Teaching 7-year-olds money skills ‘doubles’ UK savings rate

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Two out of three UK primary school pupils actively work towards a savings goal after receiving expert-led financial education, double the national average of 34%, according to a new study.

One year after intervention, 70% stick to their money plans.

Adult money habits form from age 7[1], including understanding the value of money and complex functions such as planning ahead. The UK household saving ratio remains at a historically low level[2], one in five adults have less than £100 in savings or investments and 10.7 million rarely or never save[3]. Despite this, there are no compulsory money lessons in English primary schools.

Independent evaluators *Substance* discovered workshops, delivered by the London charity *MyBnk* to 7-11 year olds, resulted in key financial capabilities increasing over time.

Sessions address money mindsets, attitudes and behaviours, consumer choices and key skills and knowledge such as budgeting and prioritisation. *MyBnk* ‘brings money to life’ using videos, manga comics, games and role play, drawn from youth culture.

Other findings from the study with 3,000 young people:

- 59% who could not delay instant spending gratification now can.
- 74% who could not distinguish their needs versus wants now can.
- 98% of teachers felt pupils understanding of money was ‘improved/much improved’.

These results come as 72% of Brits say they support the teaching of financial education from the age of seven, according to a new poll by *Comres*.

CEOs of the UK’s leading savings and investment firms have written to the Prime Minister to call for compulsory financial education in UK primary schools. The *KickStart Money* coalition represents 20 outfits supporting *MyBnk’s* work in primary schools for 20,000 pupils.

Young people are the UK’s fastest growing group of debtors[4]
and are the most susceptible in society to fraud and scams[5]. Just 52% have received any form of money lessons[6], the vast majority are delivered by teaching staff without specific training or qualifications and around half of parents are not confident in money management[7] .

[1]
Money Advice Service, 2013.

[2]
Office National Statistics, 2019.

[3]
MAS, Financial Capability Survey, 2018.

[4]
Financial Conduct Authority, 2017.

[5]
The Policy Network, 2017.

[6]
Money Advice Service, 2018.

[7]
Money Advice Service, 2016.

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Quotes

Jane Goodland, Corporate Affairs Director, Quilter plc and KickStart Money Ambassador:

“This new polling shows the support from the British public for financial education in primary schools. The second year of evaluation of the KickStart Money programme proves that it works. Now Government needs to act before another generation is let down by insufficient financial education. The savings crisis can be averted. We know that if we teach children at the right age then financial education can be effective. We as a nation can’t afford not to tackle this issue.”

“It is essential that we include financial education as a compulsory element of the primary school curriculum to prevent children leaving education with no understanding of how to manage their finances. We need the Government to act now to protect the futures of the 4.73 million primary children across the UK.”

Dr. Kath Edgar, Senior Researcher, Substance:

“Our study has demonstrated the importance of this pioneering intervention, through its ability to help 7-11 year olds understand how to create and stick to savings plans and delay gratification for their own future benefit”.

Guy Rigden, CEO, MyBnk:

“We have strong evidence that catching pupils young with things like budgeting and saving develops positive money mindsets and habits. By the age of seven, children are already facing limits on their future aspirations[1]
. By making financial education compulsory at primary school age and supporting teachers we can have a powerful impact on the lives of young people”.

Year 6 Teacher, North-West Primary School:

“*It’s really good to have someone else come in and make them think. I would try but would not be able to teach it like MyBnk as they have background knowledge. You can really see students are remembering it. It’s fun and exciting that someone else is coming in as I teach them so much stuff, they might forget what I say.”*

James, pupil, 11, HACTG Primary School:

“It's changed me because when I usually go to the shops with my sister I'm thinking, “Why can't I buy things too?” Now I think, “Do I really need this? Can't I use this money and save it for something else more important?”

Naomi, mother of Emily, 10, Wingfield Primary School:

“If you can do it early from a very young age, none of it is scary. Introducing these concepts now means when she’s a teenager and has a part-time job she’s comfortable with going to the bank and knows how to save and what for”.

Links: Report - Infographic
- Images.

[1] OCED, 2019.

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