

10 years of financial education expansion, UK's incorrect answer note

In the UK, which has expanded financial education over the past 10 years, various private organizations, governments, and schools are filling each other's gaps. I have experienced both success and limitations. We visited the UK and heard about the efforts and trials and errors that have been going on.



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We live in an era filled with content about wealth. There is a lot of interest from people. During the COVID-19 pandemic, there was an investment boom thanks to low interest rates. A variety of stories about making a fortune stimulated daily life, and there were many narratives that touched desires. Going through an era filled with the belief that anyone could easily make money, we prided ourselves on knowing a lot about money.

As interest rates began to rise, the desire that had been stimulated turned into risk. The burden of rising prices and debt is increasing. In hindsight, we realize that we actually lived without knowing much about money. It is rare to have experience receiving education on how to spend and manage money. Most people learn about money outside the system, through private networks such as at home or at work. The more economic and financial education is neglected in the public system, the more an individual's economic and financial capabilities are determined by who the people around him are.

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The younger you are, the more so it is. And this gap according to an individual's background gradually accumulates throughout one's life. Widening the gap further.

Financial literacy is a hot topic around the world. The approach is that the national system should step in to help individuals develop the ability to respond when faced with an economic crisis such as the 2008 global financial crisis or the 2020 pandemic shutdown. The skills needed at this time are different from simple financial knowledge. Academic circles describe financial literacy as an essential tool for living life. It is argued that individuals should understand why compound interest is important, how terribly usury '2% monthly interest' is, and why it is essential to review the terms and conditions of a contract. Beyond simply being knowledgeable, there has recently been a movement to place importance on overall financial capabilities, including attitudes toward finance and individual financial behavior. Financial well-being, which allows people to 'live without worrying about money' throughout their lives with these capabilities, sometimes becomes a policy goal.

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Active public efforts are needed to ensure that individuals have the power to respond to finances, from financial literacy to the financial capabilities of our society broadly. We looked at the various financial education policies recently discussed in Korean politics as well as the difficulties experienced in actual education settings. We visited the United States and the United Kingdom, where financial education-related discussions were active a little earlier than in Korea, and looked into their experiences and concerns. < Current Affairs IN > introduces various cases of expanding financial education and various

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issues we need over the course of two weeks. First, we will introduce cases from the United States and the United Kingdom, and then next week we will look at the discussion on expanding financial education taking place in Korea.

The story that appears here is not 'How to become rich.' We looked into what the public should consider and discuss in order for individuals to have the ability to respond to money in a capitalist society. In particular, we looked into what kind of 'money education' Korean society should be more proactive in for the financially underprivileged. Financial education does not stop at fixing the broken wealth ladder. Sometimes, active education about money can become a safety net for a society.



Money House program participants receive a certificate of completion after completing a 5-day training course.

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London, England is a city with a large 'East-West gap'. West London has many wealthy neighborhoods that are relatively familiar to Korean tourists, such as Notting Hill, Chelsea, and Kensington. On the other hand, Newham and Tower Hamlets, located in east London, are considered relatively underdeveloped compared to the west. A variety of immigrants gathered here early on.

Jerry Duerling, who grew up in Newham, had to go through a huge ordeal when his father suddenly lost his job in the early 2000s. Mr. Duerling's father relied on credit cards to cover his

rent and living expenses, and the fear that the bank might seize the house weighed on the air inside the house. At the time, he was a very sensitive 16-year-old.

Duering says two things sustained his father's life at the time. One was the trust of my family, including myself, and the other was the advice of a financial expert from a local charity. Thanks to the expert advice and debt reduction strategies he met at this time, his father was able to reduce his debt and make a financial comeback. This experience had a great impact on his life. Over a dozen years later, Mr. Duering, who became a financial counseling expert, created an organization called ' [Money A+E](#) ' based in his hometown of Newham. A stands for advice and E stands for education. Money A+E has grown into a non-profit organization that provides education and advice to people experiencing financial problems, immigrant communities, and youth who do not receive proper economic education.

London, England is one of the world's financial hubs. London, the largest city in Europe, is still attracting many immigrants. London has recently faced complex challenges. As the link with Europe has collapsed since the 2016 Brexit referendum, the function of the financial city is gradually weakening. In addition, as the Anglo-American free market policy stance was maintained for several decades, wealth polarization also expanded throughout the UK. In a polarized world, vulnerable groups, including immigrants, do not have a sufficient safety net to alleviate economic shocks when they occur.

Then came an unexpected shock. No one expected this shock to come in the form of a pandemic. The situation in the metropolitan city of London was even more serious. During the lockdown period, jobs for vulnerable groups decreased. According to the Trussell Trust, which operates the UK's largest food bank (free food distribution), the number of [food bank users exceeded 2.5 million from the second half of 2020 to the](#)

first half of 2021 . According to a report by CPAG , an organization supporting children in poverty , 6 out of 10 vulnerable households responded that they had difficulty paying for essential expenses such as groceries, utility bills, and rent due to the pandemic.

The blockade was lifted and people took to the streets again, but massive inflation followed. The UK Consumer Price Index (CPI) peaked in November 2022, soaring to 11.1% compared to the same period last year, and is still maintaining an increase rate of around 6%. It is a secondary shock to the vulnerable class. The number of users of the Trussell Foundation's food bank decreased for a while after the re-opening, but recently (second half of 2022 to first half of 2023) the number of users soared to around 3 million. This number is higher than during the pandemic. Jerry Duering and Money A+E say the impact of the pandemic and subsequent inflation has increased the number of people in need of advice and training.

In the UK, social voices calling for increased financial literacy have grown since the 2008 financial crisis. Various financial education charities and non-profit organizations, including Money A+E, also increased in the 2010s. The establishment of a national financial education strategy, expansion of financial education in schools, creation of various educational organizations, and support from private financial institutions for these organizations have followed over the past 10 years.

economic education for the poor

However, it is difficult to say that various supports to increase financial literacy and capabilities have yet spread to every corner of society. Both the political world and civil society agree that efforts are needed to increase the financial capabilities of members, but debates are still ongoing over who will provide financial education and how to raise the resources. The

expansion of financial education is an unstoppable trend in British society, but Brexit and pandemics occurred one after another before a systematic system was in place.

Financial education experts we met in the UK, including Jerry Duering, unanimously point out that financial education for the 'vulnerable' is urgently needed. The problem is that they do not voluntarily show up to 'learn about money.' The more economically vulnerable you are, the less confident you are with money. The pandemic has further isolated them. Therefore, a window was needed for vulnerable groups to tell their stories, and a 'connection' to find them was important.

Dueling explains that this is why it is important to reach out to local communities, or racial and ethnic communities. This is because the more recently a person has settled into British society and the more economically they are in crisis, the more likely it is that they will not be captured by the national system's radar. In an interview with Current Affairs IN, he said, "It is difficult to reach people who are in dire financial situations because they remain silent. "So we build strong relationships with other organizations and communities, such as immigrants or religious groups, to ensure that as many people as possible can receive financial education and advice."



Jerry Duering, CEO of Money A+E, is explaining various educational programs.

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Money A+E has provided financial education and advisory services to approximately 3,000 people over the past four years. Since it was first established in 2011, more than 20,000 people have experienced Money A+E's programs. It is a non-profit organization with 22 employees, but in addition to full-time employees, volunteers and freelance trainers lead the program. What's interesting is that two-thirds of all employees, like Mr. Duering, have experienced financial difficulties at least once. He singled out one of his co-workers and said this. "The important thing when providing education and counseling is empathy. Sympathy alone is not enough. We also consider this important when selecting employees. For example, I have a friend named Fred. After receiving his first financial education here, he worked as a volunteer and freelance trainer before becoming a manager, and is now serving as a director of our organization. "You will have a greater impact when you get advice from someone who has had a similar experience."

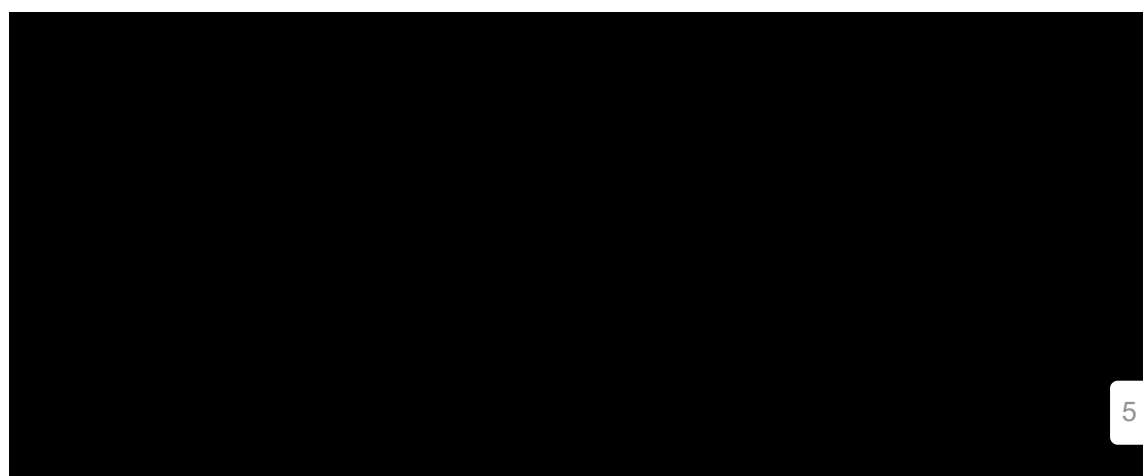
In addition to Money A+E, there are various organizations dedicated to financial education in the UK. Although the targets of focus are slightly different, there is a consensus that financial education should be provided to as many people as possible, preferably from an early age. [MyBNK](#), headquartered in the Shoreditch area of London, is also one of the UK's leading financial education organizations. My Bank, which focuses on financial education for youth and young adults in their early 20s, is also conducting various research activities that emphasize the need to expand financial education. We investigate the financial capabilities needed for vulnerable groups and the impact of various financial crises on young people. We produce and distribute financial education class materials for each age group and visit schools to fill the gaps in public financial education.

A project that is receiving particular attention at My Bank is the ‘ [Money House](#) ’ program. Money House aims to ‘prevent youth homelessness’. In the UK, young people generally complete compulsory education until the age of 18, then immediately find a home and become independent. However, school education does not sufficiently teach them the things they must do upon graduation, such as paying utility bills, paying taxes, signing a lease, opening an account, and establishing a budget. Young people who come into society without learning the essential things they need to learn as members of society often quickly fall into homelessness. Money House is a program that teaches people how to become self-reliant.

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My Bank senior manager Christian Anton, who met with <Current Affairs IN> on October 24, explained that this program is especially important for 'Care Leavers'. Care leavers, meaning youth who have ended protection, are similar to Korea's youth preparing for self-reliance. Anton said, “The circumstances of these care leavers are different in each region. It's fortunate to be able to find a house, but if money is

tight, people often live together with friends. But this is not a good thing. “If a fight breaks out and someone gets kicked out, they end up homeless,” he said.



“The goal of financial education is to eliminate inequality,” says MyBank senior manager Christian Anton.

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The Money House program, now in its 10th year, focuses on teaching these early youth basic life skills. We conduct a mentoring program on how to manage money, how to open a bank account, and how to save and manage debt. Some boroughs, which have felt the effectiveness of this program, are mandating that young people in their late teens who are just becoming independent take the Money House program. Wayne Jordan, who works as a Money House trainer in the London borough of Greenwich, said the response from the students was good. “Once you start a program, it is rare for you to drop out. We strive to communicate finance to young people in a way they can understand. “It is important to encourage them to have the will to expand what they have learned autonomously in the future and to have the mindset to grow financially.”

Another organization, [Switchback](#), emphasizes financial education during the resocialization of prisoners. [Sean Williams](#), who became the CEO of this organization last year, is a person who has been active in the financial education field for a long time. Mr. Williams, who worked as a diplomat for a long time, realized the need for financial education when he witnessed the Asian financial crisis in the late 1990s while staying in Hong Kong. Afterwards, he was deeply impressed by the philosophy of Nobel Prize winner Muhammad Yunus (founder of Grameen Bank in Bangladesh) and became interested in inclusive finance (providing finance at appropriate interest rates for the vulnerable). Mr. Williams, who returned to the UK in 2003, realized that even in British society, which is considered a financially advanced country, the problem of the financially vulnerable due to polarization was serious. Through this process, he worked in several organizations advocating for financial education and the expansion of inclusive finance in the UK. Switchback, currently headed by Mr. Williams, is also implementing a financial education program to prevent inmates from experiencing various financial difficulties when they return to society. He said, "I don't know people who have been in prison for a few months, but people who committed crimes when they were young and spent several years in prison don't know everything about taxes, transportation, and rental issues from beginning to end. That's why financial education is very important for them." Supporting them to acquire financial literacy and settle down in society is also a way to prevent other crimes.

Switchback: Trainee Journeys



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From Money A+E to Switchback, each organization focuses on 'gaps' and 'gaps' that the system cannot influence. They all argue that the public system must be more robust and foster financial literacy more broadly. The idea is to further reduce the 'gaps'. In particular, a critical awareness that financial education should be expanded and made mandatory in school education from an early age was found in all of them.

Obstacles to expanding financial education in schools

In the UK, school financial education has been implemented since 2014. Our approach to providing financial education is unique. In the UK there is a subject called PSHE. It is a subject that combines personal, society, health, and economic education. Although it may be unfamiliar to us, the topics covered in this subject are extensive. It teaches a combination or selection of why drugs are dangerous, how to take care of one's mental health, how to build relationships with family and friends, media literacy, and workers' rights. Financial education is one of several sectors in this subject. For example, 'What is money' is taught in the 2nd grade (6 years old), 'Attitude toward money' is learned in the 6th grade (10 years old), and the dangers of debt and gambling are taught in the 10th grade (14 years old). There are pros and cons. For example, many people with vulnerable mental health also experience economic difficulties. For individuals, money-related issues are

often directly related to labor, career, and health. Being able to learn these topics in a convergent way is a unique advantage of PSHE.

However, financial education through PSHE in the UK currently faces several challenges. Experts we met in the UK point out two major problems. The first is that financial education in schools is not mandatory.

Although many British schools incorporate PSHE into their academic system, each school independently organizes the content covered in PSHE. The PSHE curriculum is also divided into required and non-essential. Typically, media literacy, financial education, and career education are excluded from the list of essential education areas. Jenny Barksfield, who has been in the teaching profession for over 20 years and currently serves as Vice President of the British PSHE Association, explained this when she met with Current Affairs IN. “Each school has different implementation of financial education. PSHE is compulsory for private schools (7% of all schools in England), but not public schools. Even in PSHE subjects, only about 75-80% of the curriculum is required. At this time, financial education is missing. The average number of hours of training is about 1 hour per week. Absolute ‘time’ is not enough.” In the end, whether or not one learns financial education in school is purely determined by luck.

Mr Duering, of Money A+E, said: “Financial education should be treated as a compulsory subject at least at GCSE level (years 10 and 11). I learn mouse dissection in science class, but isn't this a helpful skill in life? On the other hand, he argued that the curriculum must be expanded because finance is an important skill that is essential in our daily lives.” Switchback’s Shean Williams also said, “There are cases where schools provide additional financial education (in addition to PSHE). In most cases, this is done as part of a financial institution's charity project. “Efforts to increase financial literacy must be

provided with a public purpose,” he pointed out. It is pointed out that the government should be more proactive in providing financial education from a public perspective, rather than just 'including it in the curriculum'.



On March 30, 2022, Prime Minister Rishi Sunak, then British Finance Minister, participated in a finance class conducted by My Bank at an elementary school in Northallerton, North Yorkshire.

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The second problem facing school financial education is that the quality of education cannot be guaranteed. Currently, the UK is expanding financial education by retraining existing PSHE teachers. Vice President Barksfield said, “Because the subject category is so broad, it is difficult for teachers to receive professional training in this subject and they lack confidence. “Some teachers don’t think they’re qualified to teach financial literacy or they don’t like it.” Christian Anton, senior manager at My Bank, also said, “The government created a curriculum, but did not properly prepare a roadmap or funding for how to educate. Since ‘How’ is missing, we are creating and distributing educational programs ourselves. He pointed out, “Although school financial education is expanding, there is a large difference in financial literacy after education depending on the capabilities of individual teachers.”

The ‘teacher competency issue’ is ultimately tied to how much resources are invested. This is because both the quantity and quality of financial education can be strengthened only when there is financial capacity to sufficiently educate teachers or hire professional teachers. In Korea, there are also claims that financial education should be actively included in school education. However, the trials and errors experienced by the UK show that it is difficult to ensure uniform financial education simply by increasing subjects and creating textbooks.

Korean financial authorities benchmarking the UK

This does not mean that there are no efforts at the national level. In addition to the expansion of financial education in schools, a national strategy to promote financial literacy has been established and is being implemented in the UK. At the center is MaPS (Money and Pension Service), which is considered the economic education control tower. It is a public institution under the Ministry of Labor and Pensions that provides advisory services on various financial and pension issues.

In 2020, MaPS established a 10-year national strategy to expand financial education. This is ‘[The UK Strategy for Financial Wellbeing](#)’. Financial education was established as a kind of long-term national strategy, and policy goals to be implemented by 2030 were clarified. According to this strategy, the British government plans to increase the number of youth and adolescents receiving systematic financial education by 2 million from 4.8 million in 2020 to 6.8 million in 2030.

The UK Strategy for Financial Wellbeing

2020–2030

Five ambitious changes to help people make the most of their money and pensions



Cover of the report 'British National Strategy for Financial Well-being' published by MaPS in the UK.

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Another characteristic of this strategy is that it does not stop at simply financial understanding or competency, but also aims at 'financial well-being'. Initially, the British government had been expanding financial education in accordance with the 'Financial Capability Strategy' established in 2015. However, in 2020, this strategy will be completely revised to prioritize comprehensive 'financial well-being' over 'financial competency'. Just as we increase the number of teenagers and young adults receiving financial education, the goal is to increase the number of adults who save regularly by 2 million and reduce the number of people who use credit cards and other debt to purchase daily necessities such as groceries by 2 million. It is a strategy that seeks to influence the entire life of British people. The key is securing personal financial soundness.

Likewise, our government is also 'benchmarking' the British government's efforts to make financial education part of its national strategy. On December 22nd last year, the Financial Services Commission held the 2nd Financial Education Council and announced, 'We will promote customized financial education by life cycle to improve the financial well-being of

financial consumers.' At the time, the Financial Services Commission cited the example of the United Kingdom and put forth the logic that “financial well-being is a goal that must ultimately be achieved through strengthening financial capabilities, and that state-led financial education is necessary.”

However, there is one point that the Korea Financial Services Commission is missing. In fact, in the UK, there is a critical evaluation of MaPS' activities and the 'strategies and goals' they put forward. The Center for Social Justice (CSJ) , a centrist conservative think tank that influences the current ruling party, the British Conservative Party, published a comprehensive financial education report called 'On The Money' in June last year . In this report, the Center for Social Justice evaluates MaPS' goal of increasing the number of financial education beneficiaries by 2 million over 10 years as “lack of ambition.” This is an excessively low target.

Matthew Greenwood, who works as Head of Debt at the Center for Social Justice, said this when he met with Current Affairs IN. “(MaPS’ national strategy) only provides direction. It's a pity that it only paints the overall picture. What is important is the ‘habit’ formed at a young age. “Financial education has been significantly strengthened in secondary education, but financial education based on reality needs to be expanded in elementary education.”



Matthew Greenwood, senior researcher in the field of debt at the Center for Social Justice, emphasizes that “habits formed at a young age are important.”

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Before establishing a 'national strategy', MaPS gathered people from all walks of life by department and went through a process of collecting opinions. Financial education organizations such as Money A+E and My Bank, which were introduced earlier, were also invited to this event and expressed their opinions. Jerry Duering, who participated in the strategy discussion on behalf of Money A+E, positively evaluated the British government's efforts to listen to the voices of various people to expand financial education. However, Mr. Duering said, “The purpose of establishing a national strategy is to listen to the voices of the financially vulnerable, but it seems that these voices were not conveyed well. Most people say that financial capabilities are important, but since the pandemic, more people are struggling with debt and rising prices. “This reality shows that MaPS’ national strategy is not working properly,” he said. Likewise, Switchback CEO Sheean Williams, who was invited to discuss strategy, said, “Strategy alone is not enough. There must be resources. More government support is needed to expand actual education. “Currently, MaPS has grown as an organization, but its voice within the government is weak,” he pointed out.

The process the UK has experienced over the past 10 years has significant implications for Korean society. Even if school financial education is expanded, the quantity and quality of education cannot be sufficiently guaranteed without bold investment. Even if a country establishes a financial education strategy, it may end up in vain if it does not show a specific roadmap and the will to implement policies. In addition to simple education, advice should be provided to the financially underprivileged, and the community should be more active in seeking out those who desperately need financial education.

The Korean government and financial authorities evaluate the UK as a kind of 'success case', but it is unclear whether the policy authorities are actually understanding and analyzing the various trials and errors they have experienced. What is important is not fancy strategies or goals. The idea is to boldly expand education and invest government resources to enable 'trial and error'. When it comes to expanding financial education, the ups and downs of British society cannot necessarily be said to be the 'right answer'. However, the trials and errors that British society has experienced over the past 10 years can serve as meaningful reference material for Korean society as well.



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