Time poor teachers look to experts for pupils' financial education

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Four years after financial education became compulsory in English secondary schools teachers say outside experts are better placed to deliver the subject, according to an 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.

An 11 month study analysed data from 2,287 pupils and 231 teachers at 86 schools participating in programmes delivered by the charity MyBnk and 4,797 pupils in control groups. The report is part of the £11.9m 'What Works Fund' managed by the Money Advice Service (MAS), which is now part of the Money and Pensions Service (MAPS), testing the effectiveness of interventions across the UK.

Debate

There have been questions over the methods and effectiveness of financial education since pupils were obliged to learn aspects of public finance in Citizenship lessons and financial mathematics in 2014. The subject is not tested or accounted for by Ofsted nor is it mandatory for primary schools or 16-18 year olds.

In 2018 MAS found 88% of money lessons are delivered by teaching staff without specific training or qualifications. Only three fifths (59%) of schools and colleges feel they have the necessary knowledge and skills to develop pupils financial skills. Less than half (49%) had a good understanding of what external agencies. 56% or less covertopics such as banking and budgeting.

During the Substance study on the MyBnk intervention, teachers and young people commented that having someone external made it easier for pupils to discuss finances - that this allows discussion of sensitive personal issues, resulting in a more open and honest discussion:

"Maybe having a stranger come in that we don't really know might be more engaging for us. The teachers don't tend to tell us personal experiences and things that they've gone through, whereas MyBnk told us the ups and downs. It's different." Girl, Year 9, KS3, Hertfordshire & Essex High School.

"MyBnk had a very different relationship to them than a teacher would have, which I think is a good thing. They can talk about things freely whereas, teachers, you have to be guarded. Whereas, somebody who's had this coming in gives a different dynamic for the pupils". Teacher, KS3, St Michaels Catholic College.

Strong outcomes

Substance found that after MyBnk sessions, pupils in Years 7-11 were able to understand the consequences of financial decisions, the role of money in society and concepts for their future.

Findings included a:

- 44% increase in resisting 'instant gratification' spending.
- 45% shift in extreme spending habits to moderation.
- 31% increase in fraud awareness, such as spotting fake money.
- 22% increase in government finances.
- 20% increase in making informed financial decisions.
- 34% increase understanding banks ethical polices.

Trained and tested MyBnk staff use materials co-created with young people. Sessions include videos, games and role play that mine youth culture and cover topics such as tax, government spending, and credit, debt, banking, pensions and lifestyle choices.

MyBnk can deliver everything mandated on the national curriculum in just a few 100-minute sessions by a single education officer costing around £25 per student.

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‘Pronounced’ youth debt

Andrew Bailey, Chief Executive of the Financial Conduct Authority has warned of a "pronounced" build-up of debt among young people. The UK household saving ratio also hit a record low of 1.7% of GDP last year, according to the Office for National Statistics.

Studies from MAS show behavioural attitudes to money are partially formed by the age of seven, just a third of UK parents speak to their children about money and only 4 in 10 children say they have learned about money management at school, despite 9 in 10 young people saying it was useful.

Key documents:

- Executive Summary.
- Full Report.
- Appendix.

Quotes

Guy Rigden, Chief Executive, MyBnk:

“Teachers need our support. Many are either too busy or untrained to cover these subjects in depth and whilst a volunteer’s real world experience is valuable it’s no substitute for trained experts. A single MyBnk trainer can deliver everything mandated on the national curriculum in just a few 100 minute sessions for £25 per student. By using experts with materials co-created with young people, we can make money real, relevant and engaging.”

Dr. Kath Edgar, Senior Researcher, Substance:

“We believe that this this ground-breaking intervention has demonstrated its ability to have a positive impact on both the mindset and ability of young people to understand financial concepts. Our analysis suggests financial education delivered by schools does not have a significant impact.”

Students:

“It was so good. A very different exercise. I think it does just get in your head more. I think I’ll think about like when someone asks me how the day was. That would be my first thing I tell them. My mom, if she asks, that’d be the first thing I told her I think”. Sarah, Year 9, Hertfordshire & Essex High School.

“I learned that I didn't have to spend all of my money at once. I learned not to gamble and learn to save my money, my allowance or my pocket money”. Johnny, Year 8, St Bonaventures School.

Ann Griffiths, Senior Policy Manager, the Money and Pensions Service:

“It is excellent to see more successful results being shared from projects run as part of our What Works Fund. Results showing impact like this provide valuable learning about the range of approaches to financial education that can make a positive difference to children’s lives. We have set out our initial thinking about future priorities for financial education for both the Money and Pensions Service and the National Strategy for Money and Pensions as part of our Listening phase. We encourage any organisations interested in improving financial education to share their views with us as we continue this process.”

Notes to editor

The study:

- Impact data collected at baseline, endline and one month and three months follow ups. 4,797 pupils participated in control groups.
- Validated at NESTA Level 3 Standard of Evidence.
- The programmes for Key Stage 3 and 4 covered: History and value of money, earning money and wages, shopping choices, needs vs. wants, self-reflection, saving and goals. Money habits and mind-sets, resisting temptation, delaying gratification, budgeting, prioritising, banking, forms of payment.

- MyBnk Vs Control data found:

  MyBnk post-delivery scores were on average 22% higher than control group on agreement indicators.

  MyBnk pupils scored average of 11% higher on agreement survey items. Financial Concepts for the Future – post-delivery, MyBnk pupils scored an average of 23% higher on agreement survey items than control pupils.

- More MyBnk pupils would: Make a financial plan and stick to it' (7% higher than control). o Take a moderate approach to spending and saving (8% higher than control). o Choose to delay financial gratification (5%points higher than control).

About MyBnk

MyBnk is a charity that delivers expert-led financial education programmes to 7-25 year olds in UK schools and youth organisations. Together with young people, they have created innovative, high impact and high energy workshops that bring money to life. MyBnk covers topics such as saving, budgeting, public finance, social enterprise and start-up entrepreneurship. Alongside delivery, they also design projects and training programmes. Since 2007 they have helped over 220,000 young people learn how to manage their money.

About Substance

Substance is a research and technology company that helps organisations that do good, think smarter. The core team is made up of highly-experienced social researchers, technologists and programme managers, each with their own specialisms. Since 2005, Substance's central ambition has been to make organisations that do good have a greater impact. 'We help organisations that do good, think smarter. We use research and technology to give organisations the knowledge and insight they need to do what they do, better.'

About the Money and Pensions Service

The Money and Pensions Service vision is people making the most of their money and pensions. The new organisation brings together the free services delivered by the Money Advice Service, The Pensions Advisory Service and Pension Wise. The Arms-Length organisation is sponsored by the Department for Work and Pensions, with a joint commitment to ensuring that people have access and guidance to the information they need to make effective financial decisions over their lifetime. The organisation will also engage with HM Treasury, which is responsible for policy on financial capability and debt advice. Working hand-in-hand with stakeholders throughout the UK, the Money and Pensions Service will ensure that money and pensions guidance is available to those that need it, adapting to people's changing needs throughout their lives, offering services and appointments over the telephone, online and in person where appropriate.

The Money and Pensions Service will also be responsible for delivering and overseeing pensions dashboards, to help people access their pensions information online, in partnership with the DWP. An industry delivery group will be brought together by the Money and Pensions Service, which will set out a clear timetable and roadmap to drive progress towards fully operational dashboards throughout 2019. For further information for stakeholders, they should visit the new Money and Pensions

Service website www.moneyandpensionsservice.org

Consumers can continue access free guidance about their money and pensions via the

following websites and help lines:

- www.moneyadviceservice.org.uk / 0800 138 7777
- www.thepensionsadvisoryservice... / 0800 011 3797
- https://www.pensionwise.gov.uk... / 0800 138 3944

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