the MONEY Charity

Financial education in schools: how to fix two lost years?

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Introduction

From September 2014, financial education became part of the secondary school curriculum. A culmination of years of campaigning, the change was greeted as a great advance. For some, particularly in the policymaking world, there was a sense of *"job done!"* - now it was on the curriculum, secondary school students would have good financial education.

When the change was announced, The Money Charity were pleased to see financial education finally recognised as something all young people should have access to. But we were sceptical that it would impact what actually went on in schools. In itself, unless matched by a large input of resources and incentives for schools, it would be unlikely to change much in the classroom.

Two years on, what has happened?

Having been one of the main organisations delivering financial education in schools, both before and after 2014, we at The Money Charity saw very little uptick in demand from schools. And, anecdotally, teachers rarely mentioned the curriculum requirement. Meanwhile, long standing complaints about insufficient time, resources and leadership support continued.

And this Spring, the All Party Parliamentary Group[1] on Financial Education for Young People reported the continuing need for "strengthening school provision" - highlighting that much work was still to be done, and championing a redoubled effort. We gave our input to this report, but felt that the anecdotes we drew on needed to be more robustly evidenced.

This report is our answer to that. Based on a survey of 126 teachers and in depth interviews with a further six* up and down the UK, it is our attempt to answer the question of what happened. In it, we explore the extent and quality of financial education in the UK, ask what the barriers are to schools improving what they offer, and discuss how schools and policymakers can improve the situation.

[1] All Party Parliamentary Group on Financial Education for Young People report

We find that, while most schools deliver some finance education, teachers have little faith in its quality and are held back by insufficient time, negligible resources and school leaderships who do not view it as a high priority. Teachers we surveyed called for greater resources, and clearer leadership, and a mixed model of provision that includes direct delivery by experts from outside schools.

Key findings

Financial education is not as effective as it should be. Almost two thirds of teachers tell us financial education in the UK is somewhat or very ineffective.

The introduction of financial education to the curriculum achieved little on the ground. Nearly three quarters of teachers we surveyed saw little or no change.

Even though the vast majority of teachers see it as an important responsibility, schools face huge barriers in delivering financial education. Not least the lack of financial skills on the part of teachers.

In order to be worth more than the paper it's written on, a curriculum change has to be matched with serious resources and incentives for schools.

A snapshot of financial education

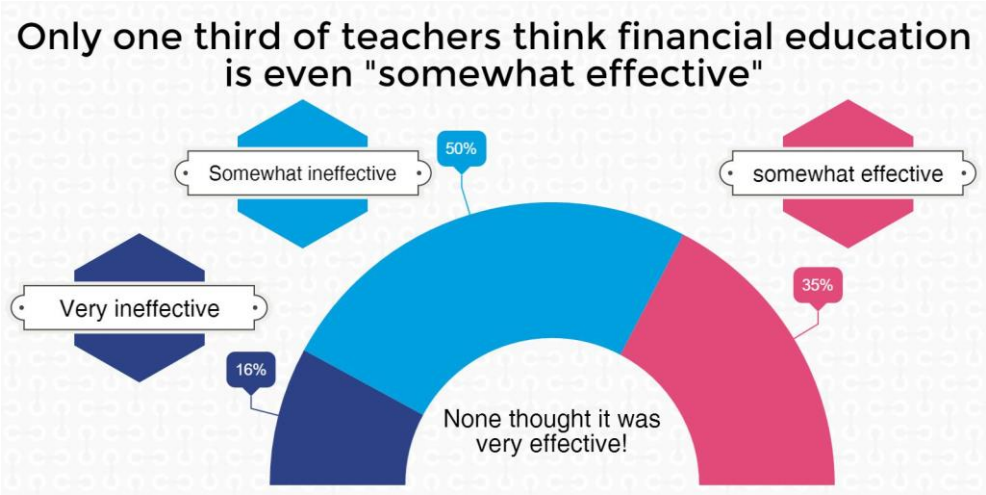
Financial education is happening, but not as well as it should

The one piece of good news is that **nine out of ten** schools we surveyed are delivering some kind of financial education. On the face of it, a success. But scratch beneath the surface and the picture of financial education does not look so rosy.

'We had to do [financial education] in-house with an imperfect understanding of some of the issues the students wish to know about.'

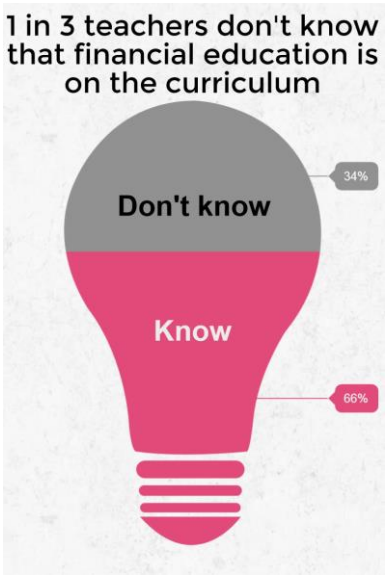
Teachers are not confident in the quality of financial education.

And while most schools we surveyed are delivering it, teachers are still very pessimistic about how good financial education is in the UK, with just under two thirds describing it as either somewhat or very ineffective, and none calling financial education very effective.



And to put perspective on these figures, while we sent the survey to a comprehensive list of schools around the country, those who responded were self-selecting and will have been more interested and engaged in financial education than most.

"I knew from the news that it was supposed to be on the curriculum, but nobody in the school leadership apart from me was going to do anything about it."

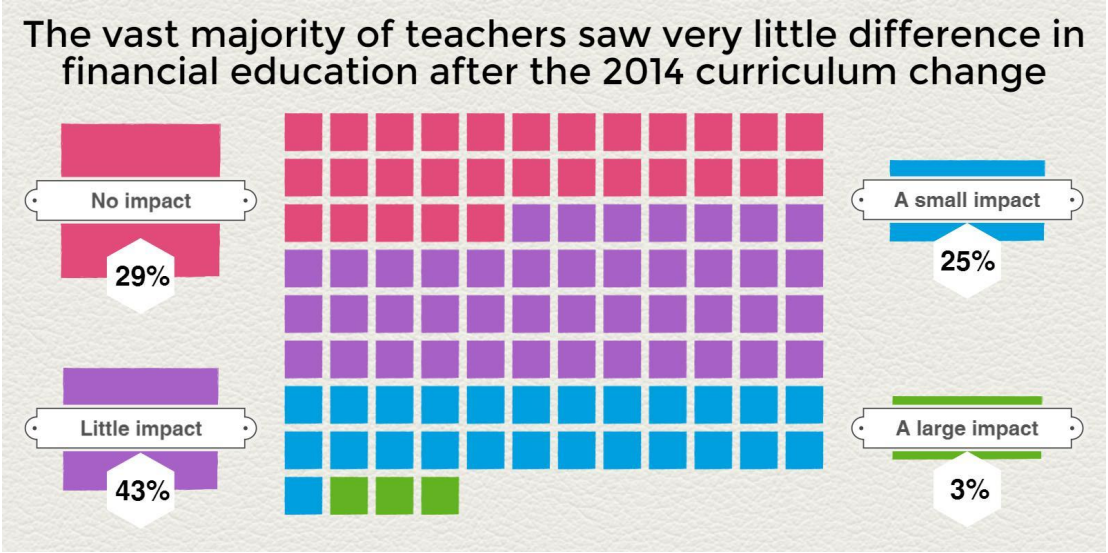


As a consequence, it is safe to assume that the results we have paint a rosier picture of financial education in the UK than actually exists. For instance, a national poll of teachers conducted for the All Party Parliamentary Group on Financial Education (APPG) found that just

four in ten teachers nationally were aware of the 2014 curriculum change, compared to two thirds of those we surveyed.

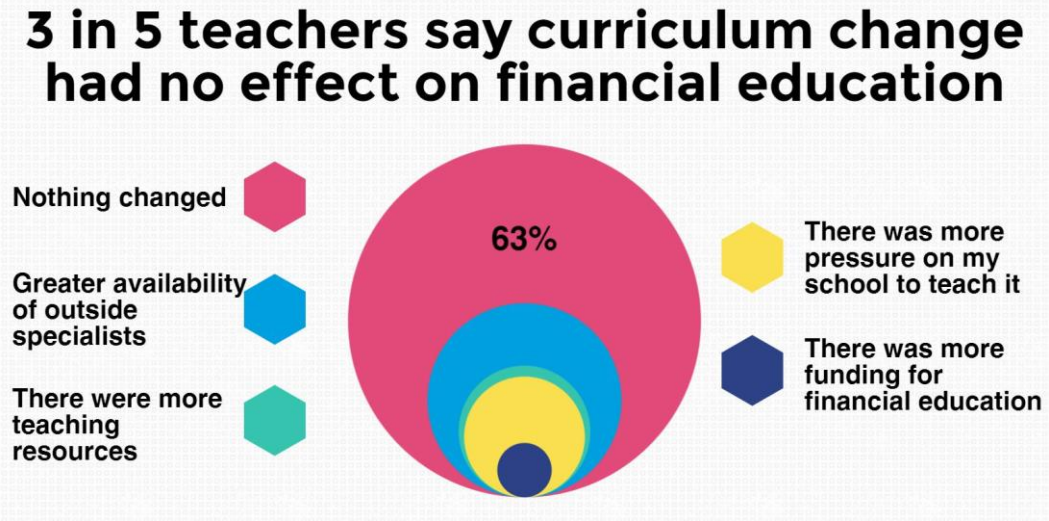
> "We only get 30 minutes a week to deliver PSHE and we're expected to do much more than financial education."

Even with this likely bias, more than 70% of schools said the statutory obligation made no or very little impact on the teaching of financial education. And a full third of teachers do not even know that the change took place!



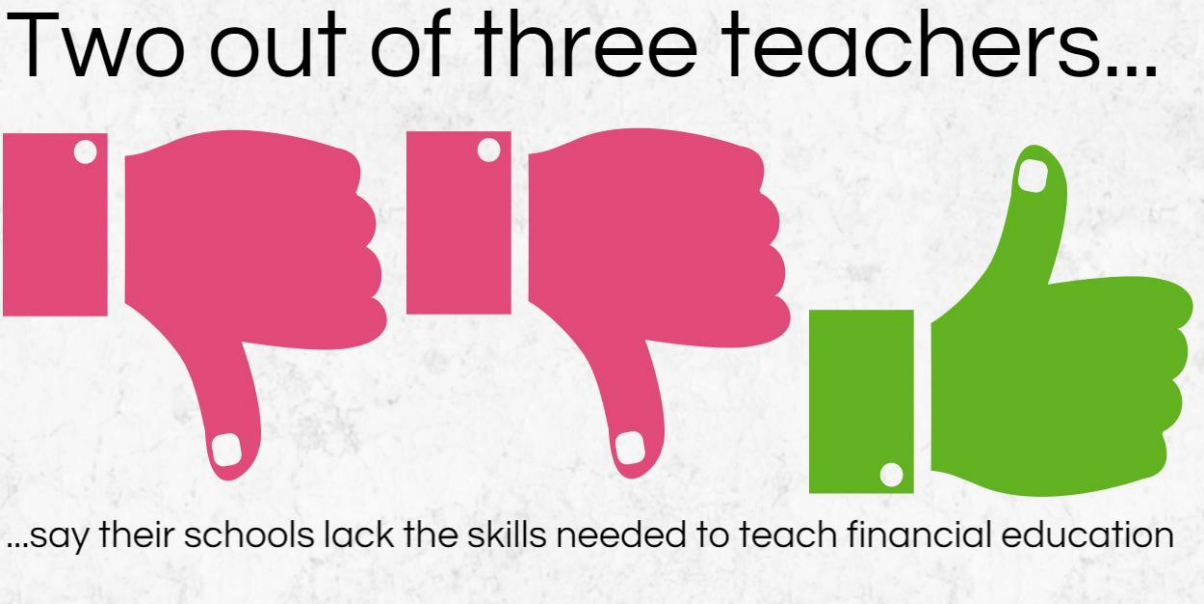
So what's going wrong?

First, for most teachers, no clear effect was visible when financial education became a statutory obligation. The availability of outside experts to deliver classes in schools did increase for some schools, but other resources, funding or the pressure felt by schools barely shifted.



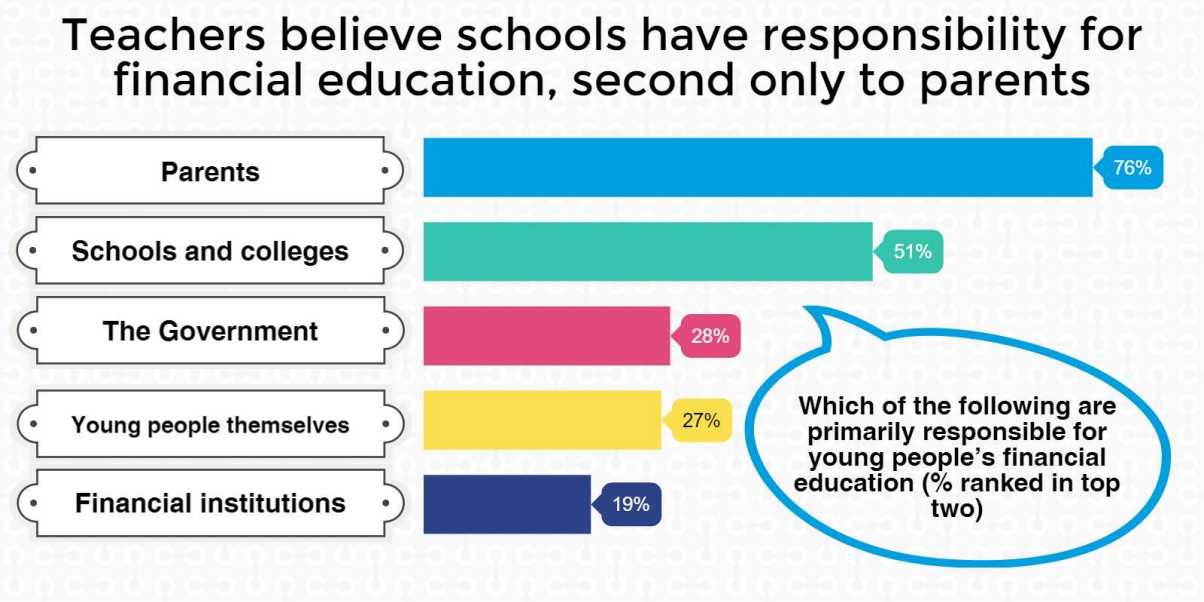
Given that little changed two years ago, teachers were simply expected to deliver financial education by themselves, if at all. But as our research shows, the vast

majority of teachers believe that their schools do not currently have the expertise to do this.



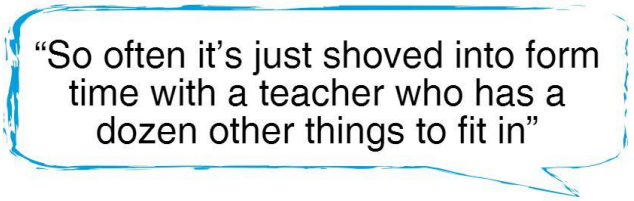
"We teachers lack two big things: time and expertise…. If you want it to happen, you have to make sure that resources are in place"

There is also no shortage of willing from teachers to focus on financial education, nor a feeling that it is not the responsibility of schools. After parents, teachers believe that schools have the second greatest responsibility for delivering financial education.



Teachers also believe that financial education is vital, with nearly two-thirds telling us that it is more important in their students' lives than Chemistry, History, Music or Religious Education.

[2]The picture drawn by our research is of individuals and schools trying earnestly to deliver financial education, with most schools offering something. But that is not enough to ensure it is of good quality. So, if teachers believe schools have the responsibility for providing financial education, and that only subjects like maths are more important for young people's lives, what stands in the way of schools delivering good financial education?



[2] Note: Where quotations are marked "XYZ", they are taken from interviews. Where they are marked 'XYZ' they are copied and pasted from responses to open ended questions in the survey.

Barriers to schools

Our survey finds that despite willingness from schools and a formal requirement for Local Authority schools to deliver financial education, significant barriers stand in the way of teachers and leaders making this a reality.

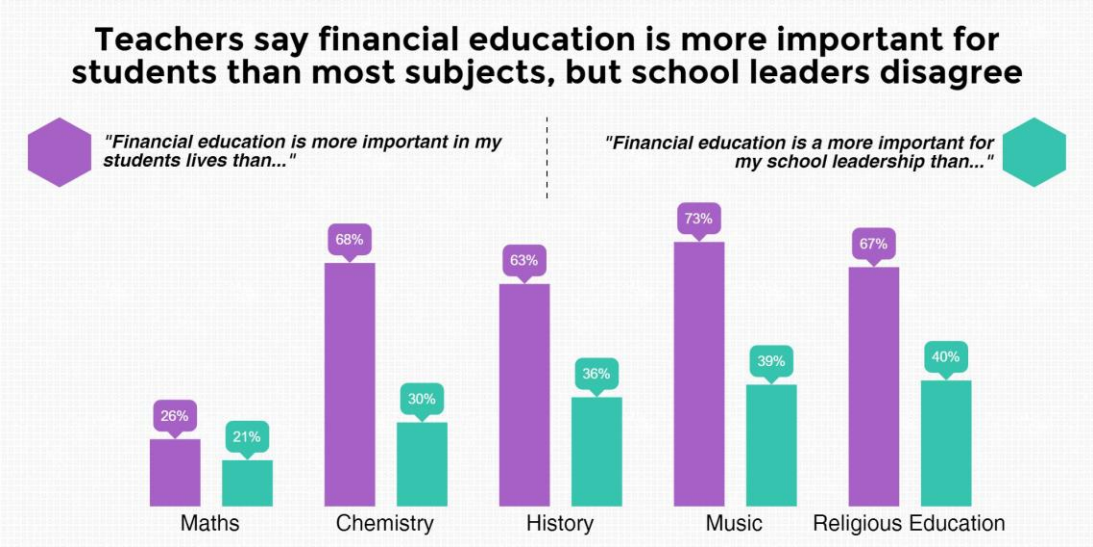
Barrier 1: low prioritisation of financial education

One big answer lies in the incentives that schools face, and the priorities that leaders have.

In stark contrast to what teachers believe is important for young people, they feel very different priorities coming from their school leaderships. All those subjects that teachers believe are less important than financial education are perceived to be more important to school leaderships.

Financial education is not seen as more important than Maths, either for students' lives, or for school leaderships. But for all the other subjects we asked teachers about. There is a significant mismatch between what would help young people and what school leasers push for.

For instance, 68% claimed that financial education was more important for students than chemistry, but only 30% said their leaders saw things the same way.

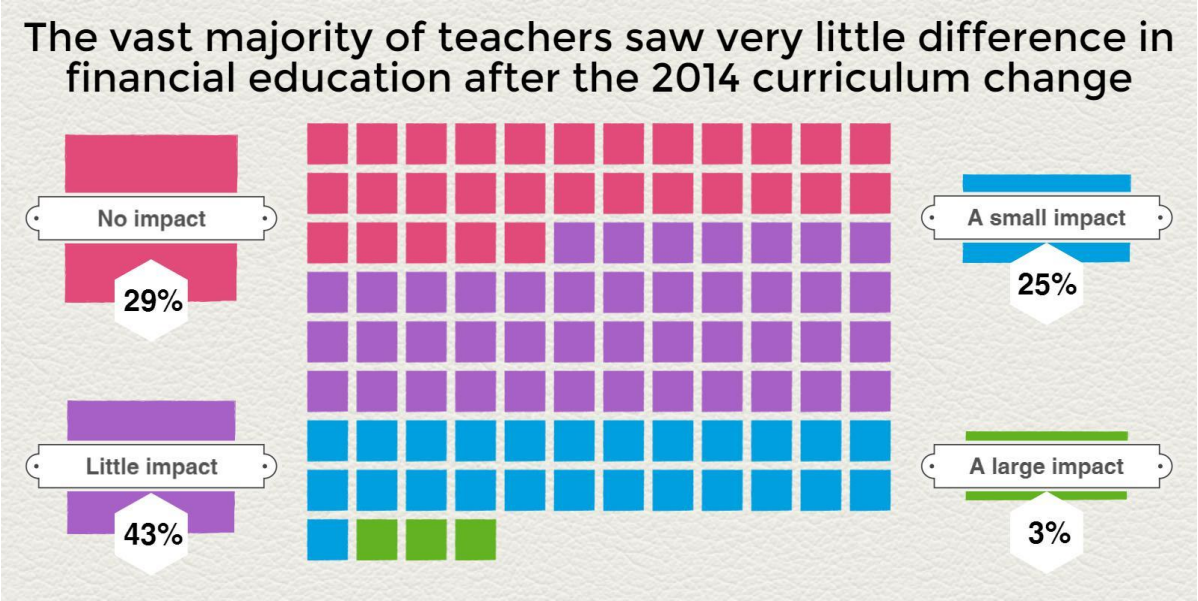


This phenomenon exists because very little external pressure is felt by schools to deliver financial education. Where schools are providing it, it is almost always driven by the perceived need of young people, or because of a passionate staff member, rather than statutory obligations or parental wishes.

> “It is me, rather than the higher school leadership who pushes financial education”

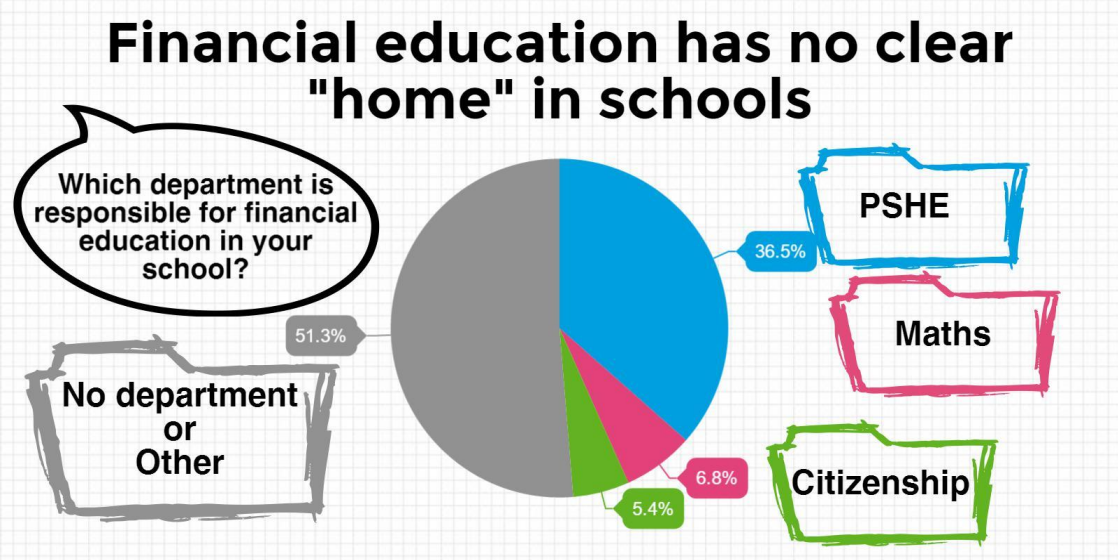
The problem with this is that it requires independent action within schools, for a member of staff to recognise that financial skills are valuable for students and then to have the power within the school structure to champion its delivery and argue for the required resources in time and funding. When financial education, led by an individual, does get off the ground in schools it runs the risk of becoming dependent on that teacher, who may later move on or get promoted - leaving the subject they spearheaded adrift.

"I worked quite hard trying to bring people within the school on board for financial education- but this year I have moved off PSHE and have tried to give resources to the new PSHE teachers. So it has taken a backseat. It needs someone within a school to drive it forward."



Barrier 2: A lack of clear leadership

On top of this, while subjects like drama, biology or history are led by named members of staff, for three in five of the schools we surveyed, it is not even clear where the leadership for financial education is supposed to come from - the ownership is split between many departments, or held by none.



The consequence of this is that nearly 60% of teachers feel that financial education is not well led in their schools, and well over 90% feel that it's not well led in the UK overall.

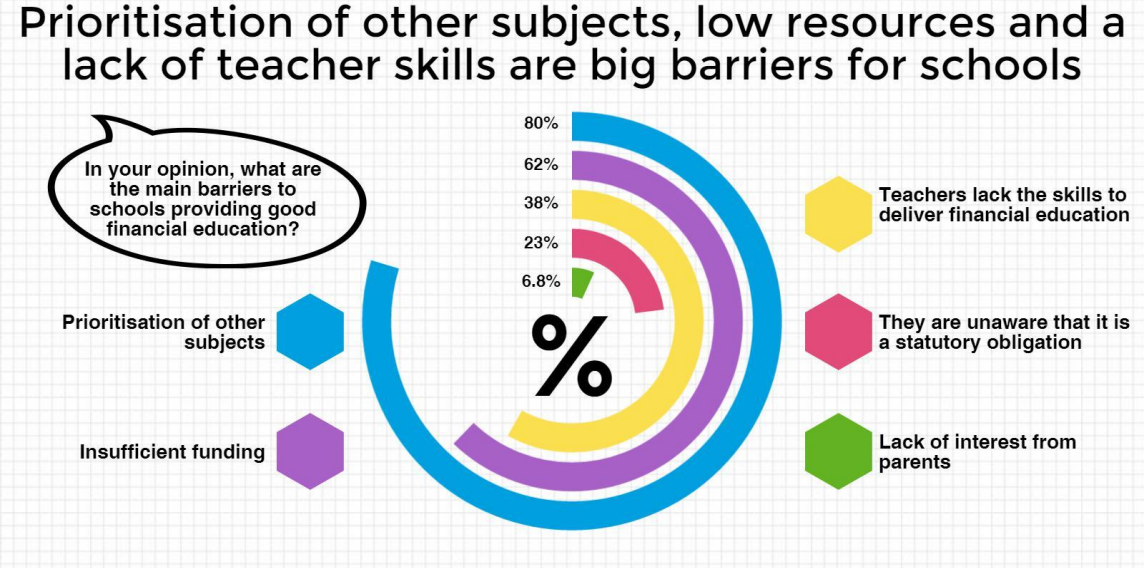
Barrier 3: Pressure from exams and Ofsted to focus on other subjects

In the interviews we carried out with teachers, the elephant in the room during any conversation about teaching something that is not already a core subject is exam results and OFSTED ratings. Anything new in a schools' offering has to compete with the pressure to keep up the grades or meet OFSTED's inspection framework.

"There is no exam for PSHE - it would be good if finance was in the maths curriculum because exam results are valued above all else."

'We used to do it but Life skills course taken off curriculum to make way for the 'more important' subjects. Can't deliver if no time given.'

Time, resources, and the attention of the school leadership gets poured into teaching things that sit within examined subjects. Financial education does not, and 80% of teachers cite the prioritisation of other subjects as one of the main barriers to delivering it.



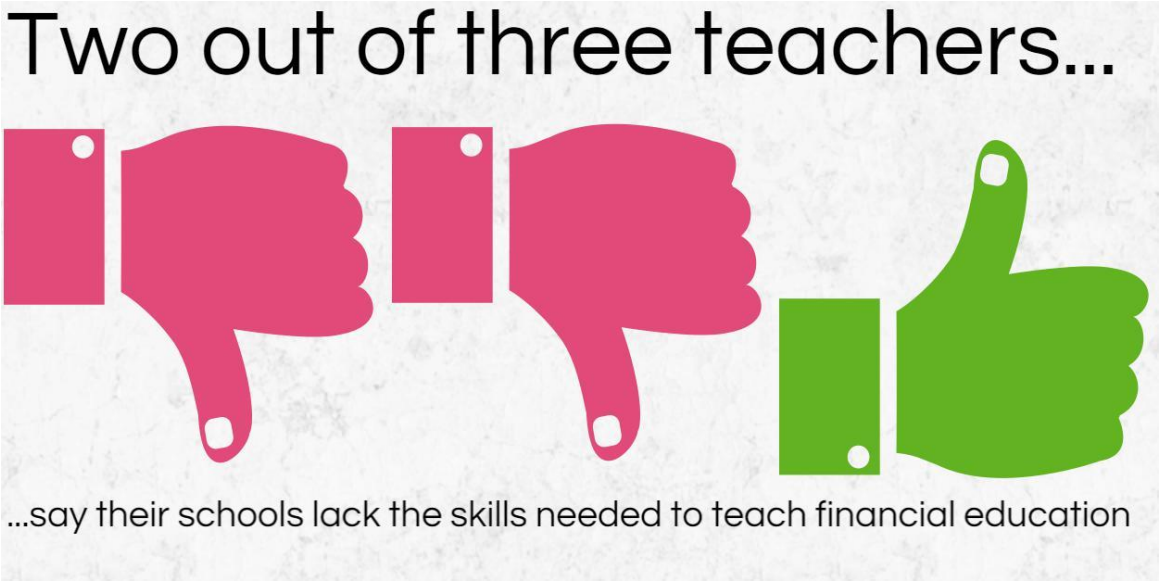
Barrier 4*: *Teachers don't have the skills they need

Teachers are people, just like the rest of us. Having the skills and qualifications to teach English or History, or even Maths, does not mean that you are a financial expert. To expect teachers of PSHE or citizenship to be able to deliver financial education is unfeasible without training, or direct delivery from outside experts (explored below).

"Stop relying on non-subject specialists to teach a non existent curriculum."

"I had no formal training, it's a life skill you pick up along the way."

Two years on from the curriculum change, only just over a third of teachers believed colleagues in their school had the skills required.



This lack of financial skills in schools' existing staff is much of the reason why schools are so open to direct delivery by outside experts such as those provided by The Money Charity. 80% of teachers believe that outside help is needed to help deliver financial education and nearly nine out of ten think that students learn better from speakers with specialist knowledge than from members of permanent staff. However, this direct delivery schools are asking for is undermined by the lack of resources given to financial education…

"If you want it to happen, you have to make sure that resources are in place"

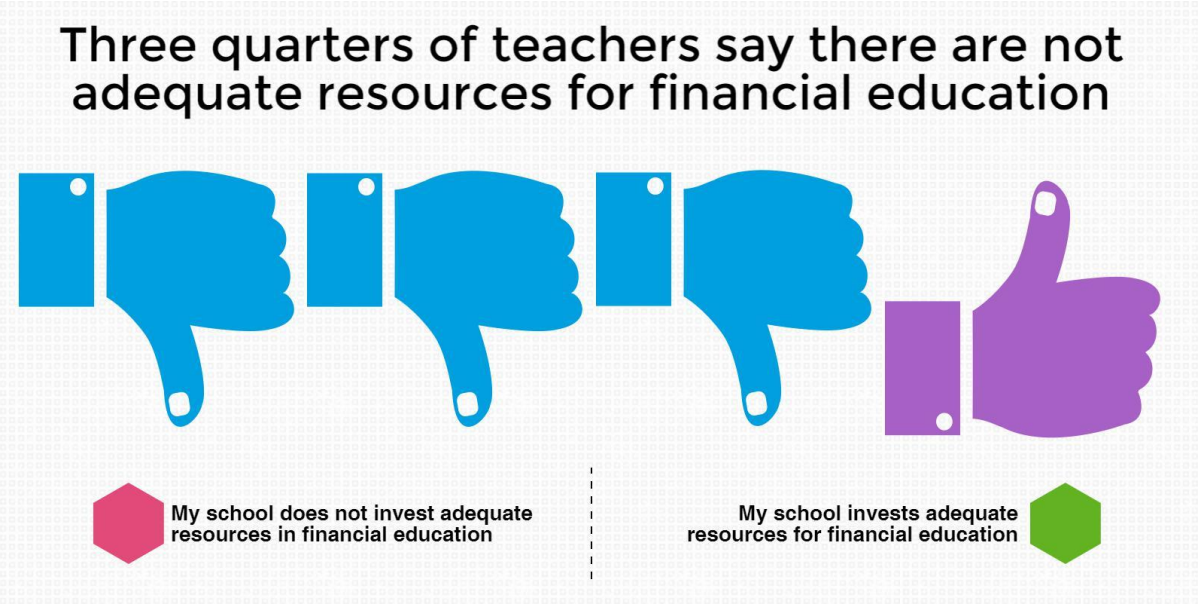
Barrier 5: Inadequate funding

Because financial education is not properly prioritised and led, it is no surprise that three quarters of teachers feel that financial education does not receive the funding it needs in their schools.

"It's dried up a bit in terms of resources, because schools are not sure where to put financial education"

Without adequate resourcing, the lack of financial skills that teachers have, and the little time afforded to them to deliver financial education cannot be bridged, either through training or bringing in experts.

"It's dried up a bit in terms of resources, because schools are not sure where to put financial education"



These five barriers reinforce one another and leave financial education in the position of being a secondary, discretionary offer for schools, **the first item for the scrap pile and last to the table.**

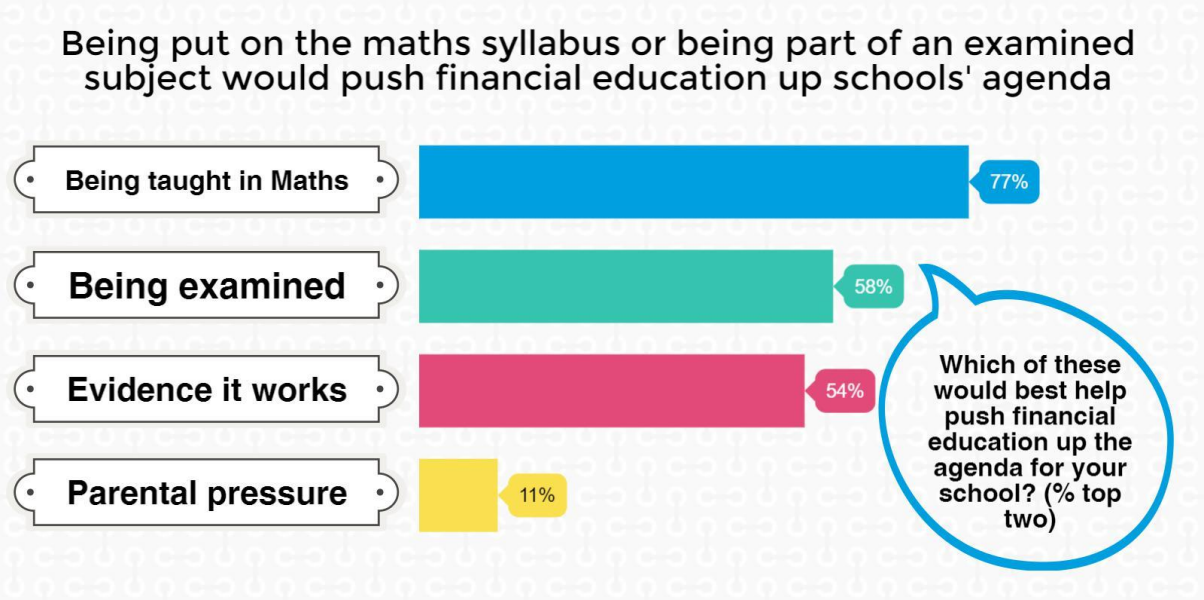
What can we do?

If putting financial education on the curriculum was not enough to ensure that it is delivered at a high quality in schools across the country, what could?

The first thing that policymakers should understand is that if they want change, they have to take it seriously. No one-off action like putting financial education on the curriculum can transform the situation without being accompanied by resources and incentives for schools. Teachers and school leaders do respond to the needs of their students and the requirements set by central government, but only if the right carrots and sticks are put in place.

What do teachers say?

Teachers are pretty clear on this. Making financial education part of an examined subject would do more to push it up school leaderships' agenda than anything else.



This speaks to a truth well understood by the teachers we interviewed, who consistently spoke about the pressure from school leadership to direct time and resources to examined subjects.

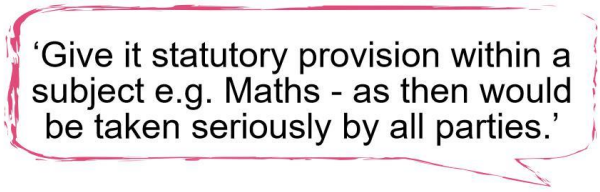
A new 'managing money' component to Maths

The Maths curriculum in England already contains the provision to:

"Solve problems involving percentage change, including: percentage increase, decrease and original value problems and simple interest in financial mathematics."[3]

[3]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/381754/SECONDARY_national_curriculum.pdf

But although this provision exists, the Maths problems in exams and in classrooms are often mechanistic and divorced from real world application. Teaching a young person to calculate rates of compound interest without talking in a holistic way about financial lives does not amount to real financial education. Simply because a mathematics question has a pound sign attached does not mean that financial education is being delivered.

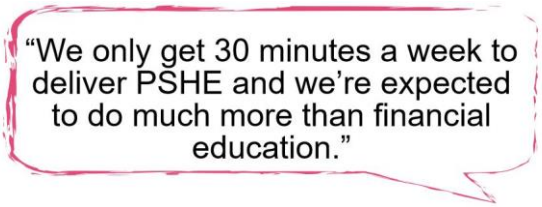


Instead, we echo the call made in the APPG report on financial education for a:

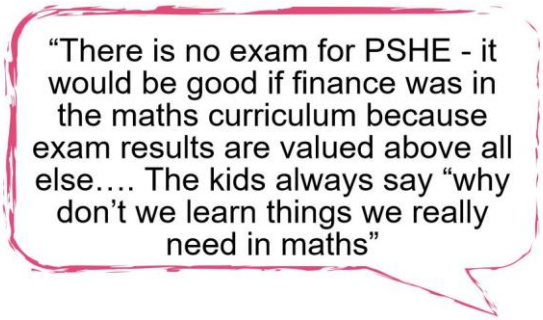
'Specific 'managing money' strand to the programme of study for secondary level Mathematics to ensure it is taught in the context of real-life scenarios. Ofsted should also give a clear steer that this 'real-world' approach is what is expected of schools[4]*.'*

Strengthened role for PSHE

But not all financial education can be taught in Maths, or is particularly mathematical in nature. To understand how finances work is emotional, social and literate as much as it is mathematical. So while context needs to be given to teaching of financial education in Maths, Personal, Social and Health (PSHE) is a far more appropriate home for much of financial education.



However, the status of PSHE in schools is low. Without being examined, and with teachers having to include a vast array of completely unrelated subject material, often within very limited timetabling.



In order for financial education in PSHE to be given the time and priority it needs, it has to be examined, or at least written into Ofsted's Common Inspection Framework so that schools know it will be a key part of what they are inspected for. Without these changes, there will always be "something better" for school leaders to expend their energies on.

[4] All Party Parliamentary Group on Financial Education for Young People report

Prevent vs Financial Education

One teacher we spoke to compared the addition of financial education on the curriculum to the Prevent anti-extremism agenda. While no aspect of prevent is in an examined subject, it is a programme where each school has a named individual who leads it and is responsible for its implementation.

That person is trained, provided with resources and is accountable for Prevent. Assessment of the programme is also written in the Ofsted common inspection framework, incentivising school leaders to prioritise it.

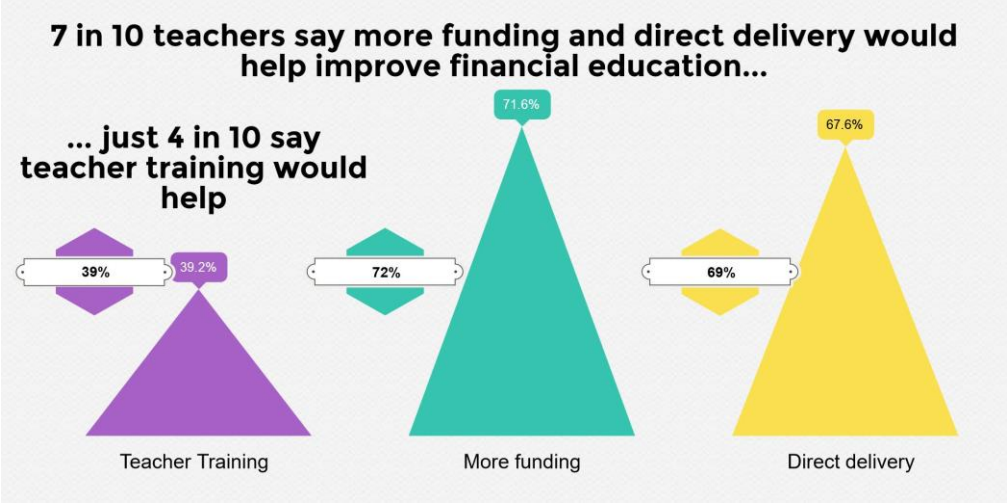
As a consequence of the incentives and resourcing to deliver Prevent, this statutory requirement has made a real difference in an huge aspect of what schools deliver. Only with this level of attention and resources can financial education become a core offering of schools and a right for young people.

In our short comparative case study, we compare financial education to the delivery of the Prevent[5] anti-extremism agenda, another new obligation for schools to deliver. The contrast could not be clearer. While the delivery of both the prevent programme and financial education are technically obligations for schools, one is given leadership resources and is inspected, while the other exists only on paper.

"Financial education is left to individual teachers. The curriculum is only really a piece of paper"

Direct delivery as part of the mix

If policymakers and school leaders wish to improve the delivery of financial education, teachers call for greater practical help: more resources like lesson plans and the funding for direct delivery of financial education by outside experts.



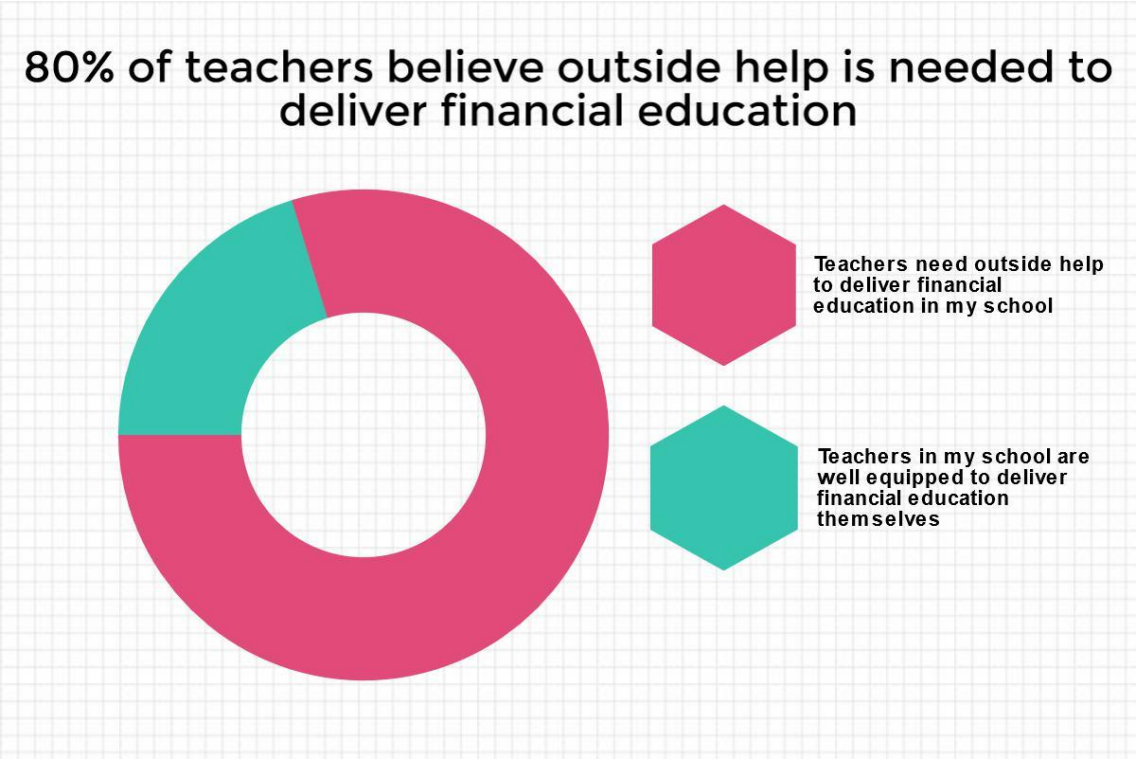
[5] Prevent Strategy

Even if schools can overcome the barriers to offering financial education outlined above, finding the leadership, and space in the timetable they need, they're still left with the challenge of how best to deliver it.

> 'There is an assumption that all staff are financially astute but this is not always the case.'

The first thing we know is that simply asking teachers to put it into their tutorials or PSHE classes is not enough. Nearly seven out of ten teachers don't believe that their schools are equipped with the skills required to teach financial education. More than 80% believe that teachers need outside help.

Teachers are no different from the general population, and to expect them to be experts on financial products, the emotions behind spending money and all the rest is unreasonable.



There are two possible answers:

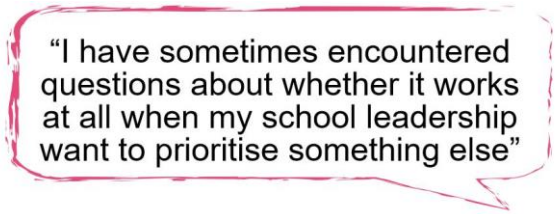
- Train teachers and provide resources
- Commission experts to deliver workshops for students

> "I was never taught this stuff. I'm getting a mortgage and have no idea what I'm doing. It would have been so helpful if someone had sat me down and actually talked about how much of my wage is going to disappear to the taxman and how I could apply for a mortgage."

Our research showed that these two models are not at odds with one another. Staff can be trained to deliver aspects of financial education, but also believe that

students benefit from expert speakers - and in many cases prefer this option. When asked to reflect on the choices that faces them currently, nine out of ten believe that "***pupils learn about personal finance better from speakers with specialist knowledge.***"

At the Money Charity we would be very happy for teachers to be trained so that they were in a position to deliver the entirety of a good financial education. But in the current circumstances, any healthy provision of financial education must involve a mixture of outside expertise and additional work from school staff. The Money Charity calls on policymakers and school leaders to recognise this mixed method as the optimal model for delivery.



Improving the evidence for what works in financial education

Interestingly, teachers also say that further evidence for the value of financial education would improve its standing in their school. While it is not the key driver of what a school chooses to focus its energy on, teachers we interviewed cited a lack of faith that it works.

So, the evaluations of *"what works"* currently being undertaken by the Money Advice Service and its successor is crucial to the development of financial education.

Our recommendations for policymakers

Create incentives to teach students about finances - This should include at least one of:

- Putting holistic financial education into the Maths curriculum
- Making financial education in PSHE part of Ofsted's common inspection framework and examining PSHE.

Whether we like it or not, the priorities that school leaders transmit to teachers are driven by grades and inspections. The only way to ensure financial education is afforded the priority that teachers believe it warrants is to use these mechanisms.

'State that schools must teach it but not need to examine it officially - if it was on an Ofsted CHECKLIST EVERY SCHOOL WOULD TEACH IT IMMEDIATELY {teacher's emphasis}'

Provide funding for financial education - What is clear from our research is that teachers are simply not currently prepared to deliver good financial education. Both through teaching resources and direct delivery from outside experts this can improve, but will need funding.

Our recommendations for schools

Create ownership and leadership for financial education - Our conversations with teachers showed that one of the key impediments to good financial education is leadership.

Give financial education a home - It might not be obvious whether it ought to sit in Maths, Citizenship, PSHE or some mix of those, but teachers told us that the important thing is that the ownership is clear, whether the responsibility is held by a single department or shared.

"Maybe because financial education and maths link so well, maybe we should make part of the maths curriculum linked to real life and financial skills"

Get outside help - Two thirds of teachers believe that staff in their schools don't have the skills to teach financial education. This can only be solved with a mix of both training and delivery from outside experts.

"A mixture of both direct delivery and teacher led classes is best"

About the survey

They Money Charity bases this piece on a mixed methodology:

- A survey of 126 teachers
- Six in depth teacher interviews

Teachers were contacted using both The Money Charity's database of 554 secondary schools (98 responses) and a list of over 5,700 secondary schools procured from Kaltz (28 responses). Six teachers also took part in interviews of around one hour.

As mentioned in the report, this does not constitute a completely representative sample of teachers. Schools on our database will nearly all have taken some interest in financial education, and those from other schools who responded are likely to have been motivated to do so out of a similar interest. For this reason we do make claims that the numbers we have here are definitive or representative of teachers as a whole.

Because of the interest of participating teachers, the numbers will probably show a rosier picture of financial education than is actually the case. But even with this inherent bias in the data, the themes that arose are ones supported by our experience and by the interviews we have conducted. So we are confident that our data highlights real issues and is, taken with other evidence, a firm basis for financial education policy.

The interviews and survey were taken with promises of anonymity, so we cannot share individual teacher data. But if you have any questions about the data, please contact us on hello@themoneycharity.org.uk and we will try to get back to you.

Note: Where quotations are marked "XYZ", they are taken from interviews, where they are marked 'XYZ' they are copied and pasted from responses to open ended questions in the survey.

About the survey respondents:

Jobs titles

Senior Management Team	**5%**	7
Head of department	**41%**	51
Teacher	**23%**	28
Other (Tutors/Mentors/Support Staff)	**31%**	39
answered question		126

In which part of the UK is your school?

The South East, excluding London	**15%**	19
The South West	**5%**	7
London	**13%**	16
The East of England	**2%**	3
The West Midlands	**8%**	9
The East Midlands	**5%**	7
Wales	**8%**	9
Yorkshire & the Humber	**12%**	15
The North West	**20%**	26
The North East	**4%**	5
Scotland	**0%**	0
Northern Ireland	**8%**	9
I don't work in the UK	**0%**	0
answered question		126

School types

An Academy	**40%**	50
Local Authority School	**29%**	37
Free school	**1%**	1
Sixth form or 16+ FE college	**18%**	23
Other (studio school, University Technical College etc…)	**9%**	11
Independent School	**3%**	4
answered question		126

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