

Welsh Government

National Literacy and Numeracy Framework and Tests

A Response by Credit Action

Background

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

Credit Action empowers people across the UK to build the skills, knowledge, attitudes and behaviours, to make the most of their money throughout their lives. It develops and delivers products and services which provide education, information and advice on money matters, in an appropriate way for young people and adults. Through its work Credit Action reaches over 500,000 UK citizens every year.

Introduction

As a financial capability charity with significant experience of running programmes in schools and colleges to help young people build the skills and attitudes to manage money effectively, Credit Action takes a keen interest in the educational frameworks and curricula which underpin teaching throughout the UK. In Wales specifically, we currently have a limited but successful presence, and in 2011 reached 1,910 students in 15 schools through our *DebtCred* programme, which is aimed at 11-16 year olds. In 2012 we are on course to exceed these numbers – in the year to date have reached 1,597 students in 14 schools – and have ambitious plans to significantly expand our reach throughout the UK in the years ahead.

Given that the Welsh Government’s proposed National Numeracy Framework includes a specific element on *Money* as part of its “Using number skills” strand, it will have an important impact on the way that children in Wales engage with the fundamental concepts surrounding finance from an early age. We therefore welcome the opportunity to contribute to the consultation on the National Literacy and Numeracy Framework and Tests.

In responding to this consultation, we will focus on answering the second of the ten consultation questions set out in the main document and, given that our core concern is financial education, will concentrate specifically on discussing the *Money* element of the National Numeracy Framework.

Question 2: Are the right skills emphasised? Do you think any have been missed that should be included?

We are pleased to see that the National Numeracy Framework includes a specific section about *Money* which, as the consultation document states, aims to establish “the building blocks of financial education” (p. 16). Given that this will help ensure that young people are taught about finance on a statutory and cross-curricular basis in Welsh schools, its inclusion is in our view a positive development, and creates an opportunity to deliver informative and constructive messages to Welsh pupils from an early age.

However, in order to ensure that such messages are as consistent and effective as possible, it is essential that the contents of the *Money* element build coherently, so that the outcomes expected in the final years at Key Stage 3 are developed appropriately through the Foundation Phase and Key Stage 2. This is an area where we believe there is some room for improvement in the proposed design of the National Numeracy Framework.

Within the *Money* element, some of the outcomes apply specifically to pupils’ ability to make mathematical calculations using money. However, others concern pupils’ broader “financial capability”, including their ability to understand financial products and to develop positive financial behaviours such as budgeting and saving. In our opinion, these are two distinct types of skill which place different sorts of demands on pupils.

To begin with, the focus of the *Money* element is entirely on ensuring that pupils can undertake calculations such as finding totals and giving change, initially using coins and then building up to larger amounts. It is only in Year 5, when learners are expected to be able to “realise that budgeting is important”, that the Framework begins to address wider issues which are distinct from pure mathematical procedures, and focus on building pupils’ broader financial capability. In subsequent years this is further developed, as pupils’ are expected to be able to make value judgements about the costs and benefits of products such as banks accounts and bank cards, while by Year 9 pupils are engaging with quite advanced issues, and are expected to “understand the risks involved in different ways of saving and investing” and “recognise that insurance can protect against some financial risks”.

Ultimately, we feel that overall purpose of the *Money* element and clarity of progression are a little confused within the current Framework. In particular, the fact that broader issues are not touched on until mid-way through Key Stage 2 is a potential weakness, and ideally they should be addressed in some form from the Foundation Phase, so that they can be built up consistently through the Key Stages. While a high level of abstraction is obviously unsuitable for pupils in the Foundation Phase, introducing very basic concepts (such as an understanding that money can be saved, or that people make plans called budgets showing how they will spend their money) may be helpful in enabling such principles to be developed coherently through the course of the Framework.

This is not to say that we feel it is inappropriate for more mathematically focused outcomes to be included in the *Money* element at all – we certainly recognise that such skills are very important to enabling young people to deal with money at a fundamental level. However, our core point is that if two distinct themes are to effectively run through the *Money* element – one focused on mathematical skills, the other on broader financial capabilities – then they should both be built up from the very beginning, and run alongside each other throughout the Key Stages. In our view, this would help make the Framework clearer and more consistent.

Indeed, it is important to point out that this distinction is made in existing Welsh Government guidance for implementing financial education in schools and colleges. This raises an additional and wider point, which is that in our opinion it is crucial for the new National Numeracy Framework to be consistent with such pre-existing guidance.

The Welsh Government document *Financial education for 7 to 19-year-olds in Wales: Guidance for schools and colleges* (most recently revised in October 2011) makes clear that financial education has been embedded in the curriculum in Wales since September 2008. While this has principally been achieved through mathematics, the Guidance also notes that there are additional opportunities for delivering wider aspects financial education through both the *Personal and Social Education* and *Careers* frameworks (p. 3). The document goes on to outline the ideal attainment levels for pupils at Key Stages 2, 3 and 4, as well as 16 to 19-year-olds (p. 5-7). At points, these appear to vary from those in the proposed National Numeracy Framework.

For example, at Key Stage 2 the October 2011 *Guidance* suggests that learners should be given opportunities to understand “the importance of looking after their money and the benefits of regular saving” as part of *Personal and Social Education*. However, in the *Money* element of the

National Numeracy Framework, no mention is made of saving until Year 8 in Key Stage 3, where there is an expectation that learners will be able to “appreciate the basic principles of budgeting, saving (including understanding compound interest) and borrowing”. Equally, the *Guidance* suggests that at Key Stage 3 learners should be given the opportunity to understand “the economic and ethical consequences of personal financial decision-making as a consumer, e.g. Fairtrade” as part of *Personal and Social Education*, while in the National Numeracy Framework there is no mention at any point of encouraging learners to think about the wider ethical dimensions of finance.

While we recognise that the Framework’s primary focus is on numeracy, rather than explicitly on financial education as is the case with the *Guidance*, we believe that it is nonetheless important to highlight these sorts of discrepancies. Ultimately, we feel that the introduction of the new National Numeracy Framework should, as far as possible, support rather than undermine existing guidance in order to ensure clarity for both teachers and pupils, and therefore encourage policy-makers to consider how this can best be achieved in the context of financial education.

Contact

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