

APPG on Financial Education for Young People

Financial Education and the Curriculum Inquiry

A Response by Credit Action

(Length: 1,997 words, not including this cover sheet)

Background

Credit Action is a national money education charity (registered Charity in England & Wales No. 1106941) established in 1994.

In January 2009 we also created our dedicated Welsh arm, Credit Action Cymru.

We offer a range of resources, tools and training to help everybody handle their money well, and to inform consumers so that they can make informed decisions about their personal finances.

Credit Action operates at a national level through advocacy, collaboration and partnerships with various groups and companies as well as at a local level through a variety of targeted projects, with a particular emphasis on those most vulnerable to financial difficulties and over-indebtedness. Through its work Credit Action reaches over 650,000 UK citizens every year.

We try and help as many people as possible avoid the pain of debt. However we recognise many contacting us will be in trouble already, so we work in partnership with the major debt counselling charity the Consumer Credit Counselling Service (Registered Charity No. 1016630).

Executive Summary

Credit Action runs three projects which support financial education in schools:

- *DebtCred*: This is aimed at 11-16 year olds in secondary schools, and provides free resources, Volunteer Educators and training to support teachers.
- *Future Ready*: This is a comprehensive, self-contained money education workshop aimed at equipping 16-19 year olds with the financial skills necessary for adult life.
- *Student Moneymanual*: This provides advice and information to prospective students, and will be distributed to 430,000 successful university applicants through UCAS this year.

DebtCred reaches over 8,000 students a year on average and Future Ready has reached 6,000 students since March 2010. Our evaluation data shows that students have an overwhelmingly positive response to these programmes.

Ideally, we would like to see financial education made a compulsory part of the National Curriculum. However, we recognise that this represents an ongoing issue and also have broader suggestions to promote the take-up and sustainability of financial education in schools, including clear signposting for teachers to ensure they are fully aware of the help available. We also believe that our *DebtCred* Volunteer Educator programme provides a useful model for developing partnerships with local financial businesses which can also support financial education.

Question 1

1. Credit Action runs three projects which support financial education in schools.
2. The first is *DebtCred*, a financial literacy project aimed at secondary school pupils aged 11-16. *DebtCred* helps ensure that young people are prepared to deal with financial issues in later life. It supports the delivery of financial education by:
 - Providing free teaching resources: There are two main resources within the *DebtCred* project. **Your Money or Your Life** is a 10-part modular course covering issues such as understanding financial services, budgeting and developing responsible attitudes to money. Meanwhile, the **Price of Parenting** is a unit of six lessons looking at the consequences of teenage pregnancy, which embeds Key Concepts and Processes from the PSHE education programme. Both sets of resources are accredited with a pfeg Quality Mark.
 - Connecting schools with Volunteer Educators: *DebtCred* presentations can be delivered by Volunteer Educators (financial professionals from local businesses who are trained in the delivery of *DebtCred* materials). This fosters engagement within a local community.
 - Running and supporting teacher training days: *DebtCred* supports teachers' Continuous Professional Development through training days. These build teachers' confidence around personal finance issues and provide them with a fresh approach to the delivery of financial education (further details are provided in our response to Question 6)
3. Our second project is *Future Ready*, which is aimed at 16 to 19 year olds in sixth forms and further education colleges. The programme bridges the gap between teenage years and adult life, and equips participants with the skills necessary to manage their finances independently. *Future Ready* is a comprehensive, self-contained money education workshop which covers topics including budgeting, credit and banks, and is delivered by Credit Action consultants.
4. Finally, our *Student Moneymanual* provides advice to prospective students about managing their money whilst at university and information about the financial support that is available.

Question 2

5. On average, *DebtCred* supports over 8,000 students in around 60 schools every year. *Future Ready* has been running since March 2010, and by April 2011 had reached almost 6,000 students in 90 schools. Our *Student Moneymanual* is distributed through UCAS and will be provided to 430,000 successful university applicants during the 2010-11 academic year.

6. This means that, in total, our programmes currently reach an average of 444,000 young people and 150 schools over the course of a year.
7. We work in secondary schools (including sixth forms) and further education colleges, and support all types of school (including independent, state and faith schools).

Question 3

8. Credit Action believes that there are several ways in which financial education could be made more sustainable in schools.
9. Ideally, we would like to see financial education become a compulsory part of the National Curriculum, something we have called for over a number of years. This would guarantee provision for all young people across the country, which would have obvious positive implications for the sustainability of financial education in schools. If financial education was compulsory this would be hugely beneficial, and would ensure that every young person has the opportunity to develop the vital life skill of managing money well. However, we recognise that efforts to secure compulsory financial education represent an ongoing struggle at the political level, and in the meantime make some further suggestions regarding sustainability.
10. We believe that, in a context in which financial education is not compulsory, teachers need to be appropriately supported so they can incorporate financial education into their lessons. It is therefore highly important that they are aware of the different resources and types of help available to them. Credit Action's own *DebtCred* and *Future Ready* projects demonstrate that there is already a considerable amount of support that can assist teachers – whether this is in the form of external training, volunteers or professionals who can deliver lessons in schools in their own right, or simply the provision of quality resources. In our view, the sustainability of financial education depends on whether teachers understand the importance of financial education and have a clear range of options which enable them to easily integrate it into their timetables. Clear signposting to available assistance is therefore essential to ensuring that teachers themselves buy-in to this process.
11. We believe that there may also be value in providing training on financial education to trainee teachers who are completing their training. We believe that as well as benefiting the teachers themselves, this would help ensure that they feel comfortable with the principles of financial education from the very beginning of their careers, which would in turn enhance their confidence in looking for and taking opportunities to incorporate financial education into their lessons.

Question 4

12. Through *DebtCred* we work with Key Stages 3 and 4. Through *Future Ready* we work with Key Stage 5.

Question 5

13. To encourage more schools to take up teaching financial education, we would initially reiterate the points made in response to Question 3. We feel that the ideal solution is for financial education to become compulsory but, failing this, it is of crucial importance that teachers are fully supported to incorporate it into their lessons themselves.
14. Furthermore, from the perspective of increasing the volume of schools actually teaching financial education, we believe our experience with Volunteer Educators through the *DebtCred* project is especially informative, particularly in the short- to medium-term. By developing volunteering partnerships with local financial companies, we are able to provide schools with specially trained staff who can bring a level of financial expertise to the classroom. Through this process, a single volunteer can reach a significant number of schools in a given area. We believe that this sort of partnership model is capable of giving teachers access to a valuable source of front-line support which can enhance their capacity to deliver quality financial education quickly and easily, and therefore has the potential to encourage more schools to take up teaching financial education if it can be replicated successfully.

Question 6

15. As outlined in our response to Question 1, *DebtCred* supports teachers' Continuous Professional Development through training days. These introduce teachers to *DebtCred* resources and show them how to use the materials in lessons. To date our training days have reached 25 teachers. We also work with teachers in the Cheshire area on a one-to-one basis. So far we have worked with 11 teachers in this way.

Question 7

16. *DebtCred* can be delivered both in lessons (usually PSHE, Numeracy or Citizenship) and during assemblies. We also deliver sessions during 'off-timetable' or focus days when students do not have formal lessons but participate in various activities and discussions throughout the day instead. On average we would spend an hour and a half in a school when delivering a *DebtCred* session.
17. *Future Ready* sessions can be delivered during either assemblies, form/tutor time, or as part of a PSHE framework. A *Future Ready* workshop lasts one hour. The workshop is designed as

a one-off, and we typically deliver two workshops to a particular school over the course of an academic year, reaching different students during each delivery. We also aim to return to a school in subsequent years to deliver the workshop to the new intake of students.

Question 8

18. Both *DebtCred* and *Future Ready* are assessed using evaluation forms which are provided to students at the end of a session. Our data suggests that students have an overwhelmingly positive response to these projects.
19. Our evaluation data for *DebtCred* (taken up to the beginning of April 2011) shows that following the session:
 - 87% of participants agreed that they felt more confident about dealing with money matters.
 - 88% of participants agreed that they felt they would be better at keeping their finances under control.
 - 83% of participants agreed that they had learned new skills to manage their money.
20. Our evaluation data for *Future Ready* (again taken up to the beginning of April 2011) shows that following the session:
 - 82% of participants agreed that they felt more confident about dealing with money matters.
 - 80% of participants agreed that they felt they would be better at keeping their finances under control.
 - 79% of participants agreed that they felt more confident about drawing up a budget.

Question 9

21. *DebtCred* operates in England and Wales. *Future Ready* is active in England and Northern Ireland, and will soon begin delivering to schools in Wales as well. The *Student Moneymanual* is distributed to successful UCAS applicants in England, Scotland, Wales and Northern Ireland.

Question 10

22. As we have already outlined in our responses to Questions 3 and 5, we believe it is highly desirable for financial education to be made a compulsory part of the national curriculum. At

the very least we would like to see all young people taught about the most fundamental financial concepts, such as the basic principles of interest (including how this can work in your favour if you save) and how to construct a budget.

23. With regard to the latter point, we were encouraged by the fact that there was a certain level of support for the concept of budgeting lessons in the December 2010 report of the Independent Review of Poverty and Life Changes, led by Frank Field MP. This explicitly recommended that 'In secondary school, there should be a focus on ... life skills such as budgeting'.¹
24. We also recognise that financial education need not always be taught as a stand-alone subject, and are not opposed to it being integrated into other subjects. Mathematics is one area in which there is obvious cross-over, but we also see opportunities for this in subjects such as Information Communication Technology (which could for example provide an opportunity for students to record a budget using a Spreadsheet). Ofsted suggested in March 2008 that personal finance education can work well with other subjects if it is part of a 'well co-ordinated cross-curricular plan'.² However, they also warned that attempts to combine financial education with other subjects such as mathematics were less successful when the focus 'was mainly on using personal finance education as a context for applying mathematical skills, rather than on developing students' financial skills and understanding'.³ For us this emphasises the importance of ensuring that, if financial education is combined with other subjects, it is handled appropriately as a subject in its own right and not used as a tool to deliver other subject knowledge.

Contact

25. For further information please contact Richard Talbot, Joanna Parsley or John Davies at Credit Action, either by email at office@creditaction.org.uk or by telephone on 0207 380 3390.

¹ *The Foundation Years: preventing poor children becoming poor adults* (December 2010), p. 64

² *Developing financially capable young people* (March 2008), p. 20

³ *Developing financially capable young people* (March 2008), p. 6