

The All-Party Parliamentary Group on Financial Education Inquiry Into The Barriers Facing Schools As They Deliver Financial Education

UK Finance Response

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Introduction

1. UK Finance is the collective voice for the banking and finance industry in the UK. Representing almost 300 firms, we act to enhance competitiveness, support customers, and facilitate innovation.
2. We welcome the opportunity to respond to the inquiry 'on the barriers facing schools as they deliver financial education' and our response addresses aspects of direct interest to the banking and finance industry.

Executive Summary

3. UK Finance and its members firmly believe that schools have an important role to play in providing quality financial education to children and young people from an early age, as this helps the development of future financial resilience and wellbeing.
4. Financial education can also help to provide critical areas of financial knowledge, for example, budgeting and saving, how debt works, availability of benefits, getting the best deals and avoiding gambling related harm and scams.
5. Primary and secondary schools and their teachers share similar challenges and barriers in delivering financial education including: available teaching time due to the demands of the existing curriculum (exacerbated by the impact of the pandemic), low teacher confidence or skills in delivering financial education and lack of awareness of existing resources.
6. Schools with children most in need of financial education match existing patterns of inequality. These schools often focus on the basics, i.e. the core curriculum and life skills such as financial education are deprioritised.
7. We believe the following steps need to be taken to help schools address barriers to delivering financial education:
 - inclusion of financial education in the National Curriculum for primary and academy schools in England with delivery measured and formally incorporated into Ofsted inspection frameworks;

- enhanced signposting of existing resources to help teachers and the development of a central financial education resource hub by the Money and Pensions Service (MaPS); and
- sustainable, long-term investment in teacher professional development to help develop confidence in delivering financial education content.

Response to the Call for Evidence Questions

Financial education – who plays a role

What role if any do you think schools should play in the delivery of financial education?

8. We believe that schools play an important role in supporting children to build knowledge, skills and attitudes towards money from an early age.
9. UK Finance and its members strongly support the meaningful inclusion of financial education in the National Curriculum of all Primary and Secondary Schools in the UK. Formalising delivery as part of the school's curriculum would be beneficial. Integrating financial capability across multiple curriculum subjects reinforces the breadth of application.
10. Schools have a critical role in influencing and shaping children's attitudes towards money and many dedicated teachers across the country are already facilitating excellent learning in this area. There is, however, clear demand for further training in schools to help all teachers provide financial education to their students and ensuring that the school's senior leadership team prioritise this subject and provide appropriate support to financial education leads.
11. The inclusion of financial education in the National Curriculum in primary and academy schools in England would ensure these schools place a greater focus on financial capability.

If you think schools should play a role, please reflect on why you think this is important

12. Research¹ has proven that formal education of financial skills in a child/young persons' (CYP) life makes a valuable difference, particularly linked to how they manage money/avoid debt, etc and we understand there is clear demand for further training in schools.
13. Financial education should be seen as important a life skill as swimming – which is mandatory in all primary schools.

¹ <https://www.fincap.org.uk/en/articles/schools>

14. Children's attitudes about money are well developed by the age of seven - so starting early really matters.² There is also a strong requirement for 'just in time' financial education to support young people as they reach adulthood and start to become finally independent and responsible for managing their money. As an example, student loans are often an individual's first exposure to debt but they may have limited understanding of what this debt entails.
15. Whilst there is recognition of collective responsibility for financial education both in school and at home – schools are uniquely placed to deliver good quality, standardised financial education to all pupils equitably, whereas not all children can be guaranteed a good financial education at home.
16. Schools have strong links with both parents/carers and local communities and communicate regularly with them. This creates opportunities for financial education resources to be shared with settings outside the classroom, and importantly into the home where children will have practical experience of money management.
17. An individual's level of financial education can have a large impact on their future financial wellbeing, making it important for this to be covered at school as part of the National Curriculum - as referred to previously - to ensure no young person is disadvantaged.³ Children can learn about the benefits of financial stability and develop practical skills such as budgeting and saving money. They can also learn about the dangers associated with gambling, fraud and scams (in particular money mules) and together these can support the development of positive mental health and financial wellbeing.
18. The role of schools is particularly important in supporting financial education for CYP, in particular:
 - schools are places in which trusting relationships between adults and children and young people are forged and where open and honest conversations can be held - enabling the learning to be meaningful and impactful;
 - teachers can deliver high quality education effectively in a way that best suits their group of young people and their development – allowing for scale, pace and consistency across a high standard of delivery;
 - it is important that children consider differing opinions and influences about money, giving them a more balanced outlook - schools can offer alternative influences than at home as money may not be discussed at home;
 - CYP can also learn about financial diversity and therefore develop an understanding of the different spending decisions people must make and the fact that, due to our individual needs, people may make different financial decisions from those around them. Such understanding can help to promote kindness, respect, compassion and understanding;
 - CYP can learn about sustainable and ethical spending choices, therefore supporting the development of a sustainable curriculum and helping them understand how spending choices have an impact on the environment;

² [Money and Pensions Service Website – Financial Education in Schools](#)

³ [UCL IOE research](#) and [The London Institute of Banking and Finance](#)

- a blended approach across classroom and home environments offers children the opportunity to test their learning and understand real life decision making about money;
- money and debt are some of the biggest reasons for anxiety and depression and many parents who are already in debt might not know how to help their children - having financial education as part of a formal school day would help ensure that every child has some understanding of finances;
- resources and teaching material to support the teaching of financial education in schools could also be used to offer support to parents and carers who find financial wellbeing a challenge;
- given the current rise in the cost of living and energy bills, it would be helpful to support children to understand choices on spending decisions and how these can:
 - eliminate pester power; helping CYP to understand and support the decisions parents and carers are having to make around budgeting and careful purchasing,
 - have an impact on an individual's mental health and wellbeing; and,
- prepare secondary school and 6th form/college students for independence and making positive financial choices as young adults.

19. On a more general level, financial education can:

- provide a basic level of protection against poor online safety (social media and gambling) or financial scams;
- enhance knowledge on how different forms of credit work and what to look out for e.g. 'Buy now, pay later' where it is clear that many users do not fully understand the pros and cons of this type of credit arrangement;
- help start to save to protect against sudden financial shocks like energy bills rises;
- encourage positive habits which enhance long term financial stability e.g. setting long term savings goals for mortgage deposit or retirement planning;
- build a 'rainy day fund' which increases financial resilience to shocks such as illness, loss of income or unexpected household shocks such as replacing a washing machine;
- help individuals to take advantage of short to medium term opportunities, for example buying a car to commute to a better paid job;
- becoming a critical consumer helps people to understand value for money when shopping, or seeking a better deal on insurance;
- budget within your means and start to save to protect against sudden financial shocks like energy bills rises;
- enable claiming the correct benefits where appropriate and understand what help is available when needed;
- help individuals engage positively with products and services digitally; and,
- become less reliant on debt for bills,

If you don't think schools should play a role, please reflect on which audiences you consider should

20. UK Finance and its members firmly believe that schools have an essential role to play to provide every child with the essential life skills to be financial competent irrespective

of their socio-economic background or school environment (State, Academy, Independent, Special Educational Needs or Referral Units).

21. Building on the firm foundation, other 'influencers' can play an important role in reinforcing and embedding these important behaviours, skills and attitudes.
22. Parents and carers should be involved in supporting their child's understanding of money and discuss household spending decisions.
23. 'Influencers', for example Scouts, Cadet Forces and sports clubs can incorporate important learning about money to engage young people outside the classroom.

Youth and community workers in youth organisations understand the challenges faced by young people and their families, particularly in socially disadvantaged areas and where young people are not engaged in education. Through direct engagement with young people, youth workers are able to weave learning money skills into practical activities, delivering a range of life skills and mentoring sessions. It should be noted however that funding cuts to youth services means delivery may be inconsistent and many organisations have had to significantly reduce their offering.

24. As an example, in 2021, HSBC UK teamed up with the Scouts to develop the first ever Money Skills Activity Badge for Beaver and Cub groups. With a focus on building financial capability skills in a non-formal learning environment, the badge also helps children to understand how their financial choices affect others, along with supporting those who struggle with numeracy. 38,995 children aged 6 to 10 years old have already been awarded the badge and the activities are available free to all on the HSBC UK Scouts supporters' hub.
25. NatWest Group has recently partnered with footballer and campaigner Marcus Rashford MBE to help more young people pursue their dreams, appreciate their strengths and become money confident. A pilot programme which ran through April 2022 in partnership with the National Youth Agency delivered sessions to 150 young people in youth clubs in Manchester, Sunderland and London. Findings from the pilots will be used to shape a national roll-out in the summer.

Challenges and barriers schools face

Thinking about the delivery of financial education in secondary schools, please share reflections on any challenges and barriers that these schools and their teachers face

26. Challenges and barriers faced by secondary schools include:
 - priorities in schools continue to be challenging due to the effects of the pandemic with a resulting focus on assisting students who have fallen behind;
 - lack of available teaching time against the growing demands of the existing curriculum and the school timetable - to the exclusion of other areas like financial education which should be regarded as an important life skill akin to learning water safety;

- limited understanding of the importance of why delivery of financial skills as an early intervention is critical for the development of CYP and to avoid the detrimental impacts of not delivering this may have on the wider economy;
- financial education is not subject to any formal assessment and can therefore be deprioritised;
- some teachers lack the confidence or skills to teach the subject of money to their students⁴, particularly the more advanced aspects that older children would require;
- although there is a wealth of material available to teachers, there is need for enhanced signposting of this material and how it relates to age ranges, abilities, etc. We have previously recommended the development (by MaPS) of a central financial education resources hub which includes a decision-mapping pathway for all key stakeholders including parents and community leaders;
- financial education leads in schools are uncommon; and
- senior support within a school is important and not all teachers feel financial education is taken seriously in their school.

Having financial education on the national curriculum for both primary and secondary schools is an important step for improving children and young people's financial capability and removing barriers to financial education in schools. However, 39% of primary schools and 80% of secondary school are academies or free schools, accounting for 40% and 79% of the primary and secondary pupil populations respectively and are therefore not required to teach the national curriculum. Support for schools to embed financial education in their curriculums therefore needs to go beyond simply adding it to the national curriculum and focus on providing all schools with the support and resources they need to ensure a consistent and robust approach to teaching financial education for all young people, regardless of the school they attend.⁵

Thinking about the delivery of financial education in primary schools, please share reflections on any challenges and barriers that these schools and their teachers face

27. Financial education not being on the primary curriculum in England is a key barrier.
28. Primary schools face similar challenges to those outlined above for secondary schools.
29. A lack of financial education at primary school age, can have significant impacts as poor financial habits can become engrained prior to reaching secondary schools, which can then reduce the ability to positively influence finance-related behaviours as they approach independence. A lack of financial education for primary school students has the potential to lead to long-term issues such as higher levels of debt, fraud and financial abuse.

⁴ Research Chrysalis evaluation of LifeSkills 2021

⁵ <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics>

Solutions to the challenges and barriers

In what ways could secondary schools be better supported to overcome the challenges and barriers identified?

30. A number of UK Finance members already provide quality resources that enable teachers to deliver a comprehensive and meaningful financial education across a range of educational settings. As an example, Barclays LifeSkills ⁶ provides a substantial number of tools and lessons that are free, curriculum linked and aimed at supporting young people to better manage their own finances – both for teachers to use in the classroom and for young people between the ages of 7-24 to use independently or with their parents. This is just but one example and all the large banking institutions provide high quality resources which have achieved the Young Money Financial Education Quality Mark.
31. We would welcome greater signposting across national leadership and government to the existing programmes and resources already available. This should be provided with the end user in mind, i.e. resources should be mapped to the national curriculum so that teachers can find appropriate resources quickly and easily.
32. Further support could include helping teachers and teaching assistants with:
 - CPD designed to boost confidence in delivering financial education content;
 - upskilling;
 - awareness of the resources available to them – this could include accredited training resources if financial skills formed part of the curriculum; and
 - understanding the wider economic impact if the provision of meaningful financial education is not provided at an early stage (provide the ‘impacts’).
33. Consideration should also be given to developing an assessment strategy for wellbeing. As educators need to be accountable and curriculum areas need to be quantifiable, then a measure for wellbeing understanding would be one way to justify the suggested time we propose needs to be spent on areas such as financial education. By increasing the value we place on subject areas such as these, teachers and Senior Leaders will have the confidence to broaden the curriculum as required by children, the community, and society.
34. We would also encourage consideration of how best to include financial education into SEN, Alternative and Home Education provision.

⁶ Example - [Barclays LifeSkills](#)

In what ways could primary schools be better supported to overcome the challenges and barriers identified?

35. Primary schools would also benefit from the support outlined above for secondary schools and enhanced signposting with regard to existing resources and programmes.
36. We also support the view that financial education should form part of the core curriculum from key stage one to four as we recognise the importance of educating children on how to manage money from an early age, helping ensure their future financial wellbeing. This learning could be 'experiential' for the younger ages – make learning 'fun'.
37. We note the importance of parental/carer engagement, support and understanding and continued 'at home' learning.

Are there any primary or secondary schools that face unique challenges and barriers to delivering financial education? (For example, by region /Indices of Multiple Deprivation decile)

38. There are significant socio-economic gaps in the financial education and literacy of young people from disadvantaged backgrounds/schools in deprived areas or schools that have low Ofsted ratings. These schools can often focus on the basics, i.e. core curriculum only.
39. Schools with children most in need of financial education match existing patterns of inequality:
 - 86% of schools with children most in need of financial education were in areas with a higher IDACI rating;
 - 67% of schools with children most in need of financial education had above the national average of pupils eligible to receive free school meals; and
 - 76% of schools with children most in need of financial education were in more deprived areas.⁷
40. Consideration also has to be given to ensuring that vulnerable children, such as those with special educational needs or those in 'care' are not left behind. UK Finance members have been working to ensure that the resources that they provide are also available in accessible formats.

If yes, please reflect on what these unique challenges and barriers are and what solutions could address them

41. Schools with these children most in need of financial education may face multiple barriers to quality financial education provision, including:

⁷ 2021/22 The Centre for Financial Capability, UCL IOE and UK's Children and Young People's Financial Capability Survey

- their pupil intake is likely to face several overlapping challenges competing for teacher 'bandwidth'.
 - teacher time and capacity will be spread thinly focusing on the basics of the core curriculum only (e.g., literacy and vocabulary; numeracy) to the exclusion of financial education; and
 - children with additional learning needs (but still functional) need adapted teaching materials.
42. To address these challenges and barriers, solutions could include:
- working with local government, identification of schools within target areas and earlier engagement (i.e. nursery/pre-school);
 - building financial education into numeracy learning to help to boost confidence⁸ ; and
 - Continuing Personal Development (CPD for teachers and/or other ways of directing expertise into schools would be beneficial to enhance teachers' confidence.
43. As a general comment, any supporting programmes must be inclusive across a range of learning and associability needs and adaptable to align Financial Education provision to the priorities of schools and school leadership, for example maths attainment.

Other support for the delivery of financial education

Please share any other policy mechanisms that would better support schools to deliver high quality financial education among both primary and secondary aged children?

44. As stated above, we would welcome the inclusion of Financial Education into the National Curriculum in England.
45. Earlier intervention and more consistent expectations around financial education could help close the gaps that currently exist across primary and secondary education. Making this a national priority and setting clear expectations about how when and how primary school children should engage with financial literacy, could raise the status of the topic.
46. We recognise that young people are digital natives and learn and engage with the world digitally. Content provision needs to reflect this environment.
47. Financial Education also needs to be 'measured' as arguably what gets measured gets done. This should be formally incorporated into Ofsted Inspection frameworks.

⁸ Barclays LifeSkills has partnered with National Numeracy to help people build their confidence early with numbers and to help them understand how it links to financial education and the world of work
<https://barclayslifeskills.com/educators/lessons/maths-in-everyday-life/>
<https://barclayslifeskills.com/educators/lessons/using-numbers-in-hobbies-and-sports/>

Please share any other support/interventions that would better support schools to deliver high quality financial education among both primary and secondary aged children?

48. The following support/interventions could help support schools:
- encourage additional provision for children with SEN requirements;
 - cross-curricular teaching of financial education to increase its prominence for young people, building wider familiarity with concepts and providing a real world context;
 - investment in teacher professional development - a cross-curricular approach to financial education, with interdisciplinary projects and links between subjects, allowing teachers to have sufficient departmental planning time;
 - specific references/prioritisation of financial education in new professional development; and,
 - acknowledge the role banks and financial services can play, especially with regard to keeping up with the pace of change in the way society interacts and understands money. Input from financial services around topics such as frauds and scams; gambling, cryptocurrencies and investments; cashless transactions and newly developing product areas like buy-now-pay-later is crucial to equip young people with the knowledge needed to interact with these areas.
49. As referred to above, enhanced signposting of existing resources would be helpful – including extra-curricular initiatives, for example:
- **Money Heroes** - Through HSBC UK's support, the Money Heroes programme provided a meaningful financial education to 156,442 children in 2021, with 32% of those from the most deprived parts of the UK. Developed by leading financial education charity, Young Money, the programme helps teachers and parents give children aged 3-11 the best start in building the financial capability needed for the future. Students learn through play with stories, games, activities and guides both at home and in the classroom;
 - In addition, a partnership between **BBC Children in Need** and HSBC will support 10,000 young people in disadvantaged communities across the UK to gain access to the financial education programme Money Heroes;
 - **HSBC Education Volunteers Network** - In 2021, HSBC UK provided over 107,000 young people aged 3-25 years with financial education across colleague volunteering network and online resources hub. HSBC have over 1,000 trained education volunteers who can tailor its programmes to focus on specific age groups or skills;
 - **Smart Gaming HUB** - With an increased focus on online gaming and in-game purchasing options, HSBC worked with Get Safe Online to develop tips for young gamers and their guardians on how to navigate this complex world and stay safe. HSBC UK volunteers have already delivered Smart Gaming sessions to over 4,000 young people;
 - **Barclays LifeSkills** provides contextualised materials for SEND students and young people leaving care. Additionally, through LifeSkills' charity partners students at schools and colleges that meet specific socio-economic deprivation criteria receive employability and financial education workshops. These workshops are supported by Barclays volunteers;

- Lloyds Banking Group (LBG) have created a suite of accredited financial skills resources⁹ for children and young people aged 3-16 and 16+, fully accessible and available for face-to-face and/or virtual delivery.
- Recently LBG’s interactive ‘Surprise Party for Peter’ game for 3–5-year-olds won gold at the **Digital Impact European Awards** event, with judges commenting “it was refreshing to see an interactive game that was not just fully accessible, but also had gamification and a strong narrative and creative design that kept the user engaged to the end.”
- In 2022 after extensive research into financial scams, LBG designed and launched three **financial safety videos** to help prevent young people falling for common scams/fraud. These cover romance, investment and money laundering.¹⁰
- In 2021 NatWest MoneySense created **MoneySense for Young Adults** – resources providing tips, information and expert advice for 16+ as they embark on their financial independence.
- With 32% of parents saying that computer and mobile games influence their children’s idea of money and how to spend it, in 2020 NatWest launched the **Island Saver**, the world’s first free video game that teaches children about money. Created with independent games developer Stormcloud Games, Island Saver harnesses children’s enthusiasm for gaming and makes learning about money as fun as possible. Education charity Young Money designed the core money topics, ranging from simple work-to-earn concepts and using a bank account, to foreign exchange, tax and scams and the game delivers complex topics in dynamic, fun-first ways so Island Saver never feels like a lesson. To date, the game has been downloaded 3.8million times worldwide.

UK Finance and its members understand that this is an important issue and we have a key part to play. We would be keen to support the APPG in the development of its policy proposals in this area.

If you have any questions relating to this response, please contact Fiona Turner, Principal, Financial Inclusion, Capability and Vulnerability at fiona.turner@ukfinance.org.uk

Eric Leenders
Managing Director, Personal Finance

ENDS

⁹ <https://www.lloydsbankacademy.co.uk/financial-skills/>

¹⁰ <https://www.lloydsbankacademy.co.uk/financial-skills/sixteen-plus-new/protect-yourself-from-fraud/>