



**All-Party Parliamentary Group
on
Financial Education for
Young People**

APPG Inquiry on Primary-School aged Financial Education

Announcement:

Inquiry into the provision of primary financial education by the APPG on Financial Education for Young People

The All-Party Parliamentary Group on Financial Education for Young People is the leading voice on issues relating to financial education in parliament. The APPG is chaired by Julian Knight MP and, having launched in 2011, it is one of the largest of its kind with 150 parliamentary members and a wide range of non-MP supporters. It exists to provide a forum for parliamentarians and organisations to discuss the current provision of financial education and ensure that all young people - regardless of background - are equipped to make informed financial decisions.

In 2013, The Money and Pensions Service found that financial habits and attitudes around money are formed by age 7. This ground-breaking research led to a significant expansion in the delivery of primary financial education across the UK and a greater understanding of its importance.

In 2011, our report into *Financial Education and the Curriculum* reported low provision of financial education for primary age children and recommended that teachers be provided with more high-quality resources for both themselves and their students, including CPD courses. Our 2016 report, *Financial Education in Schools: Two Years on – Job done?* recommended that statutory financial education be introduced at a primary level, emphasising the importance of starting younger and recognising the role of primary schools in familiarising children with money concepts in an age-appropriate way.

The pandemic has had a devastating impact on the UK's financial wellbeing and made the case for financial education, including early intervention, even stronger. 3.5 million more adults now have low financial resilience and 8.1 million expect to take on debt in the near future.¹

In March, the APPG came together to discuss how the Government can ensure that young people at primary school are provided with the foundations for their financial capability and to consider the evaluated impact of the KickStart Money primary financial education programme. It became clear that there is a need for more information on the extent of current primary provision, where and how it is delivered, its measurement and outcomes. The APPG is launching a rapid inquiry to answer these questions and identify what works best.

The goals of the inquiry are:

- To map the primary level financial education intervention landscape and identify any notable gaps in delivery style or geography.

¹ FCA – Financial Lives Survey, February 2021.



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- To collate evidence and outcomes of primary age interventions to date and compare their effectiveness.
- To identify mechanisms which would help maximise the delivery of financial education for primary pupils.
- To make recommendations to government and other actors with the aim of ensuring every child receives a high quality and effective financial education.

We anticipate that the collated evidence will help the APPG understand what works best in terms of primary provision and enable us to make recommendations to Government and encourage funding organisations to invest in initiatives that provide an even clearer understanding of how primary-aged children can best be supported in financial education & capability.

This APPG Inquiry is being supported by Young Money, as Secretariat to the APPG on Financial Education for Young people, and sponsored by KickStart Money.

Call for Written Evidence

The APPG welcomes submissions of evidence to this inquiry from as wide a range of organisations and respondents as possible. This includes parents or community groups who provide financial education for primary school aged children. While the scope of the inquiry will focus on the UK, we would also welcome submissions from other countries regarding how financial education is offered and the outcomes achieved.

The APPG invites written submissions into all aspects of financial education for primary school aged children, including direct provision; teacher resources, training or CPD; pupil resources; financial education in community or youth group settings and home and parent-led education. The APPG is particularly interested in submissions answering the following questions.

Background

MyBnk is a UK charity that delivers expert-led financial education programmes to 5-25-year olds in schools and youth organisations – direct, virtually and online. Together with young people, we have created innovative, high impact and high energy workshops that bring money to life.

By spend, we are the UK's largest charity dedicated to this cause. MyBnk cover topics such as saving, budgeting, debt, independent living and public and student finance. We also design projects and training programmes for others. Since 2007 we have helped over 250,000 young people learn how to manage their money.

Our expert-led school age programmes aim to build financial capability at key transitional moments, addressing mindsets, attitudes and behaviours to help young people form an understanding of the wider world of money.



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These financial education workshops help form positive habits like saving and delayed gratification, connect the dots between public and personal finance and arm young people with practical money skills. This teaches them how to navigate the system and make informed decisions. Topics range from budgeting, banking and borrowing to student finance, tax and pensions. Programme range, [here](#).

1. What is seen as the most effective financial education provision at primary school age?

MyBnk believes provision needs to be a well-rounded concept of financial capability. Not just linked to maths, it should offer a holistic support to students to conceptualise, understand and realise interaction with money. It needs to start young and be drip fed &/or have targeted campaigns through a child's primary journey.

MyBnk's mixed model of direct in-person delivery by full time trained experts, post-delivery resources for teachers and pupils alongside teacher training, has consistently proved to be an extremely effective model. See our year [three](#), [two](#) and [one](#) independent impact reports for evidence of this success.

An effective model is also a sustainable one that allows a child to build on existing capabilities. By focussing on behaviours and habits at primary school, MyBnk is able to prepare pupils for the more complex statutory elements of money lessons such as understanding systems like tax, banking and employment and making choices.

The need for effective financial education is universal. However, provision and resource (with is limited in the sector) should focus on those who need it most. Recent research by MyBnk has shown that these young people are likely to be below the national average on a range of financial capability indicators yet make the largest percentage point increase in money knowledge, skills and confidence, post intervention – often outpacing their, at baseline, more able peers from more affluent areas.

Across three multi-year independent MyBnk evaluations, progress for all young people has averaged at 7%, while for those young people most in need it has averaged 56%.

They are more than likely to be found in schools with high Free School Meals, Income Deprivation Affecting Children Index ratings and indices of multiple deprivation.

MyBnk believe our initial [study](#) provides enough evidence to suggest a link between young people most in need of financial education and financial deprivation. We suggest a next phase of this research to further investigate the correlation would:

1. Include more schools and young people.



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2. Break down the more and less in need categories into smaller groupings to identify whether the YPMIN deprivation correlation follows a larger trend line.
3. Attempt to corroborate this quantitative analysis with qualitative findings.

We believe the findings are significant to policy makers and delivery organisations who want to target those young people most in need out of principle and/or resource constraints

Provision should be multi-channel with teachers, outside agencies, and through parents and technology. Expertise at both content creation and delivery level is key, just wanting to deliver it, via volunteers or a solo online product is not enough with the limited time available and competition for young people's time i.e. social media and digital entertainment.

Independent evaluation of MyBnk's [secondary school](#) programmes showed teachers believed outside experts are better placed to deliver the subject, according to our latest independent report. Evaluators Substance found 73% of teachers thought dedicated full time trainers were better able to deliver money lessons than other teachers and 70% thought they were more effective than volunteers. After expert-led sessions 11-16 year olds were found to be 22% more capable of managing money and understanding personal and public finance than control groups.

The input of young people in the creation of materials and methods is also desirable. MyBnk involve young people to help us to test its effectiveness and appeal to young people

Knowledge and skills can be measured through teacher assessment. Attitudes and mindsets are best improved through interactive activities / games / tech.

MyBnk uses an outcomes-based monitoring and evaluation system with teachers, facilitators and young people, employing a range of data-collection methods to evaluate the effect of our workshops. We collect data at baseline, endline, and follow up points, comparing to control data from non-participants. Quantitative data is supplemented with qualitative interviews and focus groups with a range of stakeholders. Where possible, we access data associated with individuals, such as their rent arrears, evictions and movement into employment and training. Programmes are also scrutinised by external evaluators who set their own impact measurement criteria and have access to our sessions and stakeholders.

2. Where is current provision offered?

We know trained experts can deliver impactful financial education at scale with replication. Other methods have potential but do currently not provide a strong evidence base. We have found that sending packs of unsupported content to teachers and or parents struggles to make the same impact.



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Since 2017, MyBnk has developed and delivered primary school aged financial education lessons on behalf of the Centre for Financial Capability (formerly KickStart Money). Over four years, we have helped over 20,000 children across England form positive money habits and attitudes towards saving and spending.

The 'Money Twist' sessions consist of an assembly and three 75-minute sessions aimed at 7-11 year olds, led by expert trainers and delivered over six weeks. These sessions are complemented by a teacher resource and a family activity pack. Case studies, games, videos and popular culture are all used to encourage students to explore and form their own opinions on money and their relationship with it. The three workshops, differentiated for [Lower Key Stage \(KS\)2](#) and [Upper KS2](#), are:

Session 1: My Money – Money habits & mind-sets; resisting temptation.

- ⚡ Lower Key Stage (KS) 2 pupils learn how and where we get money, forms of payment and different bank accounts.

Upper KS2 pupils receive an introduction to different money mind-sets related to the consequences of everyday spending and saving.

- ⚡ Session 2: My Choices – Prioritising needs & wants; budgeting; costs of living.

Lower KS2 pupils learn about making choices with money, delaying gratification, needs vs wants and understanding that money is finite.

Upper KS2 pupils learn about prioritising needs and wants, the cost of living and how to manage your money through budgeting.

- ⚡ Session 3: My Future – Saving money & setting goals; interest; bank accounts; risk.

Lower KS2 pupils learn about why people save, setting money goals and how setting positive money habits now will help in the future.

Upper KS2 pupils learn about the benefits of saving, understanding interest as both a reward for saving and a charge for borrowing and different financial risks and setting a future finance goal.

In response to the coronavirus pandemic, we created free online home school courses for 5-11 year olds via a new [learning.mybnk](#) platform. This includes youth and adult-led modules and videos, quizzes and activities for five 30 minute sessions as well as a Save-o-saurus Rex money poster for children to work towards a savings goal over the sessions. Throughout the KS1 online programme, children learn about where money comes from, its practical value, needs and wants, keeping track of money and saving. The online programme for 7-11 year olds (KS2) can be completed independently and consists of three 60 minute expert-led videos that guide the children through a series of activities. This programme covers needs and wants, how to budget and saving and delayed



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gratification. Detailed [Teacher Notes](#) for Key Stage 2, which outline a weeks' worth of curriculum mapped activities featuring the online programme, are also available to support remote lessons.

Later in 2020, a new live [virtual](#) programme was launched for schools unable to host in-person sessions due to the pandemic. In this new form of financial education delivery, expert trainers lead classes through unique and engaging activities by secure video-link with the support of teachers in the classroom and materials sent in advance. This consists of an assembly video, a teacher resource pack, a family pack and three 60-minute live sessions delivered by video-link over six weeks.

Altered provision has shown that virtual delivery is possible and allows us to vary our geographical reach but is not as good or effective as direct in-person delivery.

In 2019/20 an online teacher training pilot for KS1 teachers gave teachers the tools to teach children about money.

At MyBnk, volume and consistency of funding dictate where we deliver. Certain funders also have a geographical focus.

We have found that resource-based support has a higher degree of variable implementation and outcomes

3. What outcomes or impact have you seen as a result of primary-school aged financial education?

Further research is needed on impact and cost benefit of direct delivery versus supported teacher delivery and tracking primary age pupils into secondary schools with a focus on habits.

Our primary school sessions, funded by the Centre for Financial Capability (formerly KickStart Money), have been independently evaluated by Substance each year of its delivery. The first evaluation was funded by the Money and Pensions Service (formerly the Money Advice Service) as part of its What Works Fund. Each year, the programme was found to have a positive impact across all three outcomes it was measured against.

Outcome 1 - Young people build capacity to defer gratification.

- 70% of young people who took part in the programme were working towards a savings goal three months after delivery. (2017/18)
- 83.6% of those who could not correctly distinguish 'needs' and 74.7% of those who could not correctly distinguish 'wants', could do so after the programme (2018/19)
- For those who would never or only sometimes save money at the beginning of the sessions, 49% said they would save every time or most of the time they received money after the programme (2019/20)



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- 68% of pupils with low capability before delivery showed an improvement in delaying short term benefits for long-term rewards after the sessions. (2017/18 & 2019/20)

⚡ Outcome 2 - Young people can understand, discuss and articulate new knowledge of money habits.

- Of those who did not understand habits prior to the programme, 51% did by the end. (2019/20)
- Of pupils unable to distinguish needs and wants correctly before delivery, 75% reported they could after the sessions. (2019/20)

⚡ Outcome 3 - Young people have an improved understanding of the concept of 'future', 'plans' and 'consequences'.

- 60% of pupils who did not agree that how they treat money now will make a big difference to their future believed this after the programme. (2019/20)
- Of pupils who did not regularly save money before the sessions, 39% said they do after delivery. (2019/20)

The new online teacher training pilot was also found to raise the percentage of teachers with an:

- ⚡ Understanding of the suitability of financial education for their pupils from 22% to 92%.**
- ⚡ Ability to understand the core components required to build good financial capability for their pupils from 26% to 83%.**
- ⚡ Understanding of good practice for teaching financial capability from 17% to 83%.**

Each evaluation is the result of collecting and analysing data recorded over a twelve month period. The methodology is designed to answer the research question of *'What impact does the programme have on the financial attitudes and indicators of financial behaviour of children aged 7-11?'*

Data collected for the first and second year evaluations of the programme include:

<i>First year evaluation data collection (2017/2018)</i>	<i>Second year evaluation data collection (2018/2019)</i>
⚡ Quantitative pre-and post-delivery surveys of pupils aged 7-11.	⚡ Quantitative pre-and post-delivery surveys of pupils aged 7-11.



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<ul style="list-style-type: none"> ⚡ Qualitative case study research (observations and focus groups) in five out of 86 schools involved. 	<ul style="list-style-type: none"> ⚡ Qualitative case study research (observations and focus groups) in two out of 83 schools involved.
<ul style="list-style-type: none"> ⚡ <i>Surveys and interviews with teachers at five case study schools.</i> 	<ul style="list-style-type: none"> ⚡ Surveys with teachers at 77 out of 83 schools.
<ul style="list-style-type: none"> ⚡ A Theory of Change workshop to identify outcomes and inform research tool design. 	<ul style="list-style-type: none"> ⚡ Quantitative pre and three-month post-delivery follow-up surveys aged 7-11
<ul style="list-style-type: none"> ⚡ A delayed gratification test with pupils aged 7-11. 	<ul style="list-style-type: none"> ⚡ Quantitative annual follow-up with year one delivery pupils aged 7-11
<ul style="list-style-type: none"> ⚡ Interviews with nine stakeholders (including MyBnk staff, consortium partners and funders). 	<ul style="list-style-type: none"> ⚡ Interviews with teachers and delivery staff at two of the 83 schools.
<ul style="list-style-type: none"> ⚡ A control survey of 1,107 pupils in ten schools not involved in the programme 	<ul style="list-style-type: none"> ⚡ A control survey of 1,107 pupils in ten schools not involved in the programme
<ul style="list-style-type: none"> ⚡ An additional evaluative film element. 	<ul style="list-style-type: none"> ⚡ Analysis of web-analytics regarding the interaction with the online family pack app across 22nd Feb – 23rd March 2019.
	<ul style="list-style-type: none"> ⚡ Results from limited responses of family pack online survey
	<ul style="list-style-type: none"> ⚡ Analysis of three focus groups with parents and pupils.

Quantitative pre and post-delivery surveys and quantitative pre and three-month post-delivery follow-up surveys of KS2 pupils aged 7-11 were undertaken for the third year evaluation of the programme (2019/20). The third year evaluation also collected the following data on the new financial education teacher training pilot for KS1:

- ⚡ Quantitative pre- and post- surveys of KS1 pupils aged 5 and 6.
- ⚡ Surveys with teachers who had implemented the new KS1 programme.
- ⚡ Interviews and e-mail correspondence with MyBnk trainers.

The national lockdown resulting from the COVID-19 pandemic impacted the collection of data for the third year evaluation. As a result, the number of endline responses was much smaller than anticipated.

The three full evaluations of the programme can be found below:



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-  [2017/18.](#)
-  [2018/19.](#)
-  [2019/20.](#)

4. What can be done to support an increase in provision to primary school aged children?

Funding, curriculum inclusion and promotion can support an increase in provision to primary school aged children. Current barriers for children's 'gatekeepers' include a lack of confidence and understanding of who is doing what between schools and parents. There is lots for teachers to cover, why should they do financial education, who is making the case?

Teachers and schools can be encouraged to provide or facilitate financial education with a half terms worth of high quality and supported activity including training, resources, videos, cross-curricula links etc. MyBnk has also long called for an independent online 'Compare the Market' tool to allow educators to see what support will work for them.

Solutions include direct delivery, teacher training, tech and parental involvement.

For every child to have a access to financial education schools must have a very clear sense of what is needed and the choices at their disposal to steer their teachers and parents in supporting their young people

5. What do you see as the key risks if financial education is not provided at primary school age?

Self-control in children has been shown to be positively linked to saving behaviour and pension savings at age 34. Locus of control in children has been shown to be positively linked to net wealth and financial self-assessment by age 42. Financial education can help young adults protect themselves against scams and poverty whilst making informed decisions on their future at a critical transitional period.

Statistics show large sections of UK society lack the skills and knowledge necessary to effectively manage their money. Young people lack the confidence to do so and parents have even less. Prior to the pandemic, 52% of teenagers were set to be in debt by the time they were 17 and 96% of British teenagers said they worry about money daily. 6 in 10 young people say COVID-19 has made them feel more anxious about money.

Research by the Money and Pensions Service has found that by the age of seven children are able to recognise the value of money and are capable of complex functions such as planning for the future and understanding the irreversibility of some choices. Installing positive money habits early is key in shaping financial outcomes later in life.



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As children become older the risks associated with being financially illiterate grow, especially for vulnerable groups like care leavers – one in three of whom are evicted from their first home and who are more susceptible to debt. Our work with vulnerable young adult's [shows](#) financial education can make a deep impact:

- ⚡ Debts dropped 60%. This compared to control groups of their peers, who saw their average debts grow by 50%.
- ⚡ The number saving regularly increased by 23%.
- ⚡ Over half would now seek specialist advice, up from 32%, from the likes of StepChange or Citizens Advice.
- ⚡ Capabilities of young people in saving, financial confidence, life satisfaction and digital literacy, which were below the national average, are now above it.
- ⚡ A 64% drop in evictions for those 'at risk' of losing their home.
- ⚡ A 45% reduction in those incurring bank charges and missing bills.
- ⚡ A 22% increase in those borrowing safely, and therefore avoiding loan sharks.
- ⚡ A 27% increase in confidence managing money, which exceeds the national average.
- ⚡ There were also large reductions in instances of financial and digital exclusion for those who were unbanked and had never saved or budgeted. 54% were now saving, 35% budgeting, 75% now had a current account and 44% use online banking.