

Review of Personal, Social, Health and Economics (PSHE) Education

Response Form

The closing date is: 30 November 2011

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Information provided in response to this request for representations, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please tick if you want us to keep your response confidential.

Reason for confidentiality:

Name

Mr John Davies

Organisation (if applicable)

Credit Action

Address:

**6th Floor, Lynton House, 7-12 Tavistock Square,
London WC1H 9LT**

If your enquiry is related to the policy content of the PSHE review you can contact the public enquiry unit on:

Telephone: 0370 000 2288

e-mail: PSHEEducation.review@education.gsi.gov.uk

If you have a query relating to the review process you can contact the Consultation Unit on:

Telephone: 0370 000 2288

e-mail: consultation.unit@education.gsi.gov.uk

Please tick one category that best describes you as a respondent.

<input type="checkbox"/> Teacher	<input type="checkbox"/> School Leader	<input type="checkbox"/> Governor
<input type="checkbox"/> Parent	<input type="checkbox"/> Pupil	<input type="checkbox"/> Local Authority
<input type="checkbox"/> Teaching Association/Union	<input checked="" type="checkbox"/> VCS Sector/Charity	<input type="checkbox"/> Educational Provider
<input type="checkbox"/> Subject Association	<input type="checkbox"/> Other	

Please Specify:

Credit Action is a national money education charity. We offer a range of resources, tools and training to help everybody handle their money well.

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 also have extensive experience of working with young people on these issues, and currently deliver a number of educational programmes in secondary schools and colleges through a national network of training consultants. These include *DebtCred* which is targeted at the needs of secondary schools pupils, and *Future Ready* which aims to support school leavers (aged 16-19) in learning how to manage their money independently.

Furthermore, over the past four years we have partnered with UCAS to provide free student money guides to young people going into further education. In this academic year we will provide 430,000 guides to successful university applicants.

About You

Please use this space to tell us about yourself and your job role.

Comments:



Please supply up-to-date evidence to answer any or all of the questions in the review. You may want to focus on only those questions most relevant to you.

Q1) What do you consider the core outcomes PSHE education should achieve and what areas of basic core knowledge and awareness should pupils be expected to acquire at school through PSHE education?

Comments:

Credit Action feels strongly that one of the core outcomes not simply of PSHE education, but of the school experience as a whole, should be for pupils to attain a sufficiently high level of financial capability to enable them to manage their money responsibly in adult life. Indeed, we would go as far as to suggest that this aspect of PSHE education should in fact be a compulsory part of the school curriculum, and will make the case for this in our response to Question 3.

The Financial Services Authority's definition of "financial capability" provides a basis for determining the areas of core knowledge and awareness that pupils should be expected to acquire in this respect. The definition is broken down into five components:

1. Making ends meet
2. Keeping track of your finances
3. Planning ahead
4. Choosing financial products
5. Staying informed about financial matters

There are a range of fundamental skills that support these components, including (amongst others) the ability to budget, the awareness to discern between financial "needs" and "wants", an understanding of interest rates and a recognition of the dangers of over-indebtedness. In our view, it is absolutely essential that all young people have the opportunity to develop their financial capability in this way.

As an organisation, Credit Action has extensive experience of supporting young people to develop their personal financial management skills, and therefore has first-hand experience of how important such skills are. We run a range of projects to help young people build the knowledge and understanding that is necessary to enable them to handle money effectively and avoid financial difficulties in the future. One example is *DebtCred*, a financial literacy project targeted specifically at pupils in Key Stages 3 and 4, which aims to ensure they are prepared to deal with the financial issues that they will face in later life.

As we outline in our response to Question 2, we believe that there is firm evidence suggesting that enhancing people's financial capability can bring a

range of significant broader benefits, and that teaching financial education in schools through programmes such as *DebtCred* can have a valuable and positive impact on the way pupils approach money.

Q2) Have you got any evidence that demonstrates why a) existing elements and b) new elements should be part of the PSHE education curriculum?

Your answer should provide a summary of the evidence and where appropriate contain the title, author and publication date of research.

Comments:

a) As outlined in our response to Question 1, we believe that it is crucial not only for financial capability to be part of the PSHE education curriculum, but also for it to be made compulsory.

There is an extensive body of research which suggests that those who possess high levels of financial capability experience significant benefits as a result – we will refer to a few key examples here. Recent research conducted for the Consumer Financial Education Body (now the Money Advice Service), which was published in February 2011, is a prime example. The study, entitled *The long term impacts of financial capability: Evidence from the BHPS* (authored by Mark Taylor of the Institute for Social and Economic Research) constructed a measure of financial capability using variables from the British Household Panel Survey. It then sought to probe the long-term outcomes for people who were recorded as having high financial capability in 1991 (the first year of the Survey). Strikingly, the research found that high financial capability had statistically significant (and positive) impacts on life satisfaction, saving behaviour, household income and living standards in successive years. A follow-up study was also conducted in July 2011 which examined the link between financial capability and psychological well-being (this was again authored by Mark Taylor of the Institute for Social and Economic Research, and entitled *Financial capability, income and wellbeing*). One of the most striking findings of this report was that enhancing financial capability actually had a more significant effect on psychological wellbeing than increasing household income, and moreover, that improving people's ability to manage money can reduce the psychological impact of being divorced or unemployed and of having a low income.

Meanwhile, a recent analysis undertaken by our sister charity the Consumer Credit Counselling Service (CCCS), a leading provider of free debt advice, has indicated that a lack of financial capability may be a contributing factor towards problem debt, particularly amongst young people. After examining their internal figures, CCCS found that the average unsecured debt of 18 to 19 year olds who contacted them for help in 2010 was £2,254. Notably, 10% of this group of clients blamed a lack of budgeting for their debt problems,

compared to 5% of clients across all age ranges. These findings (released on 5 September 2011 under the title *Inbetweeners' debts spark calls for financial education*) prompted CCCS to underline the need for compulsory financial education to be added to the school curriculum.

Indeed, whilst research such as this attests to the importance of financial capability, we also believe that further evidence demonstrates the key role that education plays in enhancing it. Certainly, our monitoring figures for the *DebtCred* project referred to in Question 1 suggest that the programme does have a substantial impact on improving young people's financial capability. Based on feedback data from a total of 1,490 pupils:

- 83.3% agreed that they felt more confident when dealing with money matters after participating in the *DebtCred* programme.
- 81.7% agreed that they would be better at keeping their finances under control after participating in the *DebtCred* programme.
- 77.7% agreed that they had learned new skills to manage their money after participating in the *DebtCred* programme.

Inevitably, as these findings refer to a specific project they cannot be generalised across all financial education programmes. However, we are aware of research from other international contexts which also highlights to the positive impact that education can have on financial capability. As one example, a 1997 paper by B. Douglas Burnheim, Daniel M. Garrett and Dean M. Maki (published by the National Bureau of Economic Research under the title *Education and Saving: The Long-Term Effects of High School Financial Curriculum Mandates*) was one of the first studies to look at the long-term impact of financial education in the US. It noted that between 1957 and 1985, 29 US states mandated some of consumer financial education as part of their high school curriculum, and went on to examine whether or not this had any effect on the financial behaviours of students once they reached adulthood. One of the main findings of the research was that those who attended high school in a state which had mandated financial education actually saved a greater amount of money in adult life (with the authors taking saving levels one of the most reliable proxies for financial behaviour).

We therefore believe that there is convincing evidence to demonstrate both the importance of financial capability itself, and the significance of the contribution which financial education makes to improving it. Consequently, we feel that there is a clear case for it to not only remain part of the PSHE education curriculum, but also for it to be made compulsory in schools.

As a final point, we also note that a number of surveys indicate that young people themselves view financial education as important, and would value the opportunity to be taught it at school. A study by the ifs School of Finance (a specialist provider of financial education qualifications) found earlier this year that 40% of students felt that a qualification in Personal Finance would be more important than a qualification in any other non-English Baccalaureate subject, placing it well above subjects such as religious

studies on 6.5% and music on 3.5% (results of this survey were released on 15 March 2011 under the title *Personal Finance is the "Most important" Qualification outside the English Baccalaureate*). Similarly, Girlguiding UK's 2010 *Girls' Attitudes* survey found that 47% of girls wanted to see financial literacy included in the curriculum, rising to 61% amongst those aged over 16, many of whom were living independently (these figures were included in the *What Girls Think About ... Education, Training, Skills and Careers* section of the survey).

Q3) Which elements of PSHE education, if any, should be made statutory (in addition to sex education) within the basic curriculum?

Comments:

As discussed in our responses to Questions 1 and 2, we strongly believe that financial education should become compulsory, and therefore be made a statutory part of the school curriculum.

We recognise that within the scope of this Review, the Government has already ruled out making PSHE education as a whole a statutory subject within the National Curriculum, as noted in paragraph 5.1 of the Request for Representations document. However, we feel that, at the very least, financial education itself should sit alongside those other compulsory subjects which are a statutory requirement for schools (which currently also include sex education, careers education and work-related learning, as outlined in paragraph 3.3).

While a framework does exist to help schools to offer financial education if they choose to, the fact that it is not compulsory for all schools remains a fundamental weakness of policy in our view. We are concerned that unless financial education is made statutory, teachers will instead choose to focus on those other parts of the curriculum that they are required to teach. As a result, we fear that an ideal opportunity to enable all young people to develop the utterly vital life skill of managing money is being missed. Given that, as outlined in our response to Question 2, there is such strong evidence to demonstrate the positive impact that financial education can have, we believe that guaranteeing the universal provision of financial education by making it a statutory part of the curriculum would represent an essential development.

We also feel it is important to highlight the significant popular and political support that is currently building behind the principle of making financial education statutory. This is an issue with substantial cross-party support, as demonstrated by the success of the All Party Parliamentary Group on Financial Education for Young People which was established in January

2011 to advocate on this issue. The Group now has 225 members across all parties, making it one of the largest ever, and is conducting a range of inquiries into the provision of financial education at all levels of education. Moreover, a Government e-petition sponsored by Martin Lewis of MoneySavingExpert.com which called for compulsory financial education in schools recently gained the 100,000 signatures necessary to be considered for a Parliamentary debate, illustrating significant levels of support amongst the general public. We also noted with interest that the idea of compulsory financial education was endorsed in the final report of the Independent Review on Poverty and Life Chances led by Frank Field MP (published in December 2010 under the title *The Foundation Years: preventing poor children becoming poor adults*), which stated that “In secondary schools, there should be greater focus on ... life skills, such as budgeting ...” (*The Foundation Years*, paragraph 4.32).

Indeed, the only reason that financial education is not already a statutory part of the curriculum is due to an accident of the wash-up process in the run up to the 2010 General Election, when the PSHE section of the Children, Schools and Families Bill was dropped due to time pressure. We would therefore urge Government to take the opportunity provided by the current Review of PSHE Education, and the National Curriculum more widely, to redress this and make financial education compulsory as soon as possible.

Q4) Are the National, non-statutory frameworks and programmes of study an effective way of defining content?

Yes

No

Not Sure

Comments:

Q5) How can schools better decide for themselves what more pupils need to know, in consultation with parents and others locally?

Comments:

How do you think the statutory guidance on sex and relationships education could be simplified, especially in relation to:

6 a) Strengthening the priority given to teaching about relationships?

Comments:

6 b) The importance of positive parenting?

Comments:

6 c) Teaching young people about sexual consent?

Comments:

- Q7) Have you got any examples of case studies that show particular best practice in teaching PSHE education and achieving the outcomes we want for PSHE education?
Your answer should be evidence based and provide details of real-life case studies.**

Comments:

- Q8) How can PSHE education be improved using levers proposed in the Schools White Paper, such as Teaching Schools, or through alternative methods of improving quality, such as the use of experienced external agencies (public, private and voluntary) to support schools?**

Comments:

As a charitable organisation with an extensive track record of working with volunteers and training consultants to deliver financial education programmes in schools, Credit Action has first-hand experience of the contribution that experienced external voluntary agencies can make to improving the quality of delivery, and to supporting teachers and schools.

The *DebtCred* programme which we have mentioned in our responses to previous questions provides a useful model of this and helps to illustrate the value which external providers can add in this context. In order to offer *DebtCred* as widely as possible within a specific area we develop volunteering partnerships with local financial companies, training their staff to become Volunteer Educators who are able to deliver *DebtCred* materials (all of which have received a pfeg Quality Mark) in the classroom. Volunteer Educators can then bring their financial expertise into the schools they work with, giving teachers access to an important source of front-line support which can enhance their capacity to deliver well informed sessions quickly and easily.

Indeed, we believe that financial education is an area in which external specialists can be particularly valuable. A report by Ofsted in March 2008

into standards of financial education in schools (entitled *Developing financially capable young people*) suggested that having teachers who were confident in their own ability to deliver relevant material was one of the key factors determining whether the financial education provided by schools was of a high or low quality. However, money and personal finance can be areas in which teachers actually feel least confident in their subject knowledge. We recently consulted a number of specialist financial education trainers that we are in contact with through our work with the Community Voice Forum advocacy network, to find out about their experiences of front-line delivery. One of the main messages to come back from these specialists was that the perspective they brought to the classroom was greatly valued by teachers, who did not necessarily feel that they themselves had the expertise to confidently deliver the relevant material. Some trainers, for example, reported that teachers regularly commented that they had learned as much as the result of a session as the pupils.

We therefore believe that PSHE education can certainly be improved through the use of experienced external voluntary agencies, particularly with regard to financial education. Consequently, we feel that Government should consider ways in which the involvement of such agencies can best be utilised and supported, in order to achieve further improved outcomes for schools, teachers and pupils.

Credit Action would of course be prepared to work with Government in any way possible to help take the proposals set out in this response forward.

Q9) Have you got any examples of good practice in assessing and tracking pupils' progress in PSHE education?

Your answer should be evidence based and provide details of real-life case studies.

Comments:

Q10) How might schools define and account for PSHE education's outcomes to pupils, parents and local people?

Comments:

Q11) Please use this space to provide us with your views and any other comments about PSHE.

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply 

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations and reviews are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, Tel: 01928 438060 / email: carole.edge@education.gsi.gov.uk

Thank you for taking time to respond to this request for representations

Completed questionnaires and other responses should be sent to the address shown below by 30 November 2011

Send by post to: Department for Education, Consultation Unit, Area 1C,
Castle View House, Runcorn, Cheshire WA7 2GJ

Send by e-mail to: PSHEEducation.review@education.gsi.gov.uk