), it is sufficient to make 20-50 entries.

In my 8<sup>th</sup> Grade (2019/2020), a break sale (sweet cider punch) was accompanied by bookkeeping over the lifetime of the “company” (6 months). Every student, especially those who were at war with mathematics, was able to do this; attitudes towards mathematics improved for many.

Double-entry bookkeeping is the “world language of business life”, which alone calls for its integration into basic education. It trains “economic vision” in a unique way and lays the foundation for understanding more complex relationships. For example, what a share is can only be classified to some extent with knowledge of double-entry bookkeeping. The factory tours that are common at this age are also more instructive if the bookkeeping is shown alongside the production facilities. If you want to try it: company accountants understandably prefer to show old or changed business figures rather than current ones. The students understand this well. In any case, the existing accounts and the proportions are more decisive than an analysis of the current company situation.

Steiner also suggests to deal in the 7<sup>th</sup>/8<sup>th</sup> Grades with “what is given in *Die Kernpunkte*.” (*The Threefold Nature of Social Life*, 1919.) However, I am not yet aware of any teacher who has tried this.

With the class teacher period (Grades 1-8), a basic education is concluded in a certain sense. Earth and man stand now as unique, multi-faceted beings, living entirely from the center, before the pupil's foreboding eye. If aspects such as those mentioned are taken into account, it should also be possible to have conveyed healthy basic economic knowledge up to this point on which the teaching of the upper grades can build.

### **A word on idealism**

Turning to business in elementary school could give the impression that the orientation towards purely human ideals is being given up in favor of a “reduction to reality”. But that does not have to be the case if one understands idealism as a force that turns towards the world.



Idealism inspires every school founding, every individual decision to become a teacher and every parental decision in favor of a Waldorf school. Idealism and philanthropy are also the basis of the children's decision to incarnate in our own time; it "drives the pen in the great world clock" (freely adapted from F. Schiller).<sup>18</sup>

So, we never need to instill idealism in our students. On the contrary, Rudolf Steiner points out that we are more likely to drive it out of the students if we make our lesson content too superficial or even moralizing. A lesson that is business-oriented, on the other hand, can evoke real idealism as an inner need!

#### Literature

- 1) On the history of money through the cultural epochs and on Steiner's concept of "money as bookkeeping", see the generally understandable version of Fionn Meier's master's thesis of the same name. In English, "Money as accounting". <https://cfae.biz/publications/associative-economics-worldwide/authors/fionn-meier/money-as-accounting/>
- 2) Barbara Hané: *Economics in the Waldorf School*, Pedagogical Research Center, Stuttgart 2016.
- 3) Th. Stöckli et al: *Ideas and examples for a curriculum development 'Economics and Social Threefolding' as download* [www.insitut-praxisforschung.com](http://www.insitut-praxisforschung.com) (Also available as a schematic summary.)
- 4) Johannes Mosmann offers a rich collection of original statements by Steiner with committed commentary: *Economy and social threefolding in the Waldorf school curriculum*. Institute for Social Threefolding, Berlin, 2013. [www.dreigliederung.de](http://www.dreigliederung.de) (New edition in preparation.)
- 5) In *The basic principles of freedom, equality and fraternity naturally live in the relevant areas of society*, Christoph Stegmann shows concrete possibilities to take up this as a common thread in history lessons: *The struggle for a just social order* (essay in: *From the teaching practice*, Verlag am Goetheanum, 1996).

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## Coming out of the Fog

Christopher Houghton Budd / Folkestone, England

(The gist of a short presentation after lunch.)

In this session, I would like to give an overview of work done to date by colleagues in the Economics Conference of the Goetheanum to underpin what we understand by 'financial literacy'. My focus will be on teaching in schools or to adolescents as distinct from tertiary or adult education. All of it has been developed in the light of normal day, as it were. By that I mean that the context for academic work is mainstream universities and policy circles; the Waldorf schools are cases where there is an ear for such things, rather than a school system apart. (My deep commitment to Waldorf education did not stop me from being a state school governor or teaching in non-Waldorf settings and so moving in both worlds.)

Mindful of Rudolf Steiner's (somewhat obvious) remark that education is a matter for educators, not politicians, business people or even ex-educators, from the selection of material I wish to present you will see that there are two main dimensions to this work:

- in-class experience
- conceptualising and understanding that experience

In the examples I want to share, the educators combine both in-school experience and research. Some of the research was conducted with other Economics Conference colleagues, most of whom in addition are active entrepreneurs and/or accomplished scholars. Other speakers today have shown how things stand in the German-speaking world, so I will focus on the English-speaking world and Latin America.

I have framed my presentation in terms of case studies because, from my perspective as both an educator and convenor or coordinator of the Economics Conference, this is how I think such experience should be 'packaged' for the world at large. Not as a 'problem solved', but as a valid contribution. Not Waldorf only, but with Waldorf cases as examples of generic work. As the Swiss education minister once said, our task as spiritual scientists is to innovate, and I would say to the world that we claim nothing more than that we are innovative. But not only that, what we offer is generally replicable, not unique to ourselves.

I begin with *In the Shoes of Luca Pacioli*<sup>19</sup> because that has four particular aspects:

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<sup>18</sup> "The strong pen is called joy / In eternal nature. / Joy, joy, drives the wheels / In the great world clock..." From Schiller's *Ode to Joy*.

<sup>19</sup> Houghton Budd C. (2016) *In the Shoes of Luca Pacioli—Double Entry Bookkeeping and Financial Literacy*. In: Aprea C. et al. (eds) *International Handbook of Financial Literacy*. Springer, Singapore. [https://doi.org/10.1007/978-981-10-0360-8\\_39](https://doi.org/10.1007/978-981-10-0360-8_39)



1. It is built around what I call 'the accounting process'.
2. It was edited by the head of auditing at Frankfurt University.
3. It is grounded on Luca Pacioli's teaching methods ('cognitive apprenticeship').
4. It calls for case studies, which is how I think our work should be presented.

As I said there are two dimensions:

First, examples of in-field experience born of piloting courses in Waldorf and state schools,<sup>20</sup> but also in favelas and other marginalised settings, where education tends to be ad hoc.

- *Air beneath Your Wings* (a course given in many schools and non-schools around the world)
- *Conte Bem* (a programme for young people in a favela outside Sao Paulo, Brazil)
- *Financial Literacy Main Lesson* (given at Ringwood Waldorf School, southern England. See later report).

Second, backgrounding the focus on bookkeeping as the core of financial literacy (always with the understanding, per Steiner, that bookkeeping is money, money is bookkeeping) is a growing professional and mainstream literature. This is the fruit of well-received research conducted with the aim, not only of corroborating Steiner's observations, but also expanding and deepening them, at the same time as having them accepted in today's world of financial and economic policy-making.

- Arthur Edwards, MPhil, Buckingham University, England 2009 / *Rudolf Steiner's Concept of 'Three Kinds of Money' – a 'Touchstone' for Financial Orientation*
- Fionn Meier, Masters, Fribourg University, Switzerland 2018 / *Money as accounting: historical and theoretical issues*
- Christopher Houghton Budd, formal presentation of associative economics, Gower/Ashgate 2011 / *Finance at the Threshold – Rethinking the real and financial economies*
- Xavier Andrillon, Doctorate, Campinas University, Brazil 2020 / *True Price as Condition of Sustainability*.

I want to do no more than bring all this to your attention. Most of it shares a commonly-created understanding through the work of the Economics Conference, much of it documented in the range of titles under the *Associative Economics Worldwide* imprint on the æBookstore.<sup>21</sup>

My hope is that an ever-widening circle of researchers and an ever-growing community of educators will avail themselves of this work, adding to and elaborating it, but always grounded on in-class experience.

The important point here is that such research is not only 'reversed out of practice', it shapes the policy discourse, so that the in-class work can become a micro expression of macro policy, just as macro policy is a reification of practical experience. In this way, today's disconnect between educational policies and education can be overcome, at least as regards financial literacy.

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## Financial Literacy in the United Kingdom

Notes on a main lesson

Arthur Edwards / Stroud, England

*For two reasons, Arthur Edwards was unable to take part in the October Goetheanum meeting. First, the covid situation prevented him travelling. Second he was at the end of his 3<sup>rd</sup> three week financial literacy main lesson at Ringwood Waldorf School in southern England. We are very happy to include this report, therefore.*

Pupils are hungry for financial literacy. This has been my experience over several years at various different schools in the United Kingdom. However, this last October when I was invited to teach a three-week block-course (**main lesson**) to non-elective students at the Ringwood Waldorf school, I wondered whether, given current circumstances – meaning the increasing centralization and involvement of the state in all areas of economic life – something might have changed. After all, to take a new initiative and be an entrepreneur today is not the same as it was one year ago. How might the pupils themselves be

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<sup>20</sup> Nicholas Dodwell, from Karlsruhe Waldorf School also shared his experience on the wider topic of introducing the threefold nature of social life to high school students.

<sup>21</sup> <https://cfae.biz/publications/associative-economics-worldwide/>

feeling about the prospects they perceive around them and what would I need to convey that would be true to the circumstances today?

On this occasion, I decided to introduce a new element to the course, which I had been wanting to 'try out' for a number of years. In the very first session, I asked the students to gather round a large table and help me with the task that I needed to complete, namely de-hulling rosehips, in order to separate the seeds from the skin and flesh. I didn't give them much further information or instruction as to how it should be done but trusted to my intuition that when human beings work together on a basic craft activity something begins to take place. For example, a convivial mood develops as the work is done. I also suspected that giving them this task without much explanation would spur their curiosity: can it be done more efficiently, should we be being paid for doing this, what will happen to the final product? After an hour or so of working together we stopped and reviewed our experience – what is the nature of human labour? What is the significance of making a contract or agreeing a price? How do improvements occur?



By starting the course with an activity, a shared experience was created which we could then refer back to when beginning to introduce concepts. It also provided the background for considering what Rudolf Steiner said about labour working on nature and spirit organising or saving labour. I had noted in previous courses that after the course, several of the pupils mentioned that they would have liked to know more explicitly about Steiner's view on economic life (of course they had not necessarily appreciated that much of it was embedded within the course).

Rather than shying away from presenting a radical narrative on the nature of economic life, these considerations (and those previously mentioned about the current state of the world) encouraged me to focus more on the fundamental and incontestable foundations of the logic of double-entry bookkeeping and the economic process. How to introduce and present this in an accessible way is of course a pedagogical challenge. Firstly, how to encourage the pupils to discover what knowledge and interest they already carry in relation to the subject, then to provide enough imagery that will give them orientation without overwhelming them and finally to enable them to join their own dots and articulate what they don't see.

The following elements formed part of the overall course:

- Personal finance and what it means to keep track of income and expenditure: the pupils kept a cashbook to record their own transactions and this led to an examination of the cost of living.
- The concept of the separate entity to describe the activity of being in business as distinct from one's personal account, with this came the idea of envisioning a balance sheet and seeing the economic world as a dynamically interconnected realm of accounts.
- Studying real world financial statements (for example the accounts of the school and other organisations) and discussing the historical genesis of accounting and its effect on the world.
- The development of capital and capitalism – in particular what was Rudolf Steiner's contribution in terms of the nature of capital and three kinds of money. A very broad overview of economic history was given culminating in the financialism of the present age and how this can only be properly perceived, engaged with and transformed when balance sheets are really understood.
- Meeting a local businessman and having an opportunity to question him. The nature of initiative and enterprise was explored and the pupils chose an entrepreneur or business to profile in an essay / presentation.
- A walk-through of the principles and practice of double-entry bookkeeping, which was reinforced with an exercise undertaken by the pupils imagining a mock café business.
- A live presentation by pupils of their own business plans with questions on financial projections from other pupils; this also included the challenge of showing their double-entry workings in a handed-in piece of work.

Although, once again, this experience confirmed to me the rightness of the associative approach to financial literacy, it is still nevertheless a drop in the ocean in terms of the prevailing and countervailing

culture of our times. I am grateful to Ringwood Waldorf School for being willing to include financial literacy proactively in the curriculum, not squeezing it into a space where nothing else is happening or conditioning its inclusion in other ways. Yet there is so much more that would be needed if financial literacy were to become, as I am convinced it needs to be, the fulcrum of the curriculum. Instead of mere glimpses of what could be possible, which are then forgotten or covered by some other priority, real commitment and backing would show what it means to invest upstream, knowing that economic insight can only be won by example.

In terms of the student feedback I received and my own experience of the course, the results were positive. I include below some of the pupil's own comments:

- I found this course very interesting, it was nice to have an image of not just the history of economics but also the current ideas and state of today's economy. It will definitely change how I think about my finances and also how I plan my future around finances.
- This course has been so useful and interesting and I now know so much that I never imagined I would understand. Looking at the history and development of economics and experiencing how everything is connected was really eye opening and made me look at the world in a way I haven't before. I thought everything was clear and having historical context and good analogies really helped with clarity. This course will, and already has, changed my understanding and view of economics. I will also be more aware of my spending.
- I found this course very helpful and informative. Previously, economics had been something I knew nothing about but the course has given me an insight into this realm and as a person who loves maths I particularly enjoyed learning and utilising double entry bookkeeping. Hearing about how the majority of economists think today compared to the Rudolf Steiner was interesting and particularly so in the bizarre changing world today.
- I thought this course was definitely useful to learn and it opened my eyes to how money and finance works.
- I found the course very interesting and most likely one of the most useful in terms of applicable skills. I found the exploration of economists' ways of seeing finance, particularly Steiner's, very interesting.

Sample from a student's workbook

*Anna Todorovska*

## Reflections on the Financial Literacy Conference

Camilla Panain / Varese, Italy

I am very happy to have participated in the Conference on Financial Literacy for Young People, which took place at the Goetheanum on October 17<sup>th</sup>. I was already cultivating this idea in my heart as soon as I heard about this meeting, I had been thinking for days with joy about the possibility of being able to be there and participate. Despite many obstacles to my being able to attend, I went and came back with much joy and gratitude. Here are some images of the meeting.

First of all, the child in his/her first years of life, who shows us in all his/her actions three things that we should never forget.

1. We need each other. Without the adult, the human being as a baby cannot survive. We need to help each other.
2. We must never give up. The baby, in its insistence or perseverance, never gives up trying to stand upright, as a truly human being, and then walk.
3. 'Who does not cry, does not breast-feed.' (Brazilian proverb.) Communication is essential for our survival.

There are things that are difficult to accomplish or transform, but there is no such thing as impossible. The chair only exists because someone thought of it. Thought has form or thought gives form. Action transforms. A conversation or an idea or an intention is already the beginning of something; it carries great value.

Returning to my example, it is like a mother who raises a baby, without knowing if she will ever see him or her grow up, what destiny will follow in life, and who that person will become in the world. Even so, she continues to care, sowing for the future. So, I think it should be like that within Waldorf schools. The transformation must begin in the womb of the school, in its physical structure and in those who carry it, teachers and parents.

After the conference, I have become even more convinced that being able to restructure the financial part of the school and increase the financial and economic literacy of its teachers and parents may be the beginning of everything. Then, to be able to start introducing innovations in curricular teaching in relation to children's financial literacy.

Do you know that recommendation that, in an emergency you should put your own oxygen mask on first, before helping the child beside you? Well, Waldorf schools are in a state of emergency. They need to find a new way to establish themselves in the world, one that is economically and financially sustainable. If we want to educate children for life, for the world, so that they are able to act truly freely, we need to prepare them for that. For this, bookkeeping needs to play a fundamental role in our training as human beings. But we teachers also need to be prepared for this.

It is impossible to teach something you have never done. How do you knit a sweater if you have never picked up the needles or don't even know what they are made of? How to teach bookkeeping if we don't understand it or are not even interested in it?

In Fionn Meier's presentation, we saw that there are accounting records from thousands of years ago, from the time of Mesopotamia. Fionn showed us records of accounting tablets, at that time with an abstract currency. In 700 BC, the first coins appear, in Greco-Roman times. Initially, with animal symbols in the center. Later, in Rome, the first coin appears with the image of a person in the center and, thus, our view of money begins to change.

In the Middle Ages and Renaissance, Fionn introduced us to two important names – Francesco Datini and Luca Pacioli – who described double-entry bookkeeping. Thus, Fionn poses an interesting question: "Why do we know so much about art in the Renaissance and so little about economics?"

Focusing on double-entry bookkeeping, I touch the point where it all started in our meeting. In the words of Florian Oswald, who demonstrated with a lemniscate form the movement between the inside and outside of each one of us, or, in his example, of a child. Go outside, "find yourself", but don't get lost, as some might say. Both the inside and outside processes nourish, but have different results. Awareness of our *self* arises between these two spheres, for which double-entry bookkeeping can provide a protective cloak, helping us to see, to confront and to understand these spheres.

In his presentation, Oliver van der Waerden (a class teacher from Kreuzlingen, Switzerland), brought



very important aspects of Waldorf pedagogy. He reminded us how revolutionary the first Waldorf school was at the time: boys and girls together in the same classroom, families with different economic situations, school without school books, hygienic education (one subject comes after another, like a flow) and, finally, education focused on practical life.

So, I ask the question: How can a student leave a Waldorf school and *not* become financially literate? Oliver gave the Gothic cathedral as an example, in which the architect dies before the building is finished.

Fionn showed us that our world has gone from the time of temples (religion), to the state (laws), reaching economics without the correct transition. This is perfectly reflected in Waldorf school teaching. We teach the first two subjects very well, but we don't get to the last one. We have an unbalanced tripod. Therefore, we continue to promote imbalance in ourselves and our students, who enter the world without that part having been properly understood, repeating (or maintaining) what has been done.

After this reflection, I end my long words with some points brought by Christopher Houghton Budd. Christopher said that, as an adult, we must know that accounting brings us to the threshold of the spiritual world. The T-account is an image of the human being standing in complete balance. Therefore, in his words, once the history of money is correct and complete, we have a ground that the human being can stand on firmly with both feet.

In 1919, Rudolf Steiner said that a child ought not to leave school without understanding bookkeeping.<sup>22</sup> Christopher asked, "Where would humanity be now if we had listened to Rudolf Steiner in 1919?"

So, I repeat, how do we teach children accounting if we teachers don't do it or maybe we don't understand it? I hope that this meeting was the beginning for some or perhaps all participants and that it moves us to transform the economic situation of Waldorf schools and also, the financial literacy of teachers, children and young people.

### **A Final Reflection**

Is money something alive or dead? If we consider paper or coin money, we will think of money as something dead. But if we look at history and how money has changed over time, we can see it as a living thing. But wait! We are the human beings who can make money change, so that it comes alive. Just as the 'dead' shirt I'm wearing would be useless if I didn't wear it.

If money is accounting, is it also dead? No, without the human being, accounting would not exist either. We become really human in the encounter with the other, just as the baby is cared for and guided by its parent. We see this relationship in accounting also; we see human beings in their interactions with the world.

Another way to start change is with words, so I created a little poem, here translated from Portuguese.

Dinheiro é contabilidade?  
Qual é a sua habilidade?  
Você realmente enxerga sua utilidade?

Is money bookkeeping?  
What is its teaching?  
Is its usefulness really seen?

Números pequenos parecem sussurros,  
Números grandes parecem urros;  
Os negativos problemas,  
Os positivos soluções;  
Bom, eu não usaria essas afirmações.

Small numbers are like whisperings,  
Large numbers are like screamings;  
Negative ones are problems,  
Positive ones are solutions;  
– Well, I wouldn't use such assertions.

Use a conta em forma de T,  
Muitas outras coisas vão aparecer.  
Reflexo sutil de algo que não se enxerga,  
Resultado que nutre e se sente,  
Como plantar uma semente.

Use the T-shaped account,  
Many other things will then show up.  
Subtle reflections of something one cannot see  
Results that nourish and can be sensed,  
Like a seed being planted.

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<sup>22</sup> "In fact, no child ought really to reach the age of fifteen without being led from arithmetic to a knowledge of the rules, at least, of the forms of bookkeeping." – *Practical Advice to Teachers*, op. cit.

## Financial Literacy, Financial Sovereignty and 'Free' Schools

Policy contribution to the Pedagogical Section at the Goetheanum

Christopher Houghton Budd and Fionn Meier

*As a result of the Colloquium, Florian Oswald (leader of the Pedagogical Section) requested a policy contribution that the Section could use in its work.*

After the 2008 Global Financial Crisis, governments everywhere laid much of the blame on a lack of financial literacy, so they said this should be taught in high schools especially. But what does 'financial literacy' mean? What language is one learning to read and write? Per Rudolf Steiner, "in fact, no child should reach the age of fifteen without being led from arithmetic to a knowledge of the rules, at least, of the basic forms of bookkeeping". And yet in October 2020 the OECD's official financial literacy recommendations made no mention of bookkeeping – even though double-entry is the foundation of the modern financial system.

Historically, double-entry bookkeeping was 'discovered' during the Renaissance. At the same time as perspective drawing appeared in art, in economic life entrepreneurs started to use double-entry bookkeeping. Today, double-entry bookkeeping has become a universally shared language and our modern economic life is entirely based on this technique.

Contrary to what many people may believe, double-entry bookkeeping is the opposite of a boring instrument just for people in grey suits! Double-entry bookkeeping is a cultural achievement which can be explored in many different ways. For example, how has the monetary system been transformed by this technique? And why is capital on the passive (liabilities) side, just below the loan that one has taken from another person?

A key characteristic of double-entry bookkeeping is that it creates a mirror in which one's activities and their effects are reflected. With the help of our physical brain we can become aware of our thoughts. With accounting, if it's used as a means of perception, we can become aware of the creation and circulation of value and capital. This is the basis for taking responsibility for one's own actions *within today's wider social context*. With transparent and shared accounting – our social brain<sup>23</sup> – we will be able to overcome our dependence on the 'invisible hand' and the paternalistic state, the Charybdis and the Scylla of today's world.

This kind of knowledge of bookkeeping is the core of financial literacy. Readily acquired at high school age, it gives one a transferable skill and a navigation tool for life after school. Not only that, effective financial literacy equips one to understand but not be enslaved by modern finance, placing the latter in service to people's paths in life.

This, of course, is also true for the finance of teachers themselves and their schools. Rudolf Steiner's intention was that modern schools would be 'free' schools. Basically, this entails an inner and an outer aspect. The inner means that teachers can only be free if they are not dependent on any theories but have a true understanding of the human being and the capacity of intuition out of which they teach. The outer aspect is that teachers need to stand financially on their own ground. Form and content cannot be separated, therefore, any financial dependency, whether from commercial life or the state, will ultimately lead to spiritual dependency.

In pointing to the threefold nature of social life (economic life, rights life and cultural life), Rudolf Steiner described how cultural life, which includes education, can stand on its own feet. Contrary to what naively might be thought, Steiner did not consider finance as an activity that belongs to economic life (and so something that teachers do not need to care about). Any free cultural life depends on individuals being sovereign over the circulation and administration of the capital they need for their cultural activity.

Teaching financial literacy therefore also entails teachers becoming sovereign in their own finances as well as the finance of their schools. Learning to read and administer the finances – reading the balance sheets, budgeting and financial planning – will provide them with the basis of experience, knowledge and skills from which they will be able to teach financial literacy to young people in an honest and effective way.

*Literature (\* Available at associative-economics.com):*

Hardorp, B. (1986) *Doppelte Buchhaltung als Schulungsinstrument der Bewusstseinsseele*. Das Goetheanum, Nr. 25.

Hardorp, B. (1994) *Lebensorientierung durch Buchführung?* Die Drei, Nr. 12.

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<sup>23</sup> An idea attributable to Marc Desaulles in *Step into Another World, Economic Life as a Medium for Modern Initiation*, available <https://cfae.biz/publications/associative-economics-worldwide/authors/christopher-houghton-budd/step-into-another-world/>

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We owe everything great  
 in our world to everyone  
 of us doing more than  
 we need to.

– Hermann Gmeiner

## Note for non-Waldorf Teachers

chb

To have produced this publication with all teachers of the world in mind presupposes quite a challenge! How are teachers in general to relate to the vocabulary highlighted in gold in the texts, let alone the worldview that gives rise to it? Other than the brief and

somewhat down-to-earth explanations we have hazarded below, we have no answer to this question, which we raise pro-actively on the part of non-Waldorf teachers, as a contribution to establishing some kind of interface with the world that, to begin with, knows nothing of these ideas. And yet, a child is a child, an adolescent is an adolescent. They may be viewed through different lenses, but from the point of view of the kind of financial literacy outlined in these pages, the difference between, indeed near separation of, Waldorf and non-Waldorf education does not operate. Associative financial literacy is predicated on everyone's potential – even birthright – to step into the world out on one's own initiative and to have that gift to the world be underwritten and embraced.

The spiritual world – whence we come “from God, who is our home” as Wordsworth put it.

Previous life – Wordsworth's “trailing clouds of glory”, the idea that we have more than one life, so that we bring fruits from past experience with us and take our deeds on into the future.

Karma – that our deeds have consequences, which we can in due time balance out (for which Rudolf Steiner often analogised to double-entry bookkeeping).

Spiritual science – the scientific method applied to the non sense perceptible world.

School of Spiritual Science – the schooling Rudolf Steiner inaugurated in such science.

Section – the School of Spiritual Science is organised in sections (pedagogy, agriculture, etc.)

Goetheanum – the world centre of the Steiner movement, named after the German poet, J W Goethe.

Etheric / astral – dimensions of the human being beyond the physical body.

The 'I' – the core of everyone's existence. The name we all share but cannot use to refer to another.<sup>24</sup>

Hierarchies – Far from the notions of higher animals or clashing molecules, the idea that human existence is embedded in the work of the gods of ancient tradition.

Sentient Soul, Intellectual Soul, Consciousness Soul – different stages in the evolution of consciousness. Our current stage is that of the consciousness soul, typified by alienation and the search for one's own sense of identity.

Guardian of the Threshold – the experience of meeting oneself.

Waldorf – the name of schools deriving from the Waldorf Astoria cigarette factory in Stuttgart, were the owner organised free schooling for his workers' children taught by teachers advised by Rudolf Steiner.

Class teacher – the first eight grades are primarily taught by one teacher.

Main lesson – teaching is based on block courses of several weeks of typically two hours per morning.

'8<sup>th</sup>/9<sup>th</sup> divide' – the crucial moment of puberty, marked by entry into high school (upper school).

Eurythmy – a form of movement invented by Rudolf Steiner and his wife Marie Steiner.

<sup>24</sup> CHB: In older English editions of Steiner's lectures published in the UK, when referring to the 'I' they used the convention of an extra space before and after the I. E.g: “There comes a time when one wakes up to the fact of one's I and this can denote something important.”

**Youth financial literacy sits within the wider context of modern education both as regards policy and adult life, to which the following items bear witness.**



### Curriculum-neutral Capitation

The financing of generalised education in England since the 7<sup>th</sup> century  
*chb*

How to finance schools is a vexed question. As a general idea, my understanding is that, per associative economics – i.e. in a world of true prices, money as bookkeeping and minimal state economics, certainly not including education – parents would have enough income to cover their needs and these would include the education of their children. In principle, that entails everyone paying fees (not just some) but these fees would have no social stigma attached to them. They would be the way the parents and guardians responsible for children would discharge their responsibility to educate them as they, the parents, saw fit. In today's world, this is an unheard of thought and one that brings dismay and distaste on the part of many. Nevertheless, the financing of education is a societal matter. Very valid concerns about fairness arise, but also pragmatism. For example, one cannot get economies of scale if every school is a tiny affair. So, there are reasons why in many countries education is funded by taxation – the main *economic* one being that in that way we collectively effect pre-financed education, leaving teachers free to do their work as teachers.

If only! In fact, for the most part tax-routed education funding entails the state determining the curriculum. If a way could be found to channel funding through taxation while not tying it to a curriculum – i.e. if we could envisage curriculum-neutral capitation – then an approximation of what Steiner had in mind is conceivable, this at any rate was the task I gave myself when asked to do a special case study as part of a recent EU-funded research project.<sup>25</sup> I recently made this work available as a book, forthcoming from æBookstore at café.biz. The cover text reads as follows:

“Conducted as a research project for Creating Economic Space for Social Innovation (CrESSI) based from 2014-8 at Oxford Business School, this ambitious study looks into how the financing of education went from being a privilege of the rich few to a right for everyone. It arrives in the 21<sup>st</sup> century convinced that education should be the responsibility of teachers, not governments, and be financed by grants on a curriculum-neutral basis.”

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### In Numbers we Trust

*Leif Sonstenes / Karlsruhe, Germany*

My boss swept into my office the other day and asked, “How are our numbers?” – “Well, pretty good under the circumstances: capital, cash flow, and surplus all close to plan. I assume you meant *those* numbers.” – “Yes, terrific!”

The evening news told a different story: “The numbers look really bad: every day more cases with the number of positive PCR-tests exploding, 18,633 new cases in just one day. That’s twice as many as last week!”

Then the stock market broke 30,000 the other day. We must be doing very well!

In election news, Mr. Giuliani claims there were “600,000 plus unlawful votes in Philly and Pitt...” How high would that pile of paper be, if you stacked those paper ballots on top of each other?

Each day we are bombarded with endless streams of numbers, mostly absolute numbers, illustrating a situation, backing up a claim. But what relationship do these numbers have to the real world?

Despite the “exploding” pandemic numbers, for example, some hospitals have gone bankrupt for lack of patients or had to lay off much of their staff after cancelling elective procedures and having to keep beds empty for the onslaught of COVID patients that always seems to be just around the next corner.

Or the stock market going through the roof, while on the ground, scores of businesses are going under, laying off workers, and fighting for survival. Corporate income tax has plummeted to all-time lows with cities and counties facing bankruptcy (with corporate income tax one of their main sources of income) unless they get federal help.

These and similar phenomena remind me of observations made by Rudolf Steiner in the *Economics Course*: How capital towards the end of the 19<sup>th</sup> century emancipated itself from the real economy and

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<sup>25</sup> <https://www.sbs.ox.ac.uk/research/research-areas/impact/creating-economic-space-social-innovation>

began to do business on its own account (see lecture 9 in particular). Capital (let's call it blue money) completely separates from the real economy (red money). Thus today, when this separation is even more pronounced than in 1922, the stock market can continue to set new record highs because it is so completely disconnected from the faltering real economy.

Numbers, numbers everywhere, and not a one to trust?

We have a natural faith in the truth and objectivity of numbers because we can completely penetrate them with our thinking consciousness. Numbers in their own right are good and true and objective. Add 5 to 7 and you get 12. No discussion. Everyone can see it. But this trust can be abused when numbers are used to represent something else and are presented to us as absolutes without the proper relationships to other numbers or to the sense world.

Double-entry bookkeeping, however, reminds us that no number can stand alone, isolated and absolute. My 100 on the active side looks very different depending on whether my passive side shows own capital of 5 and a loan of 95, or rather own capital of 95 and a loan of 5. Both situations might be considered one-sided, even unhealthy, but for different reasons. So the 100 has a different quality depending on what Dr. Benedictus Hardorp called "the spiritual-social interrelationships"<sup>26</sup> that come to expression in the double-entry or counter-entry.

So how do we find the proper relationships to avoid misuse? Well, in the case of the positive PCR tests, for example, if you increase the number of tests, the number of positives also increases. But if you divide the number of positives by the number of tests made and you get a constant value over a period of time (about 1.4% depending on the test manufacturer), then the ratio of positives to total tests has actually not changed. Double the number of tests, and you double the number of positives. It would therefore be very misleading to simply say the positives have doubled. So what in this case is really important is the ratio of positives to total tests over time and not the absolute number of positives with no reference to the number of tests conducted.

In life as in accounting, working with double-entries can encourage us to develop good habits. Wary of absolute numbers in isolation, we can learn to look for the meaningful relationships between the numbers and what they represent. In accounting, we train ourselves to ask of each new transaction we have to book: How do I represent this real-world event with appropriate, accurate, and true numbers in my accounts?

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## L'Ecole Autrement

Anita Grandjean / Montezillon, Switzerland

In its 40 years of existence near Neuchatel, Switzerland, L'Aubier has developed a meeting centre and a place for initiative and commitment and a new academy for research and trainings in associative economy.

L'Aubier's 'Dare to be Independent' young entrepreneur course is in its fifth iteration. For nine months, from October to June, it welcomes young people between 23 and 33 years of age who wish to acquire associative entrepreneurial expertise by working alongside us. General culture and management courses in associative economics given in the mornings by L'Aubier directors, self-knowledge workshops, and immersion in the various activities of our enterprise are the three components of this training. They awaken enthusiasm and mobilise individual will forces. The course is free of charge. The students only have to pay for food and lodging.

This year, it is housed in a newly-acquired building with a beautiful park, adjacent to the farm. Given that its use would be to encourage young people to take initiative and so create the future, a bond of 2M Swiss Francs at 0% interest rate was issued to finance the purchase. A kind of Youth Bond called 'L'Ecole Autrement', it was fully subscribed in less than two months, providing a rent-free building for culture.

In the face of the current crisis, this is where we want to put our confidence.



**If you would like to help finance our financial literacy work, please visit <https://economics.goetheanum.org/funding> for details.**

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<sup>26</sup> "Life-Oriented Accounting?", "Lebensorientierung durch Buchführung?", Benedictus Hardorp, 1994, in *Perspectives in Finance*, op. cit.