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# All Party Parliamentary Group on Financial Education for Young People report



## Building Beyond Barriers – A roadmap for enhancing financial education in schools

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# Executive Summary

**Across the UK, there are large numbers of young people who lack the knowledge, skills and behaviours to manage their money well. This has a significant negative impact on their ability to navigate an increasingly complex financial world, build resilience against economic shocks and avoid falling victim to scams and bad debt.**

Lack of financial capability is an issue that is echoed across the rest of the population, with 45% of adults saying they do not feel confident managing money.<sup>1</sup> These trends highlight that if we are to move the dial on this critical area, educators – including teachers, parents and carers – must be better supported to develop their own financial literacy and have access to high-quality guidance and tools to effectively support the young people in their care.

The negative consequences associated with poor financial capability are well known, including the impact this can have on an individual's life chances as well as the effect it has on wellbeing. Yet, the positive impact of a financially literate population on individuals, wider society and the economy is also clear. According to research by the Confederation of British Industry (CBI) and GoHenry, prioritising financial education could add an extra £6.98bn to the UK economy each year, equivalent to £202bn by 2050.<sup>2</sup> This offers a powerful illustration of the economic, as well as the moral, argument for ensuring that our young people leave the education system equipped with financial literacy.

A number of studies have been undertaken in this area. While some have shown the current delivery of financial education in schools to be patchy, others have cast doubt on the impact which structural reforms, such as curriculum changes, can have on the level and quality of provision delivered. This inquiry has sought to build on the existing evidence base by identifying and unpicking the key barriers teachers face as they seek to deliver financial education. It has reinforced a number of previously identified challenges, but crucially reveals a series of fresh insights which we hope will positively shape the UK's approach in this area.

Having heard directly from teachers across primary and secondary settings, as well as a diverse range of stakeholders, it is evident that the challenges to providing high-quality financial education in schools are multi-faceted and there is no silver bullet. Yet, **this APPG is clear that progress on financial education can be achieved if a more ambitious and collaborative approach is adopted which further supports the educators at the heart of delivery.** Crucial to this is better harnessing the collective power and efforts of a range of stakeholders across government, the education system, Ofsted, business and the third sector.

Key findings from the inquiry include:

- Schools are recognised as having a vital role to play in the delivery of financial education, especially in deprived areas.
- There is a distinct lack of awareness about curriculum requirements, with two-fifths of teachers who have a statutory duty to deliver financial education not aware that it is on the curriculum.
- Financial education is considered challenging by the majority of teachers, with training, time and funding identified as the key barriers to delivery.
- Teachers need resources to be more accessible, further contextualised to their settings and better tailored to different learners.
- Winning the hearts and minds of teachers is key to long-term success with three in five teachers currently delivering the subject saying they do so because they believe it is important for young people's futures.

1. [24 million UK adults don't feel confident managing their money. Talk Money Week is here to help. | The Money and Pensions Service.](#)  
2. [UK\\_CBI\\_Economics\\_Financial-Literacy-Project.pdf \(gohenry.com\).](#)

These findings reveal the widespread lack of awareness of the curriculum reforms in 2014, which made provision statutory at secondary level for the first time and highlight the vital need to generate a greater understanding among teachers of current expectations for financial education in schools. Crucially, this indicates that **the positive gains from the recent curriculum changes are yet to be yielded**. That is why one of this APPG's recommendations is an effective communications campaign to raise awareness among practitioners of existing curriculum requirements to help recognise the importance and positive impact of building financial capability in young people.

This evidence also reaffirms the view that embedding financial education into the curriculum at primary level could make a positive contribution to delivery for primary aged children. This is echoed by the voices of primary educators, who themselves highlighted the important role the curriculum can play in driving change. Therefore, one of the key recommendations of this report is for the government to extend financial education curriculum requirements to primary schools in the UK.

Our recommendations include a suite of practical and structural remedies, including mechanisms to further equip and better prepare the range of educators involved in financial education. In particular, we call on stakeholders across business and the third sector to improve the accessibility of resources and ensure they are responsive to the specific needs of teachers delivering in different settings.

One of the key focuses of this inquiry was to explore any differences in the experiences of teachers in more and less deprived areas. This inquiry found **an overwhelming consensus among teachers across different settings of both the barriers they faced and the solutions they thought would address them**. Beyond this striking sense of commonality between teachers, it is important to note that the barriers experienced by educators in more deprived settings were often experienced more profoundly. As such, while this report found no evidence to suggest that teachers in deprived schools require unique interventions, it is likely that the support mechanisms introduced would have a larger impact in these settings. This is especially the case given that teachers in deprived areas were more likely to say schools play the largest role in the delivery of financial education to young people, compared to their peers in less deprived areas.

The potential to make further progress on this vital issue is significant and the impact this could deliver to young people invaluable. We hope this research has made a valuable contribution to the already rich evidence base in this area and helped to shine a light on some new levers and fresh thinking that can drive forward progress on both the quality and level of provision delivered.

We would like to take this opportunity to thank all the teachers and stakeholders who contributed to this inquiry, including our supporters HSBC UK for their invaluable inputs. We look forward to working collaboratively to take forward the emerging recommendations.

# Summary of the recommendations of the APPG:

## Structural

1. Raise awareness of existing curriculum requirements and the importance of financial education through a national communications campaign targeted at teachers and led by the Department for Education.
2. Enhance the ambitions of the current national strategy for financial wellbeing by aiming for all school-aged children to receive financial education by 2030 beyond the current target of two million more children.
3. Introduce financial education onto the national curriculum for all primary-aged children across the UK and ensure that provision at both secondary and primary is funded and delivered in real-world contexts to make it engaging.
4. Commission Ofsted to undertake a series of deep dives into financial education provision.
5. Conduct further research into how financial capability outside formal education could be better supported and how this could further equip parents and carers to support children's financial education.

## Practical

6. Commission Ofsted to map where financial literacy goals align with existing points in the curriculum.
7. Improve the availability and accessibility of financial education training to all teachers and ensure this is appropriately resourced by the Department for Education.
8. Enhance the awareness and accessibility of existing resources and support through improved signposting, to be led by the Youth Financial Capability Group (YFCG) in collaboration with the Money and Pensions Service.
9. Produce more contextualised resources to ensure all children receive a high-quality financial education and consider how the Quality Mark can further incentivise the creation of more tailored resources.
10. Develop and disseminate further guidance to better support teachers to navigate challenging and sensitive conversations around financial education.

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