# Investing in the future

The case for universal financial education in the UK

John Asthana Gibson
Dani Payne

Social Market Foundation

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## FOREWORD

Having a financially literate society is vital for the social and economic wellbeing of a country. For individual well-being, it is vital. No-one can claim that acquiring skills and knowledge, and their personal well-being, is an irrelevance, unconnected to their lives.

Being financially literate helps protect people from scams and fraud, enables them to make sensible financial decisions and ultimately leads to happier and healthier lives. But equipping each of our citizens with the necessary skills is ever harder to achieve as more and more of our transactions move online, and as the financial landscape becomes more complex and harder for the average consumer to navigate.

This report sets out the scale of the challenge we face. Britain has one of the lowest rates of financial literacy in the OECD, and financial education is patchy and fragmented. To a large extent, we rely on charities, and provision in schools maps onto existing socioeconomic inequalities, favouring children in households of higher socioeconomic status and probably more familiar with financial transactions, primarily in our major cities.

With appropriate investment and infrastructure, England can do much better, and measure up to more effective peer countries, like Canada and Estonia. There are no short cuts, and success will depend, first and foremost, on the hard work of our children and our teachers. But that graft is necessary, given the importance of embedding positive financial behaviour early in life. It must be supported with the right training and continuing professional development of teachers, and a contribution from the financial services sector. For adults, the government funded programme, Multiply, can also play a role.

The Social Market Foundation makes a convincing case that financial education should be a core part of the primary school curriculum, and presents a practical plan for ensuring it is taught effectively.

This report is a timely and much-needed analysis of what is currently going wrong with financial education in the UK, and the barriers schools and teachers face in improving and universalising current provision. It concludes with a clear roadmap. By placing financial education more prominently in the primary school curriculum, and committing to appropriate investment in teacher training and support and funding for schools' provision, we can ensure that we are setting up our children for a successful future. Beyond its target focus of English primary schools, the report offers insights into what can be done to improve provision in secondary schools. I hope policymakers take note and join us in seeking to give our children the best possible start.

### Lord Blunkett

**Former Education and Employment Secretary and Vice-Chair of the APPG for Financial Education for Young People**

# EXECUTIVE SUMMARY

## There are growing calls for financial education to be a statutory requirement in primary schools

- Many children in England are unable to develop the knowledge and skills they need to make good financial decisions throughout their lives.
  - Britain has one of the lowest rates of financial literacy compared to similarly advanced economies, with only 47% of adults scoring five or more (out of seven) on financial knowledge questions. The OECD average is 62%, and the average of all participating countries is 56%.
- Having a financially literate population brings a range of fiscal and social benefits:
  - It reduces harmful behaviours such as problem debt and gambling and can help protect people from financial scams and abuse.
  - It promotes healthy behaviours (such as planning for retirement and saving), and correlates with increased wealth accumulation.
  - It is associated with better mental and physical health, both directly and through greater wealth.
  - It may help reduce social inequalities, given that currently in the UK there are large socioeconomic differences in young people's financial literacy.
- For financial education to make a real difference it is important to start young.
  - Attitudes and behaviours towards money that follow young people into adulthood are already present at age seven, and socioeconomic inequalities in financial understanding can be seen at age 11.
  - In recent years the age at which children start to have supervised, and unsupervised, access to money and purchases has been falling. 71% of children aged seven to 17 report making purchases themselves online.
- However, current rates of financial literacy in young people are low, with our survey revealing that only 1% of teachers believe that their pupils possess adequate financial skills.
- Financial education is already part of the English secondary school national curriculum, and is taught at primary level in the devolved nations. Most countries performing well for financial literacy scores include financial education in their curriculums at the equivalent of primary level.
- There has been growing political pressure for key life skills to feature more prominently in the national curriculum.
  - In 2021, the All-Party Parliamentary Group on Financial Education called for financial education to be integrated into the national primary curriculum. In December 2023, a new inquiry was launched by the Education Select Committee into how this could be achieved in practice. Labour's plans to introduce 'real world' maths teaching include financial education, and the current Government's plans for maths to 18 may do so too.

## However, inclusion in the curriculum hasn't necessarily been a success story in English secondary schools or the devolved nations

- Embedding financial education into the curriculum is the most effective method to deliver it 'at scale'. Schools, as opposed to charities or other private providers, will be able to reach the highest number of children and the most diverse range of children. Currently, when it is not compulsory, primary aged pupils from more advantaged backgrounds are more likely to have received some form of financial education.
- However, currently a worryingly low proportion of children (33% across the UK) recall that they learnt about managing money in school and that they found it useful, and this is not substantially higher in areas where financial education is part of the curriculum (e.g. 38% in Scotland).
- Adding financial education to the curriculum is a first step, but not enough on its own – interviews with sector experts and focus groups held with teachers revealed a plethora of other barriers to address.
- The most significant issues for teachers are prioritisation and time, with 54% of primary and 75% of secondary teachers reporting that they do not have enough time on their timetable to give their students a strong foundation in financial literacy.
    - Teachers need time to undertake training and development, and they need time in the school day to teach it.
    - School leaders and teachers need clear guidance from both the Department for Education and the inspectorate that financial education is to be prioritised in order to justify allocating resources and time to this area within an already packed curriculum.
- Teachers generally think financial education should be part of personal, social and health education (PSHE), but it is more commonly taught as part of maths.
    - 61% of primary teachers and 71% of secondary teachers think financial education should be taught within PSHE, followed by maths (50% and 48%), citizenship (41% and 45%), and integrated into multiple subjects (42% and 45%).
    - The disproportionate focus on maths neglects the behavioural and skills building aspects of financial education, risks putting off children who are already disengaged with maths and makes it harder to utilise the most appropriate teaching methods, such as experiential learning.
    - The focus on maths also neglects the vital 'skills' side of financial education – that is, not just having financial knowledge, but being able to act upon it and apply it in a real world context.
- Effective financial education requires confident and adequately skilled teachers, yet many teachers feel unprepared to deliver financial education in schools.
    - When asked how confident they would feel teaching financial education if it were to become part of the school curriculum, 36% of primary teachers said they would feel either 'not very confident' or 'not at all confident' doing so.

- Ensuring teachers are confident and skilled in the teaching of financial education in the classroom requires investment in accessible and quality-assured training programmes and resources.
    - Currently, this is mostly left to charities and private firms, with teachers struggling to navigate a vast and uncoordinated number of options.

## In order to achieve universal effective financial education, quality of provision, teacher confidence, and funding need to be addressed

- These challenges notwithstanding, **financial education should be embedded into the primary school curriculum.**
    - Done well, this could improve levels of financial literacy, reduce socioeconomic disparities in provision and outcomes, and support a more joined-up curriculum between primary and secondary education.
- A **'whole school approach'**, as pursued in Finland and New Zealand, is the best way to achieve this effectively.
    - This would allow teachers to utilise experiential learning, move away from a purely maths-based approach, and relieve curriculum pressure that would stem from either creating a new subject area or placing it all within one subject area.
- Teachers should be adequately supported to deliver effective financial education:
    - The Department for Education would need to fund and develop a **digital central hub of quality-assured training programmes and classroom resources** for teachers.
    - **Financial education should be integrated into Initial Teacher Training.**
- School leaders are anxious about dedicating time and resource to areas such as financial education that they feel the Department for Education and the inspectorate do not reward or prioritise. The inspectorate should clarify to schools that financial education is a core part of their benchmark of preparing pupils for future success in their next steps. The Department for Education should include financially focused SAT questions to signal their commitment.
- Financial education needs to be properly funded. Initial start-up costs are likely be high, to fund the digital hub of resources and training, but schools will also need sustained funding for delivery. This could be funded through the Dormant Assets Scheme, of which £87.5 million has already been allocated to support individuals in managing their finances.

## Policy recommendations

**Recommendation 1:** Financial education should become a statutory part of the English primary school curriculum, integrated via a holistic, whole school approach.

**Recommendation 2:** The Department for Education and Ofsted should set financial literacy as a priority area for schools alongside curriculum inclusion.

**Recommendation 3:** The Department for Education should provide greater funding for teacher training programmes and classroom teaching resources, and set up and fund a central hub of accredited teacher training programmes and teaching resources to better coordinate the expanded efforts of external providers.

**Recommendation 4:** Training on the delivery of financial education effectively in classrooms should be embedded into Initial Teacher Training programmes.

**Recommendation 5**: The Money and Pensions Service should work with the Department for Education to calculate the long-term funding, provided by the Dormant Assets Scheme, required to provide effective financial education at primary level in England.

**Recommendation 6:** The government should support the Money and Pensions Service to develop a financial literacy data strategy, involving greater support for academic studies, inclusion of financial literacy questioning in British cohort studies, and participating in future iterations OECD's PISA financial literacy study.

# CHAPTER ONE – INTRODUCTION

## Children and young people in the UK have poor financial literacy

Levels of financial literacy in the UK are relatively low compared to other economically developed countries. Financial literacy, as defined by the Organisation for Economic Cooperation and Development (OECD), is "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing".[1]

A large proportion of the UK population lacks the skills and knowledge necessary to effectively manage their money. Children and young people face particular difficulties in this area. In our survey, the extent of primary school teachers' concerns regarding the financial skills of their pupils was clear: only 1% believe that the majority of their pupils currently possess adequate financial skills. 42% of teachers reported that none of their pupils have these skills.

Across the UK 58% of young people do not feel confident managing their money (compared to an average of 39%), and 67% of young people do not feel confident planning for their financial future (compared to an average of 53%).[2] Only 2 in 5 young adults are financially literate,[i] falling to 26% for those who are unemployed and 22% for those not working for another reason.[3]

The way in which we interact with money has changed dramatically in recent history and has in some ways made it even harder for young people to understand and navigate the financial landscape:

- Cash payments are down from 61% of all transactions in 2007 to just 14% in 2022, and contactless has risen from 7% in 2016 to 37% in 2022.[4]
- Contactless and mobile forms of payment are especially common amongst the young, with over half (54%) of 16-24 year olds registered to use mobile payments compared to just 12% of those who are 65 or older.[5]
- 71% of 7-17 year olds have bought something online, and, of these, 52% have done so without adult supervision at least some of the time.
- Buy now, pay later schemes have become increasingly common. They are often embedded into online retail sites themselves, making them easily accessible for all consumers. These schemes are most popular with younger consumers, with approximately 45% of 18-24 year olds and over half of 25-34 year olds in 2022 reporting that they expect to use buy now, pay later in the next 12 months.[6]
- Digital scams and fraud are also on the rise: in 2023 Ofcom reported that nearly 43 million adults in the UK had encountered suspected scams online.[7]

[i] Using MyBnk and Compare the Market's financial literacy measure, based on the S&P global financial literacy survey.

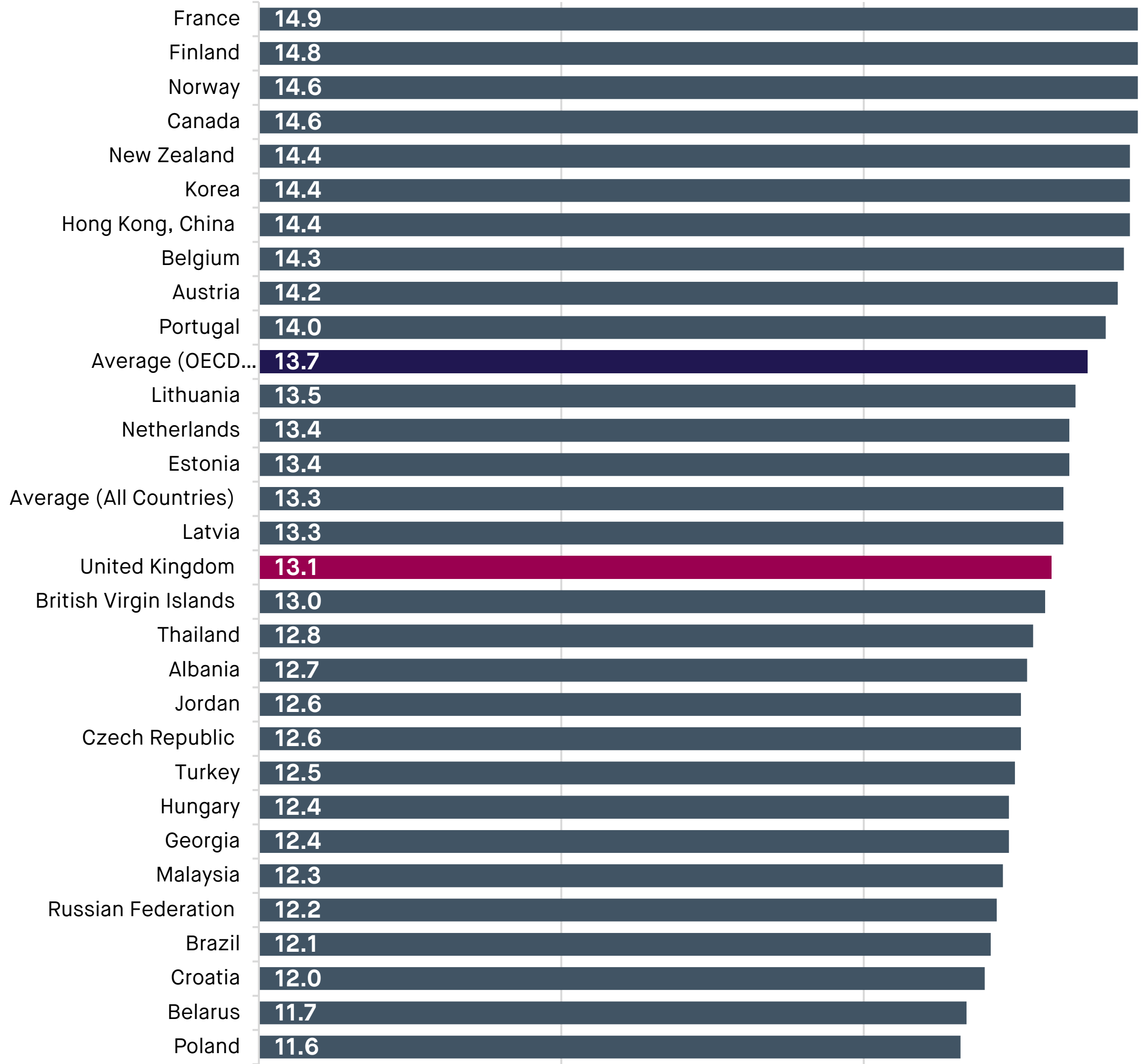
Annamaria Lusardi and Olivia S. Mitchell have described how:

> *"Despite the rapid spread of such financially complex products to the retail marketplace, including student loans, mortgages, credit cards, pension accounts, and annuities, many of these have proven to be difficult for financially unsophisticated investors to master. Therefore, while these developments have their advantages, they also impose on households a much greater responsibility to borrow, save, invest, and decumulate their assets sensibly."*[8]

This rise in the abundance, and often complexity, of financial products poses challenges for those who are not financially literate. Those with lower levels of financial understanding may struggle to understand the terms and suitability of financial products for them. These challenges are broadly present across high-income digital countries; however, those in Britain are likely to be less equipped to adjust to the changing financial landscape due to underlying low levels of financial literacy.

The OECD reports that Britain has one of the lowest rates of financial literacy among advanced economies, despite having one of the most developed financial markets in the world.[9] Figure 1 below displays the financial literacy competency scores of various countries assessed in the 2016 OECD survey, with this measure being an aggregation of country-level scores for financial knowledge, behaviour and attitudes.

**Figure 1: Adult financial literacy competency scores, by country**




*Source: OECD*[10]

## There are large socioeconomic differences in levels of financial literacy

We know that financial literacy is heavily influenced by socioeconomic status. By the age of 15 the financial literacy gap in the UK is already clear: students from families with high economic, social and cultural status score significantly higher than their disadvantaged peers. A study using survey data from 3,745 UK families found that 15 year olds from socioeconomically disadvantaged backgrounds had equivalent financial skills to 11 year olds from wealthy backgrounds.[11] MyBnk analysis of young adults in the UK concluded that those who attended private school and those from higher income households are more likely to be financially literate.[12]

Internationally, studies have found positive correlations between wealth, education and income and a young person's level of financial literacy. Interestingly, evidence from the UK suggests that while significant socioeconomic gaps in young people's financial literacy emerge early in life, they do not seem to grow wider (or, indeed, narrow) over time, with differences between socioeconomic groups at age 11 being broadly the same by the end of secondary school.[13] One study found that young people with parents who held degrees were more likely to understand inflation, and young people with wealthy parents were more likely to understand risk diversification.[14] Research has found that there are socioeconomic differences in how parents talk to their children about money, and the frequency of such conversations seems to matter less than their quality. The study concluded that financial literacy was more closely related to levels of the confidence and skills of parents wishing to provide their children with a financial education than the frequency of conversations about money, and that low-income parents have less confidence and skill on these matters compared to wealthy parents.[15]

## Financial literacy can have positive economic, social, and health outcomes for both the individual and society

Almost a quarter of 18-24 year olds have less than £100 in savings and often use a credit card, an overdraft, or borrow money to afford everyday essentials such as food and bills. Inadequate financial skills – such as an inability to budget money effectively, understand the difference between wants and needs and avoid financial risk-taking – can put people at high risk of debt and financial stress. In 2021, the number of households in England reporting that they were experiencing a heavy financial burden as the result of loan and interest payments rose by a third.[16] In 2022, 43% of those surveyed had gambled in the previous four weeks.[17] Currently, the number of young people experiencing scams, phishing or fraud remains worryingly high, with over half reporting this.[18]

The economic benefits of financial literacy to both individuals and to society are vast. A study in the United States found that, on average, American adults self-reported losing nearly $2,000 (£1,560) per year due to a lack of financial knowledge.[19] Whilst it is hard to determine if an individual would be able to accurately report how much money they had lost due to financial illiteracy, or conversely how much they would have hypothetically saved with increased understanding, other studies have shown financial literacy to be correlated with personal economic benefits. Financial literacy has been linked to increased savings,[20] a higher likelihood of investing,[21] participation in pensions and retirement planning,[22] and better financial management,[23] whereas low levels of general education correlate with the making of financial errors,[24] increased borrowing and decreased wealth accumulation,[25] and increased financial risk-taking (such as taking out high interest and risky loans).[26]

Participating in healthy financial behaviours such as saving and planning for retirement has an obvious individual benefit in terms of increased wealth accumulation, financial security and decreased financial stress, but these behaviours also have positive societal benefits. A study from 2012 focusing on the United Kingdom estimated that financial education could be of huge economic value, reducing unemployment costs by £600 million a year, saving £1.8 billion a year in retirement costs, and £178 million a year in reduced debt.[27] Others have argued that financial literacy can reduce the fiscal cost to governments of providing welfare support and benefits.[28]

More generally, financial literacy is correlated with higher income and wealth, and higher income is positively correlated with both mental and physical health.[29] Those with higher levels of wealth are more likely to be living in safe and healthy environments, have better nutrition, and have access to better health services.[30] Financial issues (such as debt and poverty) are also known to cause high levels of stress which negatively impact both mental and physical health outcomes. Given that financial literacy is positively correlated with wealth accumulation and negatively associated with financial stress (such as debt and financial risk taking), it is likely that financial literacy has a positive impact on individual health and wellbeing, at least through the intermediate effect of income and financial wellbeing.

As well as positively impacting on health and wellbeing through income and financial wellbeing, research indicates that financial literacy itself is correlated with a range of health and social benefits, independent of its impact on personal incomes. Research from the United States and Japan has shown that financial literacy decreases the likelihood that someone will smoke, a health problem that in 2015 was estimated to cost the NHS in England £2.6 billion annually.[31] [32] [33] One study using data from 15 years of the British Household Panel Survey found that financial literacy had “significant and substantial” positive impacts on mental health, even when income and financial resources are controlled for.[34] Another study from the United States found that financial capability correlated positively with health, even when controlling for other factors such as demographics and income, and that correlation was longitudinal.[35] Importantly, this study defined financial capability as a combination of financial literacy and financial opportunity (e.g. inclusion in financial services and products), suggesting that financial literacy initiatives may need to work in combination with financial inclusion initiatives to be most effective.

## Delivery of financial education in English schools is generally poor and patchy

Despite the vast amount of evidence detailing the benefits of having a financially literate population, provision of financial education is patchy across the English education system. Given that it is not a requirement to teach financial education at the primary level in England, it is challenging to estimate the number of primary schools which are voluntarily delivering genuine financial education, and the proportion of primary school children receiving it. Studies often target different populations, and ask different questions. Some only survey secondary school age children, others survey teachers on provision, and some ask children if they recall learning about financial management or money.

Nevertheless, the data we have suggests that only a minority of young people receive effective financial education. One study in 2020 reported that 32% of primary school age children (seven to 11) in England recalled learning about managing money in school and that it was useful, a fall of seven percentage points since 2016.[36] Of young adults in Britain, 61% do not recall receiving financial education at school.[37] The London Institute of Banking and Finance's Young Persons' Money Index 2021-22 found that although a majority of young people (62%) said they'd received some financial education at school, only 8% cited school as their main source of financial education. Of those who do study personal finance, the majority (68%) said they study for less than an hour a week.[38] The provision of financial education also seems to follow inequalities seen between socioeconomic groups, with children living in lower income households being less likely to recall having had a financial education than their peers.[39]

There has been a longstanding debate on whether financial education should be included in the school system. Financial education has often been considered something that parents teach to their children, with money matters not a responsibility for teachers to touch on in classrooms. A survey of teachers in the United Kingdom found that overwhelmingly educators feel that parents should play the greatest role in children's financial education.[40] However, this requires parents to be capable and confident teaching financial education themselves. Just under half of parents do not feel confident talking to their children about money, and those who do are more likely to be from socioeconomically advantaged households.[41] Previous polling has found that 68% of parents would like financial education to be on the primary school curriculum.[42] As well as debates around whether financial education should be formally taught at all, schools have faced barriers to implementation even when they wish to include it. A stretched curriculum, lack of confidence from teachers in delivering the topic, and the fact that it has not been seen as an education priority for policymakers have all contributed to a patchy and dispersed financial education system in England.

## There has been growing policy interest in improving the delivery of financial education to children and young people in the UK

Over recent years there has been increasing recognition of the poor quality of financial education in schools. We have seen growing policy interest in ensuring that children grow up with the skills they need to make good financial decisions throughout their lives.

In 2014, financial literacy education became part of the National Curriculum in English secondary schools, forming part of citizenship education for key stages 3 and 4 (ages around 11-16).[43] Scotland, Wales and Northern Ireland, where education policy is devolved, have all introduced financial education as part of their curriculums for both primary and secondary schools. Further evidence of the growing recognition of financial education's importance as a policy area came in 2015 with the launch of the UK's Financial Capability Strategy. Focusing on developing people's financial skills and knowledge, and their attitudes and motivations towards money, the strategy set out a 10-year plan aiming to bring about significant improvements in the UK's financial capability by 2025.

The existing data suggests some improvements in the level of financial education delivered in schools, though the problem remains far from solved. Following the implementation of financial education in the secondary school curriculum, one study found that the percentage of young people (aged 15-18) reporting that they study personal finance at school rose from 29% in 2015 to 74% in 2021.[44] More than a quarter (26%) report that they spend between one to two hours per week studying personal finance, and nearly 3 in 10 (28%) report spending more than two hours per week. However, data from the Money and Pensions Service (MaPS) still indicates that most pupils are still either not learning about money at school, or not finding what they have learnt useful.

Whilst moves to increase the provision of financial education are certainly to be lauded, there remains a significant gap in financial education provision in England: primary school. Unlike other parts of the UK, financial education is not part of the primary curriculum. Whilst aspects of financial education do feature under the mathematics curriculum, such as recognising and knowing the value of coins and notes, this is generally considered inadequate – failing to address behaviour and develop relevant skills, alongside building knowledge. It is widely recognised that being financially literate is about much more than simply being numerate. Maths is important, but financial literacy also encompasses the attitudes and behaviours necessary to make informed personal finance decisions throughout life, such as understanding how to budget effectively, and a recognition of the risks of unsustainable personal debt.

## There is a strong case to increase financial education at primary level in England

Research has shown that money habits and behaviours that will stick with children for life, including the ability to plan and delay gratification, are formed by age seven.[45] As we have seen, children are also exposed to greater financial risks at a younger age, with smart phones, online gaming and social media increasingly available to young children and opening up greater risks for gambling, scams and exploitation. As such, it is of growing importance that children have the skills and capabilities needed to engage in these technologies safely. Above all, improving primary-aged children's financial literacy will provide a strong foundation to be developed further in secondary school, creating a joined-up curriculum and ensuring that they have the ability to manage their money effectively throughout their adult lives.

As a result, there have been growing calls for England to follow the path of the devolved nations, and numerous countries around the world, and embed financial education onto the curriculum at primary level. Most prominently, the All-Party Parliamentary Group (APPG) on Financial Education for Young People released a report in 2021 calling for financial education to be integrated into the national curriculum for primary schools in England.[46] A number of other organisations, including the Centre for Social Justice and the Lord Mayor of the City of London, have recently added their weight to calls for financial education to be made part of the statutory primary school curriculum in England.[47] [48] The House of Commons Education Select Committee recently launched an inquiry into the state of financial education and the policies needed to ensure its delivery is improved, specifically looking at whether the provision of financial education should be extended to primary schools and post-16 education. At the 2023 Labour Party conference, Shadow Education Secretary Bridget Phillipson announced an intention to introduce “real world” maths teaching at primary school, and in a more recent speech she said that the Labour Party is “determined to move at pace on an expert-led curriculum and assessment review”. Labour said that its curriculum review will direct teachers to show children how numeracy is used in the world around them, such as through household budgeting and understanding exchange rates when going on holiday.[49] [50] These announcements clearly demonstrate the party’s intent to put greater emphasis on financial education in the English primary curriculum.

Evidence suggests such a move would be popular with those that receive and deliver financial education. Our survey revealed that 72% of primary school teachers feel that young people should start to learn the transferable skills needed to build their financial capability at primary school level. Previous polling found that this is also popular with pupils, with 72% of young people wanting to learn more about money in school.[51] Teachers delivering financial education most commonly say they do so because they regard it as important for young people’s futures.[52]

## This report will set out how financial education can be effectively integrated into the primary school curriculum in England

Whilst there appears to be broad support for adding financial education to primary curriculums, doing so effectively in practice is not straightforward. A previous report from the APPG on Financial Education for Young People found that putting it on the curriculum has not comprehensively translated into effective provision at secondary level in England and in primary schools in the devolved nations.[53]

It is true that inclusion on the curriculum is likely to lead to better provision of financial education, with growing numbers of late teenagers recalling learning about financial education in the years following its implementation on the secondary curriculum.[54] A higher proportion of primary school children recall learning about managing money in school in Scotland and Wales (both 40%) than in England (32%). However, England still outperforms Northern Ireland (29%) on this measure, where it has sat in the primary curriculum for over a decade.[55] More broadly, the differences between the UK nations shows that curriculum inclusion is not enough in itself to ensure effective provision. Understanding the barriers faced by nations that have already implemented financial education into the curriculum will be vital for ensuring success in English primary schools.

The purpose of this report is to understand how an effective delivery of financial education at primary level can be achieved. In doing so, it will lay out the barriers and opportunities to integrating financial education into the primary curriculum in England. Drawing on lessons from other jurisdictions, both from the devolved UK nations and from countries overseas, it will set forth how the integration of financial education into the primary curriculum should occur in practice. Whilst the report focuses on how England should integrate financial education into the primary curriculum, this research also offers lessons to policymakers and educational practitioners concerned with improving the provision of financial education in the rest of UK.

## Methods

Evidence and concepts fundamental to the scope of this report were drawn from an extensive review of relevant literature, and this understanding was then built upon through in-depth interviews with a dozen individuals with authoritative insight into financial education policy. Interviews were conducted with UK and international experts, comprising of academics, government policymakers, school leaders, and specialists working in charities and other non-governmental organisations.

In addition to conversations with policy experts, focus groups were carried out with English primary school teachers in order to develop a better understanding of the more practical issues faced by those who either currently deliver financial education in the classroom or those who would be charged with doing so. The focus group sessions sought insights on the current state of students' levels of financial literacy at primary school and on the current curriculum, the opportunities and risks of adding financial education to the primary school curriculum in England, and issues such as the training, support and resources that teachers need to provide students with a strong level of financial education.

Finally, the SMF conducted a nationally representative survey of teachers and school leaders in England, asking questions about the current provision of financial education in schools, the issues they face in delivering it and their views on what support they would require if it were to be made a statutory element of the curriculum in England. The survey, run by Teacher Tapp, was used to develop a better picture of the barriers teachers foresee to the effective implementation of financial education in primary schools, and their views on key questions such as the subjects in which financial education should sit. Unique responses to questions ranged from 1,085 teachers, for the most focused question, to 9,662 teachers, for the most general question. Of the 11,216 respondents giving an answer to at least one survey question, 65% were secondary teachers and 35% were primary teachers. The survey results reported are weighted against national teacher demographics to ensure that they are representative.

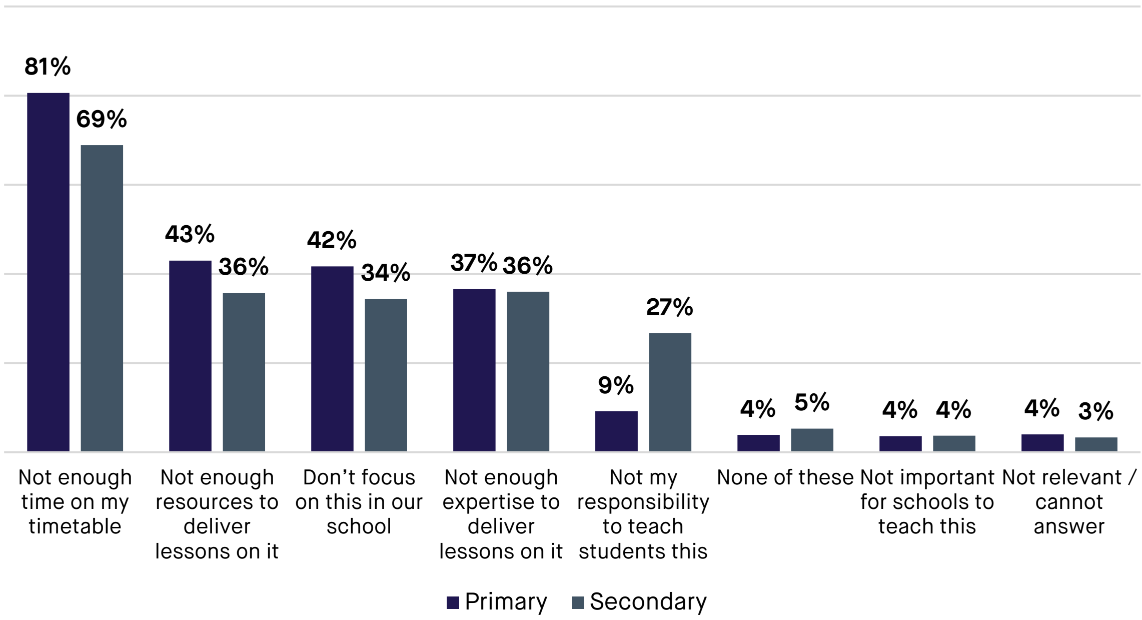
# CHAPTER TWO – SHAKY FOUNDATIONS

## The curriculum is the first step, but support for teachers and schools must follow

The primary curriculum in England is unusual in its treatment of financial education. In short, there is very little. Experts believe that "the curriculum is key" to improving levels of financial literacy. Greater emphasis in the curriculum would certainly move us towards better provision of financial education in English primary schools, where 81% of teachers do not have enough time in their timetable to give children a strong foundation in financial literacy.

But the curriculum alone is not enough – even at secondary, 69% of teachers still do not have adequate time to dedicate to the subject. Teachers need support, schools need funding, and policymakers need data. We see these three issues as the major stumbling blocks towards achieving universal financial education in the UK.

**Figure 2: "Which of the following conditions restrict your ability to give your students a strong foundation in financial literacy?", by primary and secondary school teachers.**




*Source: Teacher Tapp survey*

### Teachers are not able to give students a strong foundation in financial literacy

We are aware that there are many competing topics that policymakers, charities, and activists have called to be given greater prominence in the curriculum. Everyone feels that their area is of greatest importance to the education of young people. Yet there is only so much space in the school day, and teachers are competing with an already stretched curriculum.

Financial education is interesting in that there seems to be near-universal support for it. 72% of primary teachers feel that young people should start to learn the transferable skills they need to build financial capability at primary school. There is great will from teachers to provide students with a strong foundation in financial literacy. Unfortunately, they are currently unable to.

Both primary and secondary teachers in England are struggling to deliver financial education. This is in part due to lack of resource and expertise – 39% do not have enough resources to deliver lessons, and 36% feel that they do not have enough expertise. Experts also have concerns about how financial education is embedded into the curriculum in practice: where it sits, how it is taught and what is taught makes a big difference to how impactful teaching is. These issues are similarly present in the devolved nations and English secondary schools, which has contributed to the limited impact we have seen of curriculum inclusion in these jurisdictions.

## Financial education should have greater prominence in the curriculum

### Inclusion on the curriculum is the first issue that needs to be tackled if we are to deliver financial education to young people

> *"The only way that you can hope to get consistent messages [about financial education to children], to get clear growth in their understanding over time, is to have a structured curriculum that builds on previous learning and understanding and other topics that they might be learning about in school. […] You want them to be grounded so that they can make decisions that are in their own best interest as they move through their life." Academic expert*

Space within the curriculum is a huge barrier to financial education. 66% of primary school teachers have not taught a lesson on financial education in the last year. We know that this is not due to a lack of desire from teachers to provide financial education in the classroom. With teachers facing a very packed curriculum, they simply cannot dedicate sufficient time to optional subjects such as financial education. Teachers do feel that inclusion in the curriculum would help them overcome this: 43% of primary teachers would find it easier to deliver financial education if it had greater prominence in the curriculum.

### The current curriculum has a strong focus on English, maths and science, but this means that financial education is neglected

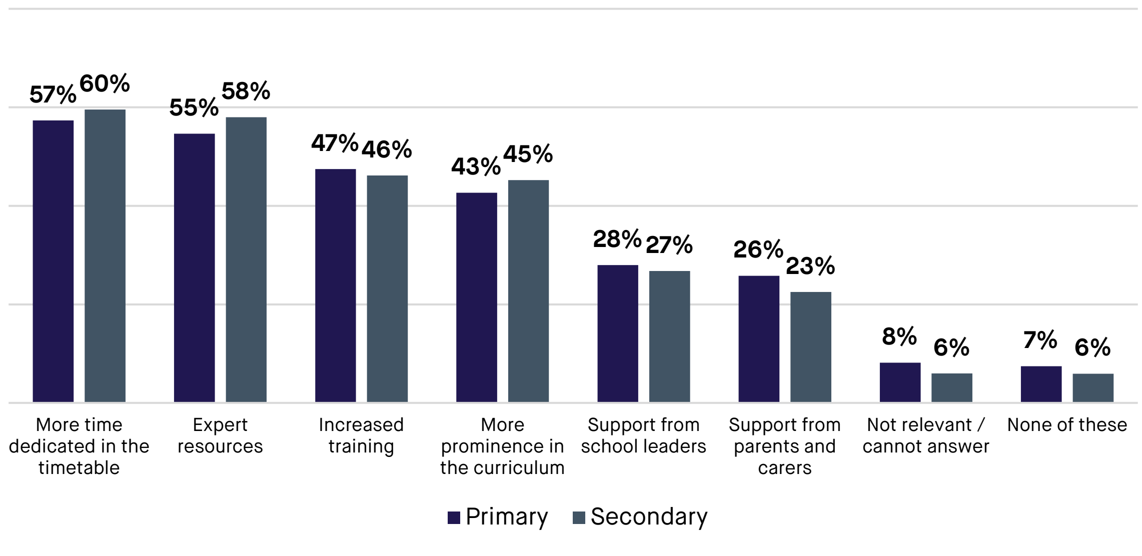
The current curriculum is challenging for teachers to follow. In 2014 Michael Gove, then education secretary, set out a new national curriculum that emphasises higher standards in English, maths and science.[56] It also aims to provide a broader, knowledge-rich curriculum. Other subjects such as computing, design and technology, art and design, geography, history, languages, music and physical education are all included at primary level. Many school leaders in theory welcomed a stricter focus on English, maths and science, whilst being able to retain breadth across numerous other subject areas. The focus on greater flexibility for teachers was also welcomed, with the curriculum document being less prescriptive than the previous.

However, initial positivity has not been sustained. Currently teachers report feeling that the curriculum is too stretched, unable to deliver a focus on higher standards in core subjects alongside a breadth of knowledge. In focus groups they highlighted the view that Ofsted's focus on reading, writing and maths standards at primary age means that teachers and school leaders are unlikely to prioritise anything else. Schemes of work are often very specific, detailing what they should teach and when. In practice this means that teachers struggle to fit in everything that is already in the curriculum, let alone additional 'nice-to-have' extras such as financial education.

> *"We used to joke in my last school that on the first day of September, you are already behind in what you were meant to be teaching. The curriculum was so packed that every minute of the day literally was accounted for. It felt everything was fifty miles an hour; there was no time to just pause, reflect, make sure the children were okay before you move on [to another topic]. I don't think there's any teacher out there that would say that having more financial education is not a good idea, I think every teacher believes that. But trying to find time in the day, with everything else in the curriculum there literally isn't [enough time]." Primary school teacher*

Figure 3 illustrates that the curriculum plays a significant role in enabling teachers to deliver financial education. Of the top four initiatives that teachers feel would improve their delivery, two relate to the curriculum. 57% of primary school teachers would benefit from more time being dedicated to financial education in the timetable, and 43% would be helped by financial education having more prominence in the curriculum. Even barriers related to resources and training were felt by teachers to be influenced by financial education's absence from the curriculum. In focus groups teachers commonly said that school leaders were unlikely to dedicate time, resources and training to areas that do not feature in the curriculum.

**Figure 3: "Which of these do you think would help you improve the delivery of financial education?", by primary and secondary school teachers.**




*Source: Teacher Tapp survey*

While we recognise that the issues of time and prioritisation may not be solved entirely by the addition of financial education to the curriculum, it is clearly a vital first step for teachers. All felt inclusion in the curriculum would help them find time for delivery, access training and resources, and would lead to greater support from school leaders. Teachers were also generally favourable to the inclusion of financial education in the curriculum for the benefit of their pupils. They told us that they feel that the current curriculum places too much emphasis on specific knowledge pupils have to acquire at each stage, and not enough on the development of key life skills, which would be a positive addition to the curriculum.

> *"I feel that children are given all this information in order to move on to the next year group. Which is brilliant, and in Key Stage 1 it is all about getting them to be able to read because once they are able to read, they're able to do everything in life. However, in terms of skills, like learning to do different things like tie a shoelace, or how to change your bed, they are missing that." Primary school teacher*

> *"Our timetables are so scrutinized. They come in at twenty to nine, and they're sitting down working straight away. [It's about thinking about whether] the hours are being used valuably, or are they just ticking boxes? It's thinking about what the hours in school are actually for. We're trying to create these children who are social, happy, worldly children. If they're just learning all their subjects, just recalling facts all the time, not having a conversation about what's the value of this and talking about it, I think our children are going to struggle in the future. I really do." Primary school teacher*

### Most countries making strides in financial literacy include financial education at primary level

Internationally, countries that have high financial literacy scores tend to include financial education in the primary curriculum in some format. Estonia's financial literacy strategy, where 'financial wisdom' is a compulsory part of the primary school curriculum, speaks to the importance of financial education for young people.[57] In 2018 Estonia scored below average in the OECD adult financial literacy study.[58] Since then the country has seen huge improvements in financial education provision. In the latest OECD measures Estonia is now above the OECD average, with almost half (48%) of adults scoring at least 70 out of 100 points on the financial literacy test.[59] Estonia now also performs exceptionally for youth financial literacy, ranking top of all participating countries.[60] Finland, with the second highest financial literacy in the OECD in 2018 and above the OECD average in 2023,[61] [62] also teaches financial education at primary level. In Canada, which ranked fourth in 2018, many primary age children benefit from national campaigns such as Talk With Our Kids About Money day.

### Case study: Financial education in Finland

Finland sees some of the world's highest rates of financial literacy for both adults and children. The country ranked second in both the OECD's 2016 Survey of Adult Financial Literacy Competencies and in the OECD's 2018 financial literacy PISA survey (which measured 15 year old students' understanding about money matters). Like other top performing nations, Finland is renowned for having a strong and well-rounded education system. But there are some more specific reasons why the Finnish population is highly financially literate.

Perhaps the most notable is the longstanding inclusion of financial education in the school curriculum, with financial and entrepreneurship education having been a cross-curricular theme in basis and upper secondary education since the 1990s. More recently, the primary curriculum has seen the inclusion of two hours of compulsory social studies, economics and entrepreneurship education per week, on top of the three hours that was already in place for secondary students. The subject aims to enable students to become "independent societal and economic actors" and "to manage his or her personal finances".[63] What stands out in Finland is the cross-curricular, or 'whole school' approach to financial education. One Finnish expert interviewed as part of this research described the standard approach to financial education as being embedded into a number of school subjects. Whilst the reasoning given for this approach was that with packed school hours it becomes easier to find room when integrating into multiple areas, delivering financial education in this way has delivered positive results because financial literacy "naturally touches upon several subjects".

The active involvement of a number of non-governmental organisations in the provision of financial education in schools is another reason for Finland's high rates of financial literacy. Finance Finland, an organisation representing the Finnish financial services industry, supplies comprehensive schools with learning materials they can use in the teaching of personal finances and has sponsored free insurance-themed workshops since 2019.[64] The Bank of Finland also plays a key role in developing Finns' levels of financial capability. It prepared a national strategy to promote financial literacy that was implemented in 2022, and established a financial literacy hub at the Bank of Finland Museum in the same year.[65]

**Case study: Financial education in Estonia**

According to the OECD's 2018 financial literacy PISA survey, Estonia has the highest levels of youth financial literacy measured in all participating countries, and there is evidence of improvement in the levels of adult financial literacy in the country.[66] In 2018, Estonia scored below average in the OECD adult financial literacy study.[67] Since then the country has become one of the top ranked nations for levels of adult financial literacy. In the latest OECD measures Estonia is now above the OECD average, with almost half (48%) of adults scoring at least 70 out of 100 points on the financial literacy test.[68]

There are several explanations for why Estonia sees high and growing levels of financial literacy, with effective financial education in schools underlying the country's success. Since 1996, elements of financial education were included in the curriculum in upper and lower stages of secondary education as part of 'civics' education and in two further courses, the principles of economics and entrepreneurship, that are intended to be closely integrated with other subjects like maths, geography and history in a broad cross-curricular teaching approach. A key feature of the Estonian education system in general is the widespread adoption of digital technologies in classrooms, with students encouraged to use digital tools from an early age.[69] Experts have said that this has enabled Estonia to make digital literacy a key element of students' financial capabilities, particularly the ability to understand online financial products and how to stay safe online.

The role of non-government organisations has also aided Estonia's efforts to improve financial literacy. The Estonian Ministry of Finance provides a platform for cooperation between private, public and third-sector partners to share good practices and address challenges, and this has helped bring about considerable public-private collaboration. In 2013, for example, additional teaching resources were developed by a partnership consisting of the Estonian Financial Supervision Authority, the Tallinn stock exchange and Estonian Teachers' Association, designed to be integrated into the curriculum at all school levels. These financial education resources were drafted with the help of financial sector experts and were made available online free of charge.[70]

### However, adding financial education to the curriculum is not a silver bullet

While it seems clear that placing greater emphasis on financial education in the primary curriculum is necessary, data from secondary schools and from the devolved nations shows that this in itself is not sufficient. Young people are still unlikely to say that they have been taught about money in school and that they find it useful.[71] Approximately 2 in 5 teachers in areas where financial education is part of the curriculum seem unaware that they should be teaching it.[72]

Some experts raised the question of whether this measure (recalling learning about money and finding it useful), used by MaPS to track progress against financial education targets, is the right indicator of success. Pupils may be taught aspects of financial education but not necessarily relate that back to ‘money’, as financial education is about more than just money. Careers and employment education, for example, could feature under financial education but may not focus much on money itself. In focus groups teachers also raised this issue. They said that, particularly for younger children, unless explicitly told that they are learning about money, they may not identify this themselves. Similarly, children may be learning about things that will be useful for them in the future but may not feel it is immediately useful to them now, such as taxes and pensions.

Whilst this measure may not be perfect, the existing data still does point to issues in the devolved nations, and in English secondary schools. In order to achieve effective financial education at primary level, it is important that we understand, and seek to tackle, the barriers to success faced by those who have already taken this first step. If financial education’s inclusion in the curriculum is seen as the sole solution to Britain’s financial literacy woes, without consideration of the necessary supportive infrastructure, its impact will likely be limited.

Through our survey, focus groups and interviews, we identified a number of barriers that relate to exactly how financial education is embedded into the curriculum in practice. These barriers will need to be addressed should financial education at primary schools be effective, and can also serve as important lessons for those in the devolved nations and English secondary schools. Identified barriers are as follows, and are addressed in turn in this section:

1. What is taught as part of financial education, and where it is placed within the curriculum
2. How financial education is taught
3. Teachers’ ability to dedicate time to this area of teaching

**Financial education has the potential to ‘bring maths to life’, but restricting it to mathematics risks losing the behavioural aspects of financial literacy**

Interviewees were quick to point out that, to be delivered effectively, where financial literacy sits in the curriculum, and what exactly is taught, is critical. The limited success in the devolved nations and secondary schools in England shows a need to consider how this could be implemented carefully, and indeed many experts warned of the risk of ‘tokenistic’ education with little meaningful benefit if implementation was rushed.

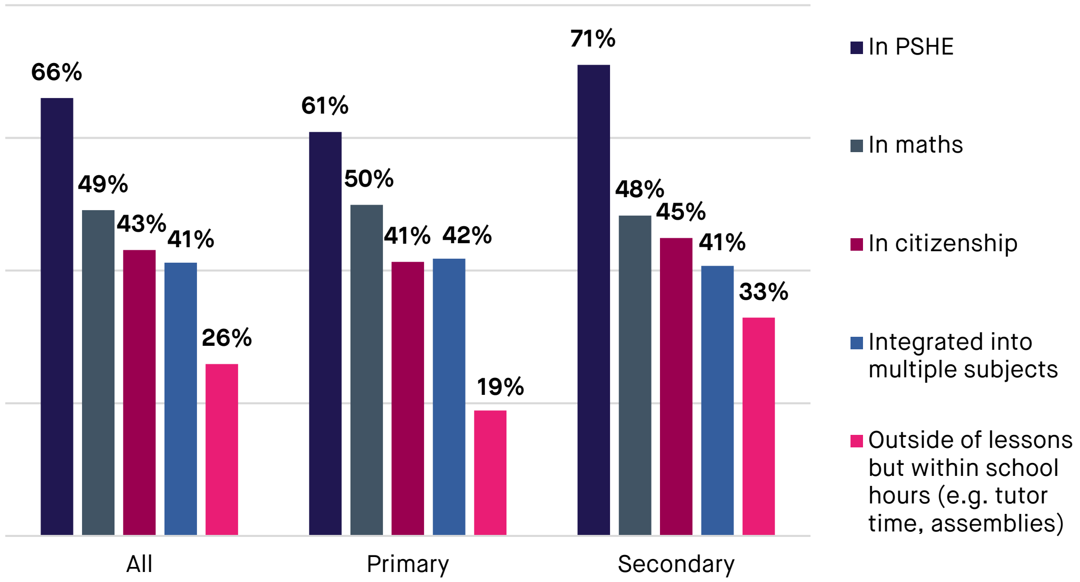
In some countries financial education sits purely in mathematics, such as in Northern Ireland where financial education is primarily delivered through maths and numeracy. Often similar content is taught to a normal mathematics curriculum, but through a financial lens. At first glance, this seems to make sense. Given that financial literacy does require a good level of basic numeracy (e.g. being able to work out change, understand percentages, and write a budget), maths seems to be the obvious first home for financial education. Indeed, some of our interviewees preferred this approach given that it would be relatively simple to build off the existing mathematics curriculum and to implement quickly. It would not be difficult, for example, to rephrase a number of maths SAT questions to be framed around money and finance, and for teachers to place a greater focus on this within lessons. Maths teachers are also the most confident: 87% feel very or somewhat confident teaching financial education.

Whilst we appreciate the argument that placing financial education within mathematics would be the easiest solution, the most convincing argument is the potential benefit it can bring to engagement and understanding of maths. Experts highlighted that financial education has the ability to take a subject that many young children struggle to see the relevance of and make it immediately applicable to their everyday life. Financial education can therefore support both Prime Minister Rishi Sunak's ambition to ensure all young people learn some form of maths up until age 18,[73] and equally Labour's ambition to "bring maths to life" for young people via a richer curriculum.[74] It would likely also improve the popularity of policies aiming to increase mathematical proficiency in younger populations, given that the majority of young people report wishing that they learnt more about money and finance at school.[75]

In practice, when financial education is taught in Britain, it is often taught within maths already. Even in areas where financial education formally sits within multiple subjects (e.g. maths and citizenship in English secondary schools), in reality most of the teaching is being done by maths teachers. Our survey of teachers revealed that 55% of maths teachers have taught a financial education lesson in the last year, compared to an average of 32%.

However, where it is currently being taught and where teachers and schools leaders feel it should be taught are not necessarily the same. Despite the majority of teachers delivering financial education being maths teachers, both primary and secondary teachers and school leaders agreed that it should be taught in PSHE. 61% of primary school teachers and 71% of secondary school teachers said financial education should be taught in PSHE, followed by maths (50% and 48% respectively), citizenship (41% and 45% respectively), and 'integrated into multiple subjects' (42% and 41% respectively).

**Figure 4: "How should financial education be taught in school?" (top 5 responses)**




*Source: Teacher Tapp survey*

Experts warned that focusing purely on maths will likely limit the impact of provision on financial literacy levels. Whilst it could help boost pupil engagement, it could equally put off students who are less confident in or do not enjoy mathematics. Others noted that whilst you do need basic numeracy for financial literacy, most of the more complex maths is now done for you, either by banks, digital tools or calculators readily available on phones. Most critically, interviewees pointed out that to be financially literate, you need not only basic numeracy but also broader skills development – understanding needs versus wants, understanding socioeconomic differences, being able to not just write a budget but stick to one, etc. This is arguably more important than the mathematical side for building financial capability in young people.

It would be important, therefore, that were financial education to be integrated into the primary curriculum that this does not only, or predominantly, sit within maths. Although this may be the easiest pathway logistically, it likely contributes to constrained success elsewhere, such as in English secondary schools.

**To influence financial behaviours and attitudes, teachers need to be able to take creative approaches to teaching**

As well as where financial sits within the curriculum, the style of delivery needs to be considered to ensure effectiveness. Given that building financial capability and positive financial behaviours in young people is not just about ensuring they have adequate levels of knowledge, but also that they are able to act on this knowledge and make positive choices and build positive habits, a skills building, interactive approach to teaching would be required.

Experts were keen to raise the importance of the style of delivery, which could help explain why so many young people studying in settings where financial education is notionally universal fail to recall receiving any. Interviewees were concerned that financial education sitting largely in mathematics may lead to a ‘knowledge’ rather than a ‘behaviour’ approach to teaching – that is, imparting knowledge (e.g. value of coins and notes) without encouraging children to practice key skills (such as budgeting) and behaviours and attitudes (such as delayed gratification and distinguishing needs from wants). Crucially this is not just about where it sits in the curriculum, as discussed above, but also about how it is taught, regardless of the subject area.

> *"Often we see education as providing knowledge - but what you need to be really financially literate is different behaviour. You need to not have bad habits, but have good habits. This is in a way more akin to doing something on physical health or sports, it's about actually teaching you to do it. It's about teaching you the skills you need, and the behaviours that you would benefit from." Academic expert*

Experts said that interactive and experiential learning is critical for the effectiveness of financial education. MaPS carried out an evidence review which drew similar conclusions. Financial education is most effective in classroom and workshop formats. This allows for both structured learning that includes clear objectives, interactive learning such a role play, and social interaction which allows children to hear other points of views, ideas and experiences.[76]

Experiential learning has long been considered as one of the most effective teaching styles for shifting students’ behaviour and attitudes.[77] Experiential learning is the process of learning by doing, where students are “involved, active, engaged, participants in the learning process”.[78] Experiential learning should be “hands on” and centred around the life experiences of the learner. By turning theory into practice and allowing children agency over the learning process, children can feel more engaged and excited about their learning, whilst allowing them to practice the key skills and habits that we want them to develop.

Importantly, experiential learning should involve some element of risk, and indeed experts highlighted the particular importance of this for financial education. One interviewee expressed the view that one of the most beneficial functions of early financial education is allowing children to make mistakes in the safety of classroom. Otherwise, potentially the first time young people are making financial decisions is in the ‘real world’, with real world consequences if they make an uninformed or bad decision. In the context of financial education, this could be an activity in which children can earn money, allowing children to experience managing money through earning, saving, and budgeting.

> *"[Experiential learning] is a more engaging way of learning, it is more fun. You can actually simulate real-world situations in a way that is safe. Especially thinking about primary school children, they very rarely actually make any significant economic decisions on their own. Simulating this kind of decision making is a way of making them aware of these decisions and their potential consequences. […] Many [financial decisions] are fundamentally practical decisions, and it's related to habits. For this kind of learning, a practical way of teaching such as experiential teaching methods are more useful than lecture based." Academic expert*

Experiential learning methods, however, can be more resource and time intensive. Particularly at primary level, teachers said that they prefer experiential learning for most subject areas, and indeed would like to integrate it more into their classroom such as through roleplay activities and group discussions. However, the rigidity of the curriculum currently prevents teachers from fully embracing experiential learning. Many topic guides teachers must follow, they said, are prescriptive in what needs to be taught and when, and leave little extra time to involve children in more creative teaching methods. Teachers also raised the issue of classroom support, particularly in classes where you might have pupils with additional support needs. One teacher stated that it is much harder to do activity-based learning without a teaching assistant or member of support staff in those classrooms, and that it is becoming increasingly uncommon to have those support staff available.

> *"I think [your ability to engage in experiential teaching] depends on your senior leadership team, and the way that expectations and policies are set. Some trusts are extremely prescriptive – this is followed in this week at this point, and everybody does the same. So being able to be a bit more fluid and experiential might not actually be within your decision as a practitioner." Teacher*

> *"I think it also depends on the class size that you have, and if you've got additional support, because a lot of classes these days don't have additional support available to them anymore. Which is a real shame, because [it makes it more difficult] to do those types of activities." Teacher*

Experiential learning and activity-based teaching is the most effective method for financial education. In order for teachers to be able to utilise these methods, it is necessary to avoid an excessively prescriptive curriculum to ensure flexibility for practitioners. The Department for Education will need to involve charities and not-for-profit organisations with experience of delivery financial education via creative and experiential teaching methods to shape new curriculum guidance and schemes of learning that are both effective and realistic for teachers to deliver. Devolved nations and English secondary schools may also benefit from reviewing their teaching methods.

**A whole-school, holistic approach to financial education would have the biggest impact on the financial capability of young people, as well as complementing existing core subject areas**

The most effective way to implement financial education within the primary school curriculum would be a cross-subject holistic approach, embedding it into each subject area rather than only in mathematics or creating a stand-alone subject.

Clearly aspects of the mathematics curriculum would benefit from taking a more financial angle, with opportunities to increase how useful and interesting young people view maths. This will also align with policy goals of both sides of the political spectrum to increase engagement in maths. Financial education would similarly benefit many, if not all, core subjects, and a broader, skills-based approach to teaching financial education across all curriculum areas would most likely have the biggest impact on financial capability.

Critically, whilst financial education at primary level was universally popular in our teacher focus groups, teachers generally do not feel this should come at the expense of existing core subjects. Embedding financial education into the curriculum holistically would complement existing core (and non-core) subjects, making them more engaging and relevant to pupils, as opposed to coming at the expense of them.

Interviewees commonly highlighted the fact that money touches on all areas of our lives, and financial education has clear crossovers with many, if not all, subjects. Mathematics is the natural home for ensuring all children have the basic level of numeracy needed. At primary level, recognising and using coins and notes, and using additions, subtractions and percentages within budgets would be appropriate. PSHE has many crossovers with behavioural aspects of financial education, and indeed the PSHE Association Framework provides learning outcomes for primary age under ‘economic wellbeing’, covering topics such as understanding the difference between wants and needs, and understanding that money needs to be looked after.[79] Other areas such as staying safe online and healthy relationships that are often included in PSHE are also important for financial education, such as understanding how to keep your money safe online, and teaching children about how to manage money in healthy relationships and recognise financial abuse. In history, the evolution of the concept of money can be taught. Geography could naturally cover global economies, and socioeconomic inequalities around the world. In English children could read books or write stories about money, and could learn about the impacts of advertising when thinking about persuasive writing techniques. Computing could cover online banking, digital financial products and the tools needed to stay safe online. Even within physical education, teachers could take creative approaches and replace scores/points in team games with the ability to earn fake money, which in turn children can budget, save or spend (perhaps on choosing the next activity).

This is a similar approach to Scotland, where financial education is integrated into many or all subject areas and where pupils are most likely to agree that they've been taught about money and that it was useful. New Zealand also teaches financial education as project work across multiple subjects – for example, setting a project on the history of money in history, a project on budgets in mathematics, an essay on money in English, and so on. In Finland, similarly to Scotland, financial education is embedded across multiple areas such as social studies, mathematics, and home economics. In Canada they also include it under careers and employment studies.

Whilst integrating financial education into all subjects does exacerbate the issue of ensuring all teachers are confident and adequately trained to deliver such content, interviewees argued that it would mitigate the issue of curriculum space and time by spreading out the content load, as opposed to putting it all in mathematics or even creating a new subject entirely. They pointed out that primary school is the perfect area for a 'whole school approach', as subjects are not as segmented as in secondary school, where children usually have different teachers for different subjects and less cross-curricular learning.

Taking a holistic approach to financial education would also make it easier for teachers to embed it into multiple lessons throughout the year across different subject areas, which research suggests is preferable to individual one-off lessons. Young people tend to learn best when taught a topic multiple times,[80] and our survey results confirmed this for financial education. 49% of teachers that taught financial education more than once believe it made a meaningful difference to pupils' levels of financial literacy, compared to 27% who had taught it only once. Teachers in our focus groups also echoed the need for teaching this topic multiple times and felt that embedding it holistically into the curriculum would help achieve this. Teaching financial education multiple times would also help teachers increase their confidence, skills and knowledge of the content across the year.

There is no shortage of ways that teachers could embed financial learning into all areas of the curriculum, and financial education can aid the delivery of existing subjects by adding understandable context. The presence of financial education within the statutory curriculum framework could liberate them to do so, signalling that it is a priority for the Department for Education. The style of delivery should be experiential where possible, and should focus on 'learning at the point of need'. Many of our interviewees pointed out that teaching a five year old about mortgages was unlikely to be engaging or useful – by the time they need that knowledge, mortgages may have changed drastically, and there is little likelihood they will even remember it. Instead, teaching children how to be critical consumers, where to find trusted information and how to understand that information, will be skills they will need for life and are key components of financial capability. Equally, teaching young children that the amount of money they and their family have will be different to others, and that their needs and wants may be different too, will be immediately applicable at an age where some may be starting to earn pocket money or discussing presents they have been given on the playground.

**Alongside a statutory place in the curriculum, the Department for Education and the inspectorate must support the sector to ensure prioritisation of financial education within schools**

Whilst a whole-school approach may help ease some of the timetable and curriculum space pressures, schools and teachers will clearly still need to dedicate some additional time to the subject, both for delivery and for teacher development and training. To support schools to allocate necessary time and resources to this area, and to reward schools that do it well, experts and teachers emphasised the needs for the government and inspectorate to view it as a priority.

Describing what was needed to achieve financial education at primary level as a "curriculum carrot, and an inspectorate stick", one interviewee said that including financial education or literacy as an area of inspection for Ofsted would be needed to ensure that schools would prioritise time within the school day. Whilst adding financial literacy or education as a new key area for inspection was by no means universally popular amongst interviewees or teachers (with many feeling that this was going too far, and raising concerns about the pressure already felt by schools with regards to inspections), most did agree that the inspectorate had a role to play. Another interviewee expressed the view that even if financial education did not become an inspection area, merely the act of an inspector inquiring about the provision of financial education within a school would be enough to drive change. They noted that schools and school leaders pay close attention to the questions asked by inspectors, and will often infer what they should be prioritising from these.

It seems unlikely that Ofsted requiring schools to teach financial education by formally inspecting it will be the most effective avenue for encouraging high-quality provision. Teachers did not feel it would be an appropriate inspection area. There have also been recent criticisms of the extent to which Ofsted can dictate schools' approaches to the curriculum. Evidence submitted to the Education Select Committee's inquiry into Ofsted's work with schools suggested that this is "not Ofsted's role" and can lead to an "overly narrow focus in what was being taught in schools".[81] It is also important that schools and teachers maintain flexibility in how they deliver financial education – provision will be most impactful for young people when tailored to their needs and school context.

However, the inspectorate undoubtedly has a role to play. School leaders are hesitant to dedicate resource and provision to topics not rewarded or prioritised by Ofsted. Experts and teachers generally shared the view that without clear signalling from the inspectorate that they should be prioritising financial education in schools, adding to the curriculum was unlikely to result in any meaningful increase in provision. Already teachers reported not covering all the prescribed curriculum and placing disproportionate focus on certain areas seen to be favoured by Ofsted.

As opposed to formally inspecting financial education provision a combination of encouragement from the inspectorate and assessment from the Department for Education would be most effective. This would also reduce concerns around the regulatory burden of formal inspections.

For the inspectorate, best practice examples can be drawn from Northern Ireland, where the inspectorate gathered examples from schools and teachers that were providing a particularly strong financial education for their students and shared these. Whilst not formally requiring schools to make any changes to their provision, this can still signal that financial education is a priority area and help drive positive change in schools. As well as taking a best-practice sharing role, Ofsted should make clear to schools that financial education is a core component of their benchmark on preparing students to be successful in their next steps. One interviewee with expert knowledge of Ofsted raised the point that primary schools do have an obligation to consider what knowledge and skills children need for their next stage of education, and it was their view that financial education would come under this. Clarity from Ofsted that financial education is a priority in relation to this obligation would encourage schools to invest in this subject area.

For the Department for Education, adding SATs questions related to financial education would aid schools in justifying dedicating time and resource to this area. It would also assist the Department for Education in measuring progress on financial literacy initiatives.

**Recommendation 1: Financial education should become a statutory part of the English primary school curriculum, integrated via a holistic, whole school approach.**

**Recommendation 2: The Department for Education and Ofsted should set financial literacy as a priority area for schools alongside curriculum inclusion.**

## Teachers need greater confidence and expertise to deliver financial education

### Teachers often lack the confidence and skills to teach financial education effectively

Giving financial education greater prominence in the curriculum will only lead to effective provision if teachers are confident and skilled in delivery. Ensuring teachers have the capability to deliver financial education in schools is critical to high-quality provision.

To teach financial education effectively, teachers themselves must be knowledgeable in financial matters, not least because without existing knowledge teachers will lack the confidence needed to develop children's financial literacy in the classroom. The use of high-quality teaching resources is also of critical importance to the effectiveness of financial education in schools, but above all, teachers need to be skilled in delivering the content of those resources effectively.

Unfortunately, like much of the UK population, many primary school teachers themselves have low levels of financial literacy, and a rapidly changing financial landscape requires teachers to have a good understanding of the key money issues facing children and young people today. There are certainly many highly skilled primary school teachers already providing their students with a well-rounded basis in financial literacy. However, previous research has shown that the majority of teachers often feel ill-equipped to effectively teach financial education in their classrooms, lacking the knowledge and skills needed to do so.

> *"For the confidence element, there are two parts to it. There's the teachers having the confidence to teach about credit cards, interest rates, mortgages, what budgeting is. There's a competence element about what needs to be taught. But there is also the competence element about broaching the subject with children, who either you're not sure of their financial situation, or you're not sure if they feel sensitive about their financial situation – maybe they are too aware of money, maybe they're experiencing some pressures through the whole family." Teacher*

Previous polling for the Bank of England found that 'not enough subject expertise' was the second most frequently reported obstacle to creating financial education programmes in schools by teachers.[82] The APPG on Financial Education for Young People have found that more than half of teachers find it challenging to deliver financial education.[83] There was consistency across all submissions to the APPG's inquiry on primary-aged financial education that developing teachers' understanding, enthusiasm and capability to teach financial education is one of the most important ingredients for any successful national provision or strategy.[84]

The survey conducted for this report confirmed the importance of teaching abilities, finding that 37% of primary school teachers in England think a lack of expertise restricts their ability to give their students a strong foundation in financial literacy. When asked how confident they would feel teaching financial education if it were to become part of the primary school curriculum, 36% of that they would feel either 'not very confident' or 'not at all confident' doing so.

There was unanimous agreement amongst policy experts and practitioners interviewed that teachers' ability to deliver financial education is paramount to whether its implementation in the curriculum will translate into effective provision. One Finnish expert interviewed for the research argued that high-quality teaching was central to the country's success (Finland ranks amongst the highest in the world for rates of youth financial literacy).[85] Focus group discussions with teachers carried out for this research affirmed the conclusion that teachers' confidence and ability to deliver financial education is paramount to effective delivery in primary schools, with many feeling that they would need additional support and training to deliver financial education in the classroom.

Overall, the confidence and capabilities teachers have in delivering financial education is vital for the effectiveness of its provision in schools, and changes to the curriculum will be redundant if teachers aren't prepared to teach financial education effectively. As such, interventions that boost teachers' ability to teach financial education must be given due consideration.

**Continuing professional development training available to current teachers must be expanded, improved and better coordinated to improve their delivery of financial education in schools.**

There are several factors explaining why teachers often have limited confidence and capabilities to deliver financial education effectively, many of which relate to concerns regarding poor subject knowledge and confidence in how to deliver financial education effectively. Teacher training is central to tackling these.

The survey conducted for this research found that nearly half of teachers (47%) said that increased training would improve their delivery of financial education. Perhaps most important here is the need to give teachers the ability to make sound financial decisions themselves, so that they feel confident in sharing their financial knowledge, behaviours and attitudes with their students. Beyond that, training teachers to deliver financial education gives them an understanding of what the key ingredients of an effective financial education look like. Training enables teachers to know how best to teach key concepts to students, what styles of learning work best and how to ensure children receive age-appropriate financial education that is relevant to them and their lived experiences. Teachers don't need to become specialists, but they should develop the key attributes required to give their pupils a strong foundation in financial literacy.

But ensuring that teachers can receive the training needed to provide effective financial education is not straightforward. The time teachers have in their days to undergo training, the availability and access to it in the first place, and the generally limited priority schools and teachers attach to financial education limit the extent to which training can improve teachers' delivery of financial education in schools. Teachers already face very high workloads and growing responsibilities. The time barriers teachers face are one of the greatest obstacles that prevent them from seeking out training on financial education delivery, with the majority of teachers reporting this as a key reason preventing them from going through training.[86] Previous polling found that 70% of teachers currently teaching financial education have 'insufficient time to undertake financial education continuing professional development (CPD)/teacher training'.[87] Making financial education part of the curriculum will undoubtedly have an impact here, with schools incentivised to put greater emphasis on their delivery of financial education and to do more to enable teachers to receive training as a result. Yet it is unlikely that doing this alone will lead all teachers to develop the capabilities needed to provide an effective financial education to their students.

However, even when teachers can allocate time to receive training that could improve their delivery of financial education, they can struggle to find appropriate, high-quality training in the first place. Previous polling has shown that 62% of teachers currently delivering financial education at school said that 'insufficient availability of financial education teacher training' is a barrier impacting their delivery of the subject. This is not necessarily about supply; there are many third sector and private sector organisations across the UK that deliver teacher training in this area. However, it can be hard for teachers to find training programmes appropriate to their needs. This is partly because the range of organisations providing such programmes are doing so without coordination and guidance from a centralised body. Furthermore, financial education's absence from the curriculum contributes to teachers feeling unprepared to deliver it, as it can lead teachers to prioritise training in other areas which form part of the curriculum relevant to Ofsted's framework.

In order for teachers to feel equipped to deliver financial education, whilst keeping in mind the time constraints they and their schools face, there is a need for training programmes to be conducted as thoroughly as possible whilst requiring as little time from teachers as possible, and in a manner that fits with the schedules of teachers. Experienced providers of teacher training have a key role to play in accomplishing this. Many third and private sector organisations provide teacher training programmes in a timely way that acknowledge teachers' high workloads and pressed schedules.

Previous evaluation of such training programmes found that there was little difference in effectiveness between self-guided, online training and 'live', interactive training for teachers' confidence. Although teachers report preferring live training, having a coordinated provision of online training resources that teachers can access at their own pace may help alleviate some of the time concerns, and make it easier for teachers to find relevant and high-quality training opportunities. One interviewee also spoke about how training has been scaled successfully in Northern Ireland, not by training every teacher individually but by training a few key ambassadors of financial education in each school who can mentor and support others, supported by high-quality online training resources accessible for all practitioners.

**Teachers will need access to high-quality resources to support their delivery of financial education**

Ensuring that teachers are skilled and confident in the delivery of financial education in the classroom is critical to its effectiveness. However, the quality and availability of resources that teachers use in the classroom is also hugely important to how effective their teaching is. Whilst coordinated, high-quality teacher training will be the most effective avenue for increasing teachers' confidence in delivery, teachers in our focus groups highlighted the equal importance of coordinated, high-quality resources to support teachers' development of subject knowledge.

Teachers we spoke to reported issues knowing where to find appropriate learning resources to utilise in the classroom. Often paired with low confidence in their own financial knowledge, they struggled to quality-check resources themselves. Unfortunately, despite the existence of schemes such the Young Enterprise Quality Mark in England, a widely-recognised accreditation system that is funded by MaPS, many teachers struggle to find the appropriate resources.[88] In the survey conducted as part of this research, 39% of teachers cited 'not enough resources to deliver lessons' on financial education as a condition restricting their ability to give students a strong foundation in financial literacy. In focus groups, one teacher raised that whilst they felt that there was a lot of resources out there, they were dispersed and difficult to access. This demonstrates that, whilst the scheme was generally looked on very positively in our discussions with experts and in focus groups with teachers, there remain problems that indicate more could be done to ensure teachers have the resources they need.

The growing digital landscape of money poses further challenges for teacher confidence and resources. As digital cash and payments have become a part of our everyday lives, children and young people are interacting with money in new and different ways, and often have more unsupervised access to money than before. Previous polling has found that 71% of 7-17 year olds have bought something online, and, of these, 52% have done so without adult supervision at least some of the time.[89] This growing digitisation not only exposes children to money at a younger age in many cases, but also exposes them to greater risk: teachers reported concerns about children having access to in-app purchases on games marketed to young people, how social media distorts their understanding of wealth and poverty, and their exposure to potential scams and financial abuse online.

Not only did teachers feel this made financial education even more urgent for young people, and felt this solidified the importance of this starting at primary level, but they also said it made it harder to teach. Teachers simply did not feel equipped to tackle the abundance of financial misinformation online that their pupils are exposed to, nor able to keep up with the rapidly changing financial landscape and effectively educate children on it. Commonly, the largest issue was concerns around how to ensure that content was up to date and engaging when how children interact with money now often looks very different to how teachers interacted with money at their age. Whilst teacher training will undoubtedly help improve confidence in delivery, it is not realistic to expect that teachers will have sufficient time to retrain regularly enough to keep up with the rapidly changing financial landscape.

High-quality, centrally coordinated teaching materials will be critical to tackling the issue of content confidence, and indeed better access to resources was one of the most requested forms of support from teachers in our focus groups. Coordinated resources will also help teachers deal with time barriers, in part because effective resources can reduce the amount of time teachers need to spend on lesson planning. More broadly, good resources improve the quality of financial education teachers provide by assisting them to deliver creative teaching methods and experiential learning. Overall, educational resources developed by specialist external organisations can enable teachers to provide financial education effectively and in a time efficient manner.

Whist existing specialist organisations are best placed to provide financial education teacher training and classroom materials, their activities would need to be scaled to a much greater level than is currently the case, and considerable levels of funding would be needed to support this scaling. As well as funding, teachers in focus groups raised the view that, for effective uptake of training opportunities, you would need the “buy in” of senior leadership teams. Teachers stated that it is often school leaders who influence the kind and frequency of training undertaken by teachers and resources used in schools. This again highlights the need for the Department for Education and the inspectorate to clearly set financial education as a priority area for schools and to effectively communicate the benefits of financial education to the sector.

**Teachers will need a 'central hub' of both quality-assured training programmes and classroom resources to effectively deliver financial education**

There is potential for greater coordination of both financial education teacher training programmes and classroom resources with accreditation schemes such as the Young Enterprise Quality Mark, or the Twinkl Quality Standard Approved Mark which accredits classroom materials. In our discussions with experts and in focus groups with teachers we found considerable appetite for a scheme similar to the Quality Mark for teacher training, aimed at coordinating and accrediting the training programmes offered by private or third-sector organisations.

A central hub of both CPD programmes and classroom teaching resources available to existing teachers would solve both concerns over the variance in quality of online resources and materials, and concerns over their dispersal and accessibility. Whilst being nationwide and run by an independent organisation (such as MaPS), this should utilise existing local networks that schools use for teacher training and development to make it as easy as possible to use. Combining creating an online central resource and training hub for all teachers with providing more in-depth training for a few key teachers in each school will likely be the most time-efficient way to scale professional development of staff in the short-term. It would be the most cost-effective to involve existing specialist organisations in the delivery, as opposed to recreating what already exists in the third and private sectors.

Coordinating teacher training programmes and classroom teaching resources together in one central hub would create an easy to use 'one-stop-shop' for existing teachers. Critically, experts interviewed raised the need for a scheme to provide greater quality checks and guidance on delivery. Currently, the Young Enterprise Quality Mark evaluates the quality of resources, but not the use of those resources or delivery. Whether the mark is expanded to include delivery, or whether delivery is quality checked through another avenue, it will be important to ensure that quality of provision is being assessed.

**Changes to Initial Teacher Training are required to ensure that all future primary teachers have the competence to deliver financial education effectively**

Whilst training programmes for current teachers are required to ensure that those teaching in primary schools can improve their ability to deliver financial education in school, it is a policy measure reacting to the problem of many teachers in the workforce being ill-equipped to deliver financial education. Viewed through this lens it becomes apparent that longer-term measures ensuring that those entering the teaching profession are confident and capable at delivering financial education would be a worthy investment.

To achieve this, training on the delivery of financial education would have to be integrated into Initial Teacher Training (ITT) and other programmes that lead teachers to gain qualified teacher status. To some extent, greater training for those becoming teachers would 'naturally' occur as a result of financial education being implemented as part of the statutory primary curriculum, as the training requirements of new teachers are influenced by the content of the curriculum they will teach. A greater emphasis on how teachers can effectively provide financial education in ITT will also help future teachers overcome the problem of not having the time to undergo CPD training, as they would already possess the skills required to teach financial education well.

To ensure that all teachers are competent at delivering financial education from the point that they teach their first lesson, financial education should be integrated into ITT. This would require the Department for Education working closely with providers of ITT, teaching unions and schools themselves to ensure that any changes made to ITT lead to trainee teachers developing the skills and capabilities needed to teach financial education effectively.

**Recommendation 3: Provide greater funding for teacher training programmes and classroom teaching resources, and set up and fund a central hub of accredited teacher training programmes and teaching resources to better coordinate the expanded efforts of external providers.**

**Recommendation 4: Training on the delivery of financial education effectively in classrooms should be embedded into Initial Teacher Training programmes.**

## Schools need money to teach about money

As we have discussed earlier in this report, ensuring effective financial education at the primary level in England will require various supportive infrastructures such as the teacher training and a central resource hub. With schools already facing tight funding, these interventions will need to be adequately resourced and funded.[90]

When speaking to experts in Northern Ireland the issue of funding commonly emerged as one of the key reasons why, despite being part of the curriculum for over a decade, rates of children receiving a meaningful financial education remain worryingly low. Experts interviewed explained that financial education is not given adequate funding to support schools in providing or developing the necessary infrastructure, and thus resources, training, and often delivery are still outsourced to external charities. Meanwhile, those charities faced their own financial constraints, particularly due to COVID and recent political instability which impacted income streams.

It has not always been this way. Experts reflected on Northern Ireland's journey, stating that immediately after integration into the curriculum funding was used to appoint dedicated staff members on the Young Enterprise Northern Ireland curriculum advisory board to support schools and teachers in embedding financial education within curriculum delivery. For the first five years of financial education being part of the curriculum, one expert stated that "financial education was firmly on the horizon of teachers – they were very aware of it, they knew that it was important". Unfortunately, this funding was not continued, other subjects were also brought into the curriculum, and momentum was lost as prioritisation fell.

> *"However, what then happened is once [financial education] was deemed to be embedded, that funding then gets removed and switched to other things. What I've noticed is that over the last five years, a lot of that emphasis and understanding of the value of financial education has been eroded in schools, because other priorities come in, and they take that place, and then [financial education] goes down the rankings. It's very important things like mental health, and relationships and sexual health [...] there are new things that come in because of things that are happening in society. And I think what people forget, sometimes, is teachers are finite and there's a finite amount of hours within their curriculum. But also funding to retain that focus -- lessons, initiatives, competitions, different activities -- again, can reduce." Financial education charity leader, Northern Ireland*

As well as funding from the government, it was noted by experts, funding from external sources also wanes when financial education is seen to have been successfully embedded, despite the rates of children receiving it remaining low. Ultimately, no one wants to fund something that they deem to already be 'done'. However, effective financial education is not something that is simply 'done' by adding a few lines in the curriculum framework document – it is something that needs upkeep, prioritisation and maintenance funding.

Looking at the experience of secondary level financial education, some external funders argued that since financial education was added to the national secondary curriculum, it should be the role of government to fund its provision in schools. Yet the government still relies on third sector organisations to deliver financial education.[91] Funding from corporate or charitable sources will be insufficient in supporting national-scale delivery of financial education in primary schools, let alone in secondary schools where it already sits. Without adequate and sustained funding for financial education training and resources, incorporation on the primary curriculum is unlikely to translate into effective delivery within schools.

### Financial education could be funded through dormant assets

Funding for financial education would need to be frontloaded to support the development and distribution of the aforementioned supportive infrastructures. Luckily a large amount of the training and resources necessary to support teachers already exists – however, they will need to be coordinated, quality checked and hosted centrally for accessibility. To avoid falling into the same trap as Northern Ireland, some level of funding would also need to be maintained even after financial education was embedded into the curriculum to meet maintenance costs to schools in terms of delivery and development.

The Dormant Assets Scheme, where financial assets that cannot be reunited with their owners are collected and used to fund social and environmental initiatives across the UK, could be used to fund the delivery of financial education at primary level. Over the past decade, the scheme has released nearly £1 billion for such initiatives. In 2022, the Government introduced the Dormant Assets Act, significantly expanding the scope of the existing scheme to cover a broader range of financial products.[92] Between 2024 and 2028, the scheme is due to release £350 million for England, with £87.5 million ringfenced for "the development of individuals' ability to manage their finances".[93] Financial education in primary schools would likely be the most effective use of this funding, given the importance of early intervention. Together, the Department for Education and MaPS should calculate the long-term funding required for effective financial education at primary level and determine how funding from the Dormant Assets Scheme can be administered to schools and other organisations supporting its delivery.

Funding financial education provision in this way makes economic sense from the state's point of view, given such investments will be likely to bring long-term fiscal benefits. If people are able to manage their money effectively, they will be less likely to get into debt and more likely to have higher disposable incomes and savings for retirement, decreasing government spending on welfare and pensions.[94] Benefits could also be seen in the health sector, given that financial health is well known to correlate with physical and mental health. As previously discussed, some research indicates that financial literacy may also correlate with reduced risk taking behaviour in regards to health, such as smoking.[95] [96]

There was a consensus amongst experts we interviewed that financial education would, at the very least, pay for itself in the long term. Some have gone so far as to argue that savings for the Treasury could be in the billions.[97] Whilst the full benefits have not been rigorously analysed nor costed, the evidence suggests that it is likely that there would be positive financial returns on investment in young people's financial education.

**Recommendation 5: The Money and Pensions Service should work with the Department for Education to calculate the long-term funding, provided by the Dormant Assets Scheme, required to provide effective financial education at primary-level in England.**

## What we don't know

The final barrier needed to be addressed to achieve effective financial education for young people across the UK is our limited understanding of the current state of financial literacy, the fundamental determinants of financial literacy, and what works to grow young peoples' levels of financial capability. In order to monitor progress and ensure effective provision of financial education, we ultimately need more, and higher quality, data. Academic experts commonly noted that the UK in particular is lacking high-quality data and research in this area – in terms of what levels of financial literacy are seen in young populations, what contributes to high or low levels of financial literacy, and 'what works' for a good financial education. Whilst there is strong evidence in places, such as how financial habits develop early, or the effectiveness of experiential learning, there is a lack of evidence on levels and causes of young peoples' financial literacy. This lack of understanding impedes the ability to make good policy decisions that seek to develop young peoples' level of financial literacy.

Much of the academic research comes from abroad, largely the United States, with a few exceptions of papers cited in this report. Many financial education charities produce their own evaluative research, or commission other organisations to do so on their behalf. However, these are often descriptive or anecdotal studies, not able to claim causation regarding policy effectiveness, and the disparate nature of these organisations' research activities has led to a correspondingly disparate evidence base.

Interviewees commonly observed that there are not currently any academically rigorous longitudinal studies in the UK developing researchers' understanding of problems relating to financial literacy. These 'cohort' studies follow kids from birth through into later life. By collecting information from the same people over time, as they live their lives, these studies are powerful tools to establish robust insights into the impact financial education programmes have on rates of financial capability. More broadly, they can enable researchers to establish basic facts regarding the fundamental drivers of financial literacy. For example, including questions about financial literacy in longitudinal studies could help determine how financial literacy relates to other skills (e.g. maths skills), or how the digital transformation is impacting young peoples' levels of financial literacy. Although including questions on financial literacy into longitudinal cohort studies would not deliver valuable insights for a number of years, doing so would considerably develop future policymakers' understanding of issues relating to financial literacy, informing their efforts to boost peoples' financial capabilities in the UK.

> "There is a real lack of good data on financial literacy [in the UK]. There's a lot of basic facts that we just don't know. [For example] how big are, for instance, socioeconomic gaps in financial literacy? How do they change over time? What's related to change over time? I do think that holds true for the kinds of interventions and the effectiveness of theme as well. There have been a few studies into it, but none of them have been really gold standard. There's been a dearth of real high-quality evaluations out there." *Academic expert*

In the absence of high-quality data on the financial literacy levels of young people and in the programmes that aim to improve these levels, the sector largely relies on MaPS's research function. MaPS use a working definition of a 'meaningful financial education', which they take to mean the proportion of young people recalling that they have learnt about money and reporting that it was useful. However, as previously discussed, some question whether this really is a good measure of a 'meaningful' or effective financial education. Particularly at primary age, teachers in our focus groups commonly noted that children may be learning about money but not realise it. There are also many areas of financial education which young people may not feel are immediately 'useful', but will be useful later on in life, or may be useful in ways they cannot immediately identify. Experts interviewed argued that it may be more effective to measure levels of financial literacy, as seen as a combination of financial knowledge, behaviours and attitudes, given that a large proportion of financial education is aimed at building broad-based positive financial habits and skills.

England also does not take part in the PISA financial literacy of young people study, which would yield a comparable measure of the financial literacy (knowledge, behaviours and attitudes) of 15 year old students, and the financial literacy education they receive, across participating countries. Policymakers interviewed called this a "political decision of the Department for Education", with speculation that this was due to a fear of scoring poorly compared to other participating countries. This lack of a robust comparison against other countries again limits the understanding of which policies work and which don't with regard to financial education. If England is taking one approach, and another country is taking a different approach, then it would be useful to see how outcomes compare, helping to determine whether domestic policies are effective or not. Above all, participating in the PISA financial literacy of young people study would hold government accountable on the progress (or lack thereof) made to develop young people's level of financial capability.

In order to ensure that financial education initiatives are effective, and that the funding is being used most efficiently, the government would need a coordinated data strategy to underpin and inform the work of practitioners. This strategy would be best placed within MaPS, combining the funding and support of rigorous academic studies (such as randomised controlled trials), including financial literacy and exposure to financial education questions in British birth cohort studies such as those undertaken by UCL's Centre for Longitudinal Studies, and taking part in future iterations of the PISA financial literacy of young people study.

**Recommendation 6: The government should support the Money and Pensions Service to develop a financial literacy data strategy, involving greater support for academic studies, inclusion of financial literacy questioning in British cohort studies, and participating in future iterations OECD's PISA financial literacy study.**

## CHAPTER THREE – MAKING FINANCIAL EDUCATION UNIVERSAL

Policy support and political will for universal financial education, delivered at least partly via the education system, in the UK is high. Learning more about money in school is popular with parents, teachers and young people themselves, who often report this as one of the main areas they wished they had focused more on in school. Building a more financially literate population comes with many social and economic benefits, and the existing evidence suggests that high-quality financial education through the schooling system is one of our greatest tools for increasing financial literacy. Embedding financial education into the national curriculum would also help address the current state of socioeconomic inequalities, where children from more advantaged backgrounds are more likely to receive and benefit from financial teaching. It also sits well alongside existing policy aspirations of both sides of the political spectrum, such as desires to improve maths attainment, and building a richer and more well-rounded national curriculum.

However, current financial education provision across England is patchy and doesn't extent to primary-aged children. Whilst placing a greater emphasis on financial education in the primary curriculum is a key part of the solution, the experience of the primary schools in the devolved nations and of secondary schools across the UK show there is still a long way to go in ensuring effective provision even when it is embedded in the school curriculum.

The government should integrate financial education into the national primary curriculum. The research from this report – including a dozen interviews with sector experts, a nationally representative survey of teachers, and focus groups with teachers – shows that this is the only way to ensure consistent and universal provision for young people. It will also help boost the effectiveness of provision at secondary level, building a joined-up curriculum across levels where children can build on previously learnt knowledge and skills. This is particularly important as the financial landscape is becoming increasingly digitalised, and young people are having exposure to (often digital) money, sometimes unsupervised, at younger ages than ever before.

In order to ensure effective provision, there are a range of supportive measures and infrastructures that will need to be established. These also serve as important lessons for those in the devolved nations and secondary schools who wish to improve their current provision.

- Where financial education sits in the curriculum and how it is taught is important. Taking a whole-school approach, where financial education is embedded holistically into all subject areas, will ensure the most effective provision. This should be supported by the use of experiential learning methods to ensure it is engaging to young people, and focuses on building key skills and habits, as well as developing students' knowledge.
- Teachers need better quality and easily accessible training and teaching resources to deliver financial education. This should be centrally coordinated and digital, allowing teachers to access development and materials at their own pace and on their own schedules. Long term, financial education will need to be included in ITT.

- Schools need to be supported to prioritise financial education in light of competing priorities and stretched funding and resources. Both the Department for Education and the inspectorate will have a key role to play in facilitating this.
- Policy makers need better quality data and evidence to ensure effectiveness of provision and allocated funding. This should form a coordinated Financial Literacy Data Strategy.
- The above infrastructure necessary to achieve any meaningful level of universal financial education will need long-term funding. Although it is likely the treasury will see some fiscal returns on this investment, there will be significant initial scaling costs and a need for maintenance funding. This should be funded through the Dormant Assets Scheme.

**Policy recommendations**

**Recommendation 1:** Financial education should become a statutory part of the English primary school curriculum, integrated via a holistic, whole school approach.

**Recommendation 2:** The Department for Education and Ofsted should set financial literacy as a priority area for schools alongside curriculum inclusion.

**Recommendation 3:** The Department for Education should provide greater funding for teacher training programmes and classroom teaching resources, and set up and fund a central hub of accredited teacher training programmes and teaching resources to better coordinate the expanded efforts of external providers.

**Recommendation 4:** Training on the delivery of financial education effectively in classrooms should be embedded into Initial Teacher Training programmes.

**Recommendation 5**: The Money and Pensions Service should work with the Department for Education to calculate the long-term funding, provided by the Dormant Assets Scheme, required to provide effective financial education at primary level in England.

**Recommendation 6:** The government should support the Money and Pensions Service to develop a financial literacy data strategy, involving greater support for academic studies, inclusion of financial literacy questioning in British cohort studies, and participating in future iterations OECD’s PISA financial literacy study.

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