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Delivering effective financial education

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The Education Committee

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Contents

Summary

It has been almost ten years since the national curriculum in England was reformed and, for the first time—after a cross-party campaign in Parliament—financial education was made a compulsory part of the curriculum. Financial education was incorporated into statutory citizenship education at key stages three and four (ages 11 to 16) and into elements of the mathematics curriculum, which from key stage one to four (ages 5 to 16) is intended to ensure that all young people leave school with an understanding of the mathematical skills needed for personal finance.

Current provision

Despite widespread acceptance of the benefits and importance of financial education, the range of evidence we received was near unanimous that financial education in primary schools in England is currently insufficient and should be expanded. We heard evidence that children are using money at an increasingly young age and with greater independence and that children under eleven are being reached by online marketing and may be subject to financial risks and pressures. Effective financial education needs to begin during primary school years to prepare children for the financial world in which they increasingly participate.

The amount of delivery time dedicated to financial education in primary and secondary school mathematics is insufficient and does not reflect the importance of personal financial literacy or the emphasis which has been placed on it by the Government. The Committee heard that more financial content should be included within the mathematics curriculum. We urge the Government to review the contents of the mathematics curriculum from key stage 1 to key stage 4 in order to expand the provision and relevance of age-appropriate financial education at both primary and secondary school level.

Making the economic and financial elements of PSHE education statutory at both primary and secondary school level is a simple and effective way of expanding financial education at both levels and signalling the increased importance of the subject to all students.

For 16-to-18-year-olds who are transitioning into the workplace, paying taxes, considering applying for a student loan, and perhaps living away from home for the first time, financial education is also vital. And yet it is post-16 students who currently miss out on any form of compulsory financial education. Providing post-16 students with a comprehensive financial education as part of its plans to continue maths education to the age of 18 should be a priority for the Government. Whether through the Advanced British Standard or otherwise, the Government must ensure that the mathematics programme includes financial literacy as a fundamental part of the curriculum. This could provide a helpful alternative to the GCSE mathematics retake for those who do not achieve a grade 4 or above. The Government must also focus on recruitment and retention of specialist maths teachers if this aim is to be met. The Department for Education should explore means of increasing the take up of core mathematics

and functional skills courses, but it should also consider opportunities for a specific qualification in financial literacy which could fit into the Advanced British Standard as a minor subject.

There were mixed views on where financial education should sit within the curriculum. A small number of written submissions argued that it should have a definite home or that it should be delivered within a core subject. The majority of evidence we received, however, advocated a cross-curricular approach in which financial education is integrated across various subjects. This approach has the benefit of offering students some form of financial education, whatever their subject preferences may be, but it can also lead to a lack of coherence in what is taught between subjects. We believe that a financial education co-ordinator, appointed by each school or multi-academy trust, would provide a more coherent programme of study and clarity over curriculum requirements. The Government should produce guidance for MATs, teachers and school leaders on how best to appoint and support financial education leads.

Supporting teachers

There is a widespread view that teachers of financial education benefit from the use of teaching resources—including textbooks and lesson plans—but that the sheer quantity of resources to choose from can be overwhelming. The evidence suggests that although there is a huge range and number of resources available, they are not being effectively utilised in schools, with 50% of respondents to one young persons' survey saying they did not have access to any financial education materials in school. We have concerns about the suitability of some resources which are produced or endorsed by banks or other commercial organisations with a vested interest in providing branded materials. The Department for Education must work with subject associations, professional bodies, and other government departments to curate and promote high-quality financial education teaching materials and make these easily accessible to teachers and pupils.

Providing teachers with opportunities for appropriate teacher training and continued professional development in financial education has clear benefits for both teachers and pupils. Teachers feel more confident in planning and delivering lessons following even a small amount of training which improves the financial capability of the pupils they teach. However, access to financial education training and development is often hampered by workload pressures and availability of staff to cover lessons. We heard that training in financial education can be beneficial to teachers at every stage of their careers, but that offering training at an early stage through initial teacher training (ITT) was particularly important. The Department for Education must ensure that continued professional development opportunities and subject knowledge enhancement in financial education are continuously available and well signposted throughout a teacher's career, starting with initial teacher training provision.

Evaluating financial education

We heard that Ofsted's limited evaluation of financial education in schools can affect how the subject is viewed and prioritised. There was specific concern about Ofsted's decision to evaluate citizenship lessons under personal development rather than as part of the quality of education judgement. This in turn means the financial education content within the citizenship curriculum is not exposed to the same rigorous evaluation afforded to other national curriculum subjects. It is our recommendation that citizenship should be evaluated by Ofsted as part of its quality of education key judgement in addition to personal development.

Neither England nor any of the other UK nations has volunteered to participate in the OECD's PISA financial literacy assessment, which examines the financial literacy attainment of 15-year-old pupils. The Minister told us that this was to reduce the burden on schools and teachers and because participation in the mathematics section of PISA was sufficient. However, only a small number of schools need volunteer for the financial assessment, and the evidence shows that pupils' performance in mathematics and financial literacy do not always go hand in hand. Participating in the financial literacy assessment would provide invaluable insight into the how well pupils are performing and highlight the areas of financial education that could be developed within the curriculum, as well as showing a real commitment to improving the financial capability of children and young people. The Government should look to participate in the next PISA financial literacy assessment scheduled for 2025 and also work with the devolved administrations to encourage them to do the same.

1 The case for financial education

1. Financial education is a broad term used to describe any lesson or activity that encourages a person to develop the knowledge and confidence to manage their money well and to understand the implications and consequences of their financial decisions. It can cover a wide range of topics from saving pocket money, reading a payslip, and applying for a mortgage, to understanding the impact of money on relationships, identifying the difference between needs and wants, and judging financial risks.

2. The Education Committee's inquiry into financial education was launched in November 2023 to look at the current state of financial education in schools and colleges in England, a decade on from its introduction into the curriculum, and to consider what steps need to be taken to ensure its delivery is improved. We received 92 written evidence submissions and held two oral evidence sessions in early 2024. We heard evidence from associations for teachers and head teachers, banks and financial education providers, and from the broadcaster and campaigner Martin Lewis. During the second evidence session we heard from the Minister for Schools, Rt Hon Damian Hinds MP. The transcripts of these two oral evidence sessions and the published written evidence can be found on pages 30 and 31 of this report.

3. We have heard about the positive effects that financial education can have on children and young people. In their written submission to this inquiry the Department for Education told us that financial education is an important component of a broad, ambitious, knowledge-rich curriculum, and that its inclusion ensures that all young people are prepared to manage money well and make sound financial decisions.[1] The Money and Pensions Service told us that children and young people who receive a meaningful financial education are more likely to be active savers, have a bank account that they use, and be confident with money management. They are also more likely to have positive attitudes towards money.[2] Research commissioned by the banking app GoHenry found that prioritising financial education across the UK would inject an extra £6.98 billion into the economy each year and that those who had received a quality financial education would be on average £70,000 richer in retirement.[3] The Financial Literacy and Inclusion Campaign (FLIC) warns that without support, young people must navigate the financial information available to them online and via social media with little or no knowledge of how to assess its validity. It reiterates that "financial resilience can be boosted enormously by understanding how money works."[4]

4. The Prime Minister himself has emphasised the link between financial literacy on the one hand and financial wellbeing and economic growth on the other. In a speech entitled "Building a better future", the Prime Minister (Rt Hon Rishi Sunak MP) said that, "greater numeracy would unlock … the skills to feel confident with your finances, to find the best mortgage deal or savings rate."[5] In a separate speech on improving mathematical attainment, the Prime Minister suggested that financial literacy was essential in order to

1 Department for Education (FE0085) para 1
2 Money & Pensions Service (FE0068) p 1
3 GoHenry (FE0022) p 9
4 Financial Literacy and Inclusion Campaign, Our Mission, accessed April 2024
5 Prime Minister's Office, PM speech on building a better future (4 January 2023)

run a successful business and that poor numeracy not only costs the UK economy tens of billions of pounds a year but also leaves people twice as likely to be unemployed as those with good numeracy skills.[6]

5. Former Chancellor of the Exchequer, Rt Hon George Osborne, made a compelling case for financial education before the national curriculum was reformed in 2014: "I very much support financial education in schools. One of the big problems we have in this country is that not enough people understand how important it is to save, understand the details of credit card statements, to be able to compare different APRs and the like. I would also like to see children aged between 11 and 18 taught financial education in a structured way in schools."[7] In a statement on supporting people in problem debt, the then Economic Secretary to the Treasury (Rt Hon John Glen MP) acknowledged that financial education plays an important part in preventing debt and supporting those who are afflicted by it. When asked about the need for appropriate financial education at all levels he said: "It needs to start early and endure through adolescence and into early adulthood."[8]

6. The written submissions we have read and the oral evidence we have heard have been unanimous on two central points. Firstly, providing children and young people with a financial education that is comprehensive and age appropriate is essential. Secondly, the provision of financial education in schools in England is currently inadequate and must be improved urgently. "Dismal", "inconsistent", and "in a parlous state" are some of the stronger words and phrases we have heard used to describe the current state of financial education.[9] [10] [11] Uncertainty about curriculum requirements, not enough time on the timetable, a lack of subject expertise, pressure to prioritise the delivery of core curriculum subjects, and the availability of suitable resources have all been cited as obstacles to the delivery of an effective financial education in schools. This report sets out the challenges facing school leaders, teachers, pupils, and parents in England, examines why these problems have arisen, and explains what the Government must do to resolve them.

6 Prime Minister's Office, PM speech on improving attainment in mathematics (17 April 2023)
7 Money Saving Expert, The Big Interview Transcript: George Osborne, accessed April 2024
8 HC Deb, 19 June 2019, col 255 [Commons Chamber]
9 Q41
10 Q5
11 Q40

2 Provision of financial education in schools in England

7. Financial education has formed part of the national curriculum in England since September 2014.[12] As such, it is required to be taught in local authority-maintained schools as part of the mathematics curriculum at primary and secondary level and through citizenship studies at key stages three and four (ages 11–16).[13] Elements of financial education may also be taught as part of non-statutory personal, social, health and economic education (PSHE). Academies and free schools do not have to follow the national curriculum but, in practice, many do.[14]

Financial education and mathematics

8. Mathematical knowledge and fluency—as well as confidence in its application—are cornerstones of financial literacy. In their written evidence for this inquiry, the Oxford, Cambridge and RSA (OCR) awarding body told us of the strong correlation between an understanding of the fundamentals of mathematics and financial competence.[15] They argued that any strategy to improve financial education must begin with the basic mathematical operations and concepts.[16] In their written submission, the Royal Society described to us how confidence and fluency in general arithmetic and proportional reasoning underpin the ability to take a critical view of activities that are based on mathematics and data—for instance, the ability to calculate the affordability of a payday loan or mortgage.[17]

Primary school level

9. For all the agreement on the importance of financial literacy and its dependence on mathematical understanding, the provision of financial education within the mathematics curriculum at primary school level is limited. The mathematics curriculum at key stages 1 and 2 includes the only statutory financial education content at primary school level, with an emphasis on arithmetic, confidence and fluency with whole numbers, and practising the four operations of adding, subtracting, multiplying, and dividing.[18] Whilst a foundation in numeracy is a fundamental part of financial education, the mathematics curriculum includes very little specific content on financial matters beyond calculations with money.[19] In an increasingly cashless society in which children see many financial transactions taking place without the use of traditional money such as coins and notes, this is of questionable value in supporting real-world financial literacy.

10. A wide range of evidence submitted to this inquiry was consistent that financial education at primary school level does not go far enough and should be expanded. Despite

12 Department for Education, National curriculum in England: framework for key stages 1 to 4, accessed 2 April 2024; PQ 212533, 30 October 2014
13 Department for Education (FE0085) para 18
14 Department for Education (FE0085) para 16
15 OCR (FE0078) para 6
16 OCR (FE0078) para 19
17 The Royal Society's Advisory Committee on Mathematics Education (FE0092) p 2
18 Department for Education, National curriculum in England: mathematics programmes of study: key stages 1 and 2, p 5, p 17, p 30
19 Department for Education (FE0085) para 27

the inclusion of financial numeracy in primary school mathematics, research carried out by the Centre for Financial Capability found that only one in three children receives some form of financial education at primary school[20] and that millions of primary-aged children are missing out on financial education due to a "postcode lottery."[21] In their written submission, Professor Tina Harrison, Professor Jonathan Ansell, and Dr Kitty Shaw point to research that finds a key predictor of financial wellbeing in later life is the age at which a child starts to learn about money.[22]

11. The charity RedSTART Educate suggested that pupils who are starting secondary school are no more than five or six years away from making significant financial decisions and "running the risk of sliding into unmanageable debt, with all the consequences that has for their mental health."[23] They argued that beginning to encourage good financial habits at secondary school level is too late and that these habits should be developed at primary school age.[24]

12. The Social Market Foundation, a public policy think-tank, believes one of the reasons for extending financial education at primary school level is that children are being exposed to money and making "unsupervised financial decisions" at an increasingly young age.[25] The London Institute of Banking & Finance's Young Persons' Money Index found that almost one in five respondents to its 2022–23 survey (aged 15 to 18) had signed a contract (for example, for a mobile phone), 29% had received a fraudulent email, phone call or text message asking for their bank details, and that 3% had lost money through gambling.[26]

13. As the Committee has heard in its ongoing inquiry into screen time, children are legally exposed from the age of 13 to online transactions and commitments[27] but in reality many are on social media and accessing apps which may require them to make financial commitments at a younger age. The fact that children are being presented with get-rich-quick schemes, opportunities to gamble, and in-app purchases means that early education in how to evaluate financial risks is more important than ever.

14. **Whilst there are some examples of exemplary practice, in the main financial education in primary schools in England is insufficient and should be expanded. Children use money at an increasingly young age and with greater independence, often making transactions that are immediate and, at times, irreversible. Whilst this should in theory be happening from secondary school age onwards, there is increasing evidence that children under eleven are being reached by online marketing and may be subject to financial pressures.**

15. **Effective financial education needs to begin early, during primary school years. We have heard evidence that the limited provision of financial education in primary school mathematics does not adequately prepare children for the fast-changing financial world in which they increasingly participate. Building a strong foundation**

20 The Centre for Financial Capability (FE0052) p 6
21 The Centre for Financial Capability (FE0052) p 6
22 Professor Tina Harrison et al (FE0064) p 4
23 RedSTART Educate (FE0065) p 4
24 RedSTART Educate (FE0065) p 4
25 The Social Market Foundation (FE0026) para 28
26 The London Institute of Banking & Finance, Young Persons' Money Index 2022/23, pp 20 – 21
27 euCONSENT, Digital Age of Consent under the GDPR, accessed April 2024

for financial education at primary school would also ensure that as children develop their cognitive abilities and a sense of delayed gratification, they will do so informed by good financial practice.

Secondary school level

16. A 2023 research study by Compare the Market and the financial education charity MyBnk investigated the state of financial education in secondary schools across the UK and concluded that financial education was not being adequately provided.[28] Of the 4000 young people (aged 18 to 24) who responded to a survey about their experiences of financial education at secondary school, 61% did not recall receiving any financial education lessons.[29] The research found that, on average, respondents had spent 26 hours per month studying mathematics. This included time in school lessons and private study, such as homework and revision. Those who received financial education lessons studied that subject for approximately 48 minutes per month. The findings suggest, therefore, that the average time spent studying mathematics was 33 times the average duration spent on financial education,[30] reflecting a very small share of the overall time on what has been described as an essential component of the curriculum.

17. Martin Lewis described the achievement of getting financial education onto the national curriculum at secondary school level as a "pyrrhic victory".[31] Recounting how he and others had campaigned to secure its inclusion within the national curriculum in 2014, Mr Lewis said that in some respects that achievement had been counterproductive:

> At that point, a lot of the resources were pulled from those who had been volunteering in the private sector. Then we had the change in the way that schools work, the academisation programmes, the free school movement, which all mean that they don't have to follow the national curriculum. The holy grail of trying to get it taught on a compulsory basis in every school, which is what getting it on the curriculum was about, became self-defeating. It also meant that fewer resources were put into place. Frankly, the number of resources that the state and Government have put in since then has been completely flaccid to a detrimental level.[32]

18. Introducing more specific financial literacy content—based on real-life, problem-solving material—into the mathematics curriculum may improve engagement and motivation with mathematics. In their written evidence Professor Tina Harrison, Professor Jonathan Ansell and Dr Kitty Shaw suggested that focusing on topics of everyday relevance increases pupils' interest and motivation to learn, "because they can see the relevance for themselves immediately or in the near future. For example, learning about budgeting for university, car insurance and student finance for school leavers."[33]

28 Compare the Market and MyBnk, Financial education in secondary schools in the UK (May 2023), p 6
29 Compare the Market and MyBnk, Financial education in secondary schools in the UK (May 2023), p 16
30 Compare the Market and MyBnk, Financial education in secondary schools in the UK (May 2023), p 21
31 Q62
32 Q62
33 Professor Tina Harrison et al (FE0064) p 4

19. The Government has repeatedly said it will not make changes to the national curriculum for the remainder of the 2019 Parliament.[34] It was put to the Minister for Schools (Rt Hon Damian Hinds MP) that whilst there was a commitment not to rewrite the curriculum in the Government's White Paper in 2022, there were conversations in the Department about leaving space for enrichment of the existing curriculum, and that financial education in particular could benefit from enrichment. The Minster said:

> We have a very good curriculum. We have very good results when measured against other countries in mathematics and other subjects and we should remember our strengths and the great work that is delivered by our amazing teachers. To your point, who is going to argue against enrichment? Enhancement and enrichment are good things and we support them, of course.[35]

20. The 2019 Parliament will dissolve by December 2024 at the latest, meaning now is an opportune time to review both the national curriculum as a whole and the mathematics curriculum specifically in order to make sure it has sufficient financial content to reflect modern realities. Opposition parties have suggested they would conduct a curriculum and qualifications review[36] [37] which would also provide opportunities to increase the focus on financial education.

21. **The amount of delivery time dedicated to financial education in secondary school mathematics is insufficient and does not reflect the importance of personal financial literacy or the emphasis which has been placed on it by the Government. More financial content, based on real-life, problem-solving activities, should be included within the secondary mathematics curriculum.**

22. ***We recommend that the Government urgently reviews the contents of the mathematics curriculum from key stage 1 to key stage 4 in order to expand the provision and relevance of financial education at primary and secondary school level. This need not require a re-drawing of the national curriculum itself but could be achieved through a model curriculum approach to enhance and enrich mathematics with financial knowledge. Whether through curriculum enhancement or reform, more financial content must be incorporated into the mathematics curricula to ensure that young people at every level are developing financial literacy as a fundamental part of their mathematical knowledge and fluency. This needs careful sequencing to deliver age-appropriate content. Whilst the Oak National Academy may prove a useful mechanism for delivering this to teachers, it should not be the only vehicle for delivering such an important development.***

Post-16 level

23. Financial education is not currently compulsory at post-16 level in England. The Government is currently exploring options to ensure that all pupils study some form of mathematics up until the age of 18.[38] The proposed Advanced British Standard is currently

34 See for example: Department for Education, Opportunity for all: Strong schools with great teachers for your child (March 2022), para 66
35 Q112
36 Labour Party, Labour's plan for schools (9 January 2024)
37 Liberal Democrats, Investing in Our Children's Future (24 September 2023)
38 Department for Education, Studying maths to 18: what you need to know (January 2023)

open for consultation, but the Government says there are plans to include aspects of financial education in the mathematics programme, which would be compulsory for all 16–18 year-olds.[39]

24. At present, many young people aged 16 and over are not receiving a financial education through mathematics. The Government estimates that around 54% of pupils in state-funded settings who were at the end of key stage 4 in 2018/19 did not go on to participate in mathematics at post-16 level.[40] Another 30% participated in mathematics after the age of 16 to meet a condition of funding whereby full-time students who have not achieved grade 4 or higher in GCSE mathematics are required to continue studying some form of mathematics.[41]

25. The broadcaster Martin Lewis told us that there are people entering the workplace who do not understand their paycheques or that their tax code number is their responsibility.[42] Whilst recent analysis by the Careers and Enterprise Company found that the "average career readiness" for year 11 pupils (aged 15 to 16) was just 67%.[43]

26. Resitting GCSE mathematics is not always the most appropriate way for young people to engage in financial education at post-16 level.[44] Mathematics Education Innovation (MEI) suggests that the process of resitting courses often leads to reduced confidence, with low expectations of success. They suggest that "many young people do not achieve their full potential and can be left with a lasting sense of failure and a reinforced negative attitude towards mathematics. This may prevent them from engaging with learning and using maths in the future."[45] Sarah Hannafin (Head of Policy at the National Association of Head Teachers) has said this cycle of repeated resits can leave students feeling "disillusioned and disengaged."[46]

27. Recruiting and retaining maths teachers is already a significant and ongoing challenge. The demand for maths teachers would increase substantially if the Government's proposals to teach mathematics up to the age of 18 were to be implemented. Yet the evidence shows that existing targets are not being met. In the academic year 2023–24, only 63% of the required secondary school maths teachers were recruited.[47] In response to the Prime Minister's announcement to extend mathematics beyond the age of 16, the National Education Union described the statement as "baffling in its failure to notice the obstacles to his ambitions to extend maths education: schools and colleges lack the teachers to deliver it."[48] The Committee will shortly be publishing our report on teacher recruitment and retention which will examine the challenge of recruiting more mathematics teachers in more detail, but it is clear that this is a particular challenge in the post-16 space.

28. **Financial education is crucial for 16-to-18 year-olds, many of whom are transitioning into the workplace, paying taxes, considering applying for a student loan, and living away from home for the first time. Yet it is post-16 students who miss**

39 Department for Education (FE0085) para 31
40 Department for Education, Post-16 maths participation for pupils ending KS4 in 2018/19 (January 2023), p 6
41 Department for Education, Post-16 maths participation for pupils ending KS4 in 2018/19 (January 2023), p 6
42 Q79
43 Careers and Enterprise Company, Careers Education 2022/23: Now and Next (March 2024) p 13
44 See Education Committee, Third Report of Session 2022–23 The future of post-16 qualifications, para 189
45 Mathematics Education Innovation, A new maths GCSE curriculum for post-16 resit students (January 2020), p 10
46 FE Week, GCSE resits 2023: Maths and English pass rates down again (24 August 2023)
47 Department for Education, Initial Teacher Training Census, Academic year 2023/24, accessed April 2024
48 National Education Union, Rishi Sunak on maths education, 4 January 2023

out on any form of compulsory financial education. Providing post-16 students with a comprehensive financial education as part of its plans to continue maths education to the age of 18 should be a priority for the Government. Recruiting and retaining a sufficient number of teachers to teach mathematics is already a challenge but Government must address if it is to expand the delivery of mathematics to the age of 18.

29. ***We welcome the Government's proposals to make mathematics compulsory learning for all students up to the age of 18. Whichever form this takes, whether through the Advanced British Standard or otherwise, the Government must ensure that the mathematics programme includes financial literacy as a fundamental part of the curriculum. The Government should also redouble its focus on recruitment and retention of maths teachers if this aim is to be met.***

30. ***Beyond pure mathematics, as we recommend in our report on post-16 qualifications, the Department should explore means of increasing the take up of core mathematics and functional skills courses, but it should also consider offering a specific qualification in financial literacy which could fit into the Advanced British Standard as a minor subject. This would provide opportunities for progression for students who may not be able to take A level mathematics but show an interest or aptitude in improving their financial knowledge. This could also be a useful alternative to the GCSE retake for those who do not achieve a grade 4 or above in mathematics.***

31. ***The Department should carefully consider the requirements for teaching such a course and could take the opportunity to broaden mathematics recruitment behind those with a degree or A level in the subject to ensure there is a sufficient cohort of qualified teachers who can deliver financial education and contextual mathematics.***

Financial education in PSHE and citizenship

32. The personal and societal elements of financial education are often taught across both citizenship and personal, social, health and economic (PSHE) education.[49] In the non-statutory citizenship curriculum at key stages 1 and 2, pupils learn that money comes from different sources and can be used for different purposes.[50] Citizenship is a statutory subject at key stages 3 and 4. Pupils learn the functions and uses of money, the importance and practice of budgeting and managing risk.[51] Additionally, schools can choose to offer their students GCSE citizenship studies which includes content on the economy, finance, and money. However, only a minority of students take GCSE citizenship—there were 21,765 entries for citizenship studies in summer 2023[52], compared with 761,961 entries for mathematics in the same year.[53]

33. Relationships education at key stages 1 and 2, relationships and sex education at key stages 3 and 4, and health education from key stage 1 to 4 were all made statutory parts

49 Department for Education (FE0085) paras 18–19
50 Department for Education, Citizenship programmes of study for key stages 1 and 2, accessed April 2024
51 Department for Education, National curriculum in England: citizenship programmes of study - key stages 3 and 4, accessed April 2024
52 Department for Education (FE0085) para 22
53 Joint Council for Qualifications, Examination results/2023/England, accessed April 2024

of the curriculum in England in recent years.[54] Aspects of PSHE that fall outside of these areas, including the economic and financial elements, remain non-statutory. Schools can teach additional financial education content in their non-statutory PSHE provision if they wish to do so. Teachers can draw on the PSHE Association's programme of study[55] which the Department for Education says complements the financial education taught in the citizenship and mathematics curricula and covers the personal aspects of economic wellbeing.[56]

34. Recent changes to aspects of PSHE education provide the Government with a legislative mechanism by which financial education may be expanded. During the passage of the Children and Social Work Act 2017, the Government introduced compulsory relationships education for all pupils receiving primary education and compulsory relationships and sex education for all pupils receiving secondary education. Health education was subsequently made statutory for all pupils in state-funded schools.[57] Section 35 of the Children and Social Work Act 2017 enables the Secretary of State to make regulations requiring schools in England to teach other aspects of PSHE education:

> (1) The Secretary of State may by regulations make provision requiring personal, social, health and economic education (beyond that required by virtue of section 34) to be provided—
>
> (a) to pupils of compulsory school age receiving primary education at schools in England.
>
> (b) to pupils receiving secondary education at schools in England.[58]

35. In a statement to the House in July 2018, the then Secretary of State for Education (Rt Hon Damian Hinds MP) explained why the financial and economic elements of PSHE had not been included in the Government's proposals for compulsory relationships education and relationships and sex education. Describing how financial education was already taught in mathematics and citizenship lessons, the Education Secretary told the House, "I do not consider that further economic education needs be made compulsory. I am committed, however, to improving the provision of financial and careers education, and will continue to work with stakeholders to do so."[59]

36. Jonathan Baggaley (Chief Executive of the PSHE Association) described the Government's decision not to include the economic aspects of PSHE education in its reforms as "a missed opportunity."[60] Mr Baggaley told the Committee that making relationships education and relationships and sex education statutory at primary and

54 Department for Education, Relationships Education, Relationships and Sex Education (RSE) and Health Education: Statutory guidance (updated September 2021), p 4
55 PSHE Association, Programme of Study for PSHE education key stages 1–5 (2020)
56 Department for Education (FE0085) para 18
57 The Relationships Education, Relationships and Sex Education and Health Education (England) Regulations 2019 (SI 2019/924)
58 Children and Social Work Act 2017, section 35
59 HC Deb, 19 July 2018, col 615 [Commons Chamber]
60 Q5

secondary levels respectively had been "an effective lever for change"[61], that there had been "a sea change"[62] in the number of schools timetabling such lessons, and that they had seen "a significant levelling up of provision" for those aspects of PSHE.[63]

37. **Making the economic and financial elements of PSHE education statutory at primary and secondary school level appears to us to be a simple and effective way of expanding financial education at both levels and signalling the increased importance of the subject to all students.**

38. ***The Secretary of State should make regulations, using powers under section 35 of the Children and Social Work Act 2017, to provide for the personal and societal elements of financial education to be taught compulsorily in schools.***

Co-ordination of financial education

39. Where financial education should sit within the curriculum has been a central theme throughout this inquiry. There are strong arguments for each of the subject areas where it is currently taught but there is a huge disparity in teaching time between mathematics and other areas. The majority of the written evidence we received advocates a cross-curricular approach in which financial education is delivered across various subjects. One potential consequence of this approach, however, is an incoherent programme of delivery. Sarah Hannafin (Head of Policy at the National Association of Head Teachers) told us about the importance of a systematic approach: "Financial education does not sit in a silo in isolation. There are aspects of it that sit rightly in maths or citizenship or PSHE. It is a question of bringing those together."[64] Jonathan Baggaley (Chief Executive of the PSHE Association) called for clarity about which aspects of financial education are being taught in the various parts of the curriculum.[65]

40. We have also heard that there is a lack of awareness amongst teachers about the statutory nature of financial education and how requirements differ depending on the age group.[66] As part of its inquiry into the delivery of financial education in schools, the APPG on Financial Education for Young People conducted a survey of more than 400 teachers. It found that 41% of secondary school teachers in England were not aware that the subject was a curriculum requirement.[67]

41. The importance of a coherent approach to the delivery of financial education and the need to promote awareness of the subject has led to calls for schools to appoint a financial education lead. For example, the broadcaster Martin Lewis and Russell Winnard (Chief Operating Officer at Young Enterprise) were clear when they gave evidence to us that there was a need for more co-ordination within schools. Speaking about the delivery of financial education through several subjects, Martin Lewis said "the split across maths and citizenship is not a particularly bad one, but you then need some co-ordinating body within the school. You need a financial education co-ordinator within the school

61 Q9
62 Q9
63 Q9
64 Q30
65 Q30
66 APPG on Financial Education for Young People (FE0042) p 5
67 APPG on Financial Education for Young People, Building Beyond Barriers – A roadmap for enhancing financial education in schools, February 2023, p 13

who makes sure that those two topics are being married up at the same time."[68] Russell Winnard agreed with this idea: "There needs to be someone in the school who is aware of where [financial education] is being delivered, through which subjects and how it is being delivered."[69]

42. As part of its national goal to ensure that two million more children and young people across the UK receive a meaningful financial education by 2030, the Money and Pensions Service, an arm's-length body sponsored by the Department for Work and Pensions, has produced financial education guidance for primary and secondary schools across the UK.[70] Both sets of guidance include a short section entitled "Consider having a financial education lead" which suggests that appointing a lead "who can champion financial education across the school—identifying opportunities to embed financial education across the curriculum and in extra-curricular activities—can help to ensure effective delivery."[71]

43. When asked about the appointment of a financial education co-ordinator to each school, the Minister for Schools (Rt Hon Damian Hinds MP) said: "In our school system as a whole—not just with regard to financial education but for everything—we don't specify that you should have these particular job roles and so on. Every school obviously has a headteacher, but there is also a great deal of autonomy within the system."[72]

44. **A cross-curricular approach in which aspects of financial education are taught in various subjects across the curriculum helps pupils to understand its relevance in different contexts. It also has the benefit of offering students some form of financial education, whatever their subject preferences may be. This approach, however, can lead to a lack of coherence in what is taught between subjects. A financial education co-ordinator would provide their school with a more coherent programme of study and clarity over curriculum requirements.**

45. **We welcome the Money and Pension Service's guidance on financial education, which sets out the benefits of appointing a financial education lead. Whilst we agree with Minister Hinds that each school is best placed to decide how to implement its financial education programme, we believe that providing schools with more detailed guidance on appointing and supporting a financial education co-ordinator, should they choose to do so, would enable school leaders to make more informed decisions about creating and developing this important role.**

46. ***We recommend that each school or Multi-Academy Trust (MAT) should consider having a financial education lead, who may be a teacher of mathematics, PSHE or citizenship, to co-ordinate financial education across the school curriculum. The Government should produce detailed guidance for MATs, teachers and school leaders on how best to appoint and support financial education leads. It should also consider the case for providing subject knowledge enhancement (SKE) and continuing professional development (CPD) to support such a role.***

68 Q63
69 Q74
70 Money & Pensions Service, Financial education guidance for primary and secondary schools in England (November 2021)
71 Money & Pensions Service, Financial Education Guidance for Primary Schools in England (November 2021), p 10; Money & Pensions Service, Financial Education Guidance for Secondary Schools in England (November 2021), p 9
72 Q97

3 Supporting teachers to deliver financial education

Teaching materials and resources

47. We have heard that one of the main obstacles facing teachers of financial education is the availability of suitable teaching resources. For example, the APPG on Financial Education for Young People told us that teachers need resources to be more accessible and better tailored to different learners[73], whilst the charity RedSTART Educate said that there are so many resources to choose from that teachers can feel overwhelmed.[74] RedSTART Educate commissioned the Policy Institute, King's College London to undertake a trial in which 45 schools were surveyed. A key theme that emerged from the teachers and school leaders who responded to the survey was the need for flexible teaching materials and physical resources:

> Finding out where to go and how to assess all these options is not obvious. There needs to be clear signposting. The DfE is the place the schools start when they are looking for information. There should be a table of approved providers held on the DfE website, with a high-level summary of the differences between providers so that teachers can decide with confidence, having reviewed the summary and possibly some "trip advisor" type recommendations from other schools.[75]

48. Heather James (Associate Assistant Headteacher at Grey Court School in London) argued in her written evidence that financial education materials are often produced by non-teachers which can result in a gulf between what is available and what is effective in the classroom. "Many resources, including those generated by banks and financial organisations, tend to be dry, knowledge-heavy, and lacking in engaging pedagogy."[76]

49. Results from a national survey carried out by the Social Market Foundation found that, whilst there are many financial education resources available through private and third sector organisations, a lack of co-ordination and quality control of these resources limits their use by teachers. Fifty-six percent of teachers who responded to the survey reported that access to expert resources would help improve their delivery of financial education.[77] Concerns were raised by Members of the Committee about the suitability of banks or other private organisations with a vested interest providing schools with financial education resources.[78]

50. In 2018 the broadcaster and financial education campaigner Martin Lewis, working in collaboration with Young Enterprise, funded the production and distribution of a curriculum-mapped financial education textbook called "Your Money Matters".[79] Following its success, the Money and Pensions Service, an arm's-length body sponsored by the Department for Work and Pensions, contributed to adapting and republishing the

73 APPG on Financial Education for Young People (FE0042) p 9
74 RedSTART Educate (FE0065) p 5
75 RedSTART Educate (FE0065) pp 5–6
76 Miss Heather James (Associate Assistant Headteacher at Grey Court School) (FE0005) p 2
77 Social Market Foundation (FE0026) paras 17–18
78 Q44 Q89
79 Young Enterprise, Your Money Matters: A Financial Education Textbook, accessed April 2024

textbook for schools in Scotland, Wales, and Northern Ireland.[80] The Money and Pensions Service has also produced financial education guidance for primary and secondary schools across the UK, endorsed the Financial Education Planning Frameworks created by Young Enterprise, and developed a toolkit to support teachers during Talk Money Week in November 2023.[81]

51. The Minister for Schools (Rt Hon Damian Hinds MP) described to us the problem facing teachers in search of appropriate financial education teaching materials:

> This Committee will have heard many times over the years about the amount of time teachers spend on a Sunday evening trawling through the internet trying to find the appropriate [materials]. That will be true in this financial education arena, too, especially as it is perhaps something that the teacher is not as familiar with to begin with. There are so many different programmes, including from different banks and financial services institutions … 46 different financial services organisations, we think, are providing materials.[82]

52. Yet data from the London Institute of Banking & Finance's Young Persons' Money Index 2022–23 suggests that the plethora of financial education materials is not being utilised. When asked about the financial education materials they had access to in school, 14% of respondents listed materials from a private organisation, 11% cited a financial education textbook and 50% replied "none of the above".[83]

53. Minister Hinds told us that the Government is currently investing in Oak National Academy—a non-departmental public body that provides teachers with "high-quality digital curriculum resources which are free, optional, and adaptable."[84] The Minister said that Oak National Academy is now central to the Government's plans to help teachers with their workload: "Oak will be developing maths content but also citizenship content. That will hopefully shorten the time that it takes to find high-quality material, because that is highly certified, high-quality teaching support."[85]

54. **There is no shortage of financial education teaching materials, yet the evidence tells us that these materials are often unsuitable, the sheer quantity is unhelpful to teachers looking for appropriate resources and that, consequently, they are not being utilised in schools. Whilst it is right that schools should be able to determine which materials they use to teach financial education and that the Government should not prescribe which books and resources ought to be used in schools, we believe that the Department can and should make the process of finding and selecting high-quality financial education teaching materials easier for teachers.**

55. ***The Department for Education, working with subject associations, professional bodies, the Money and Pensions Service, and other government departments, should curate and promote a selection of high-quality financial education teaching materials and make these easily accessible to teachers and pupils.***

80 Money & Pensions Service (FE0068) p 3
81 Money & Pensions Service, Financial education in schools, accessed April 2024
82 Qq104, 120
83 The London Institute of Banking & Finance, Young Persons' Money Index 2022/23, p 7
84 Gov UK, Oak National Academy, accessed April 2024
85 Q104

Teacher training and professional development

56. We know from the evidence we have received that a lack of training and professional development opportunities in financial education is a significant challenge for teachers.[86] The evidence is clear that providing teachers with appropriate training and support in this area boosts teachers' confidence in planning and delivering the lessons and improves the financial capability of the pupils they teach.[87]

57. Sharon Davies (Chief Executive Officer at Young Enterprise) outlined to us the benefits of investing in teacher training in order to improve financial education provision. According to Ms Davies, teachers who had received appropriate training were better able to adapt their delivery, had greater capacity to utilise technology to deliver lessons, and were more likely to continue to develop their knowledge and deliver more detailed sessions on financial education.[88]

58. Sarah Hannafin (Head of Policy at the National Association of Head Teachers) told us that it is important to recognise that there will be teachers whose professional training may have been in one specialist subject but who are teaching across several subjects. For example, many teachers teach PSHE or citizenship alongside their specialist subject while primary school teachers are teaching several subjects. She suggested that training needed to be better funded and of a high quality so that teachers of financial education, which is often an extra subject for them, could maintain and develop their skills.[89]

59. In their written submission for this inquiry, Professor Harrison, Professor Ansell and Dr Shaw of the University of Edinburgh Business School suggested that financial education training has the greatest effect on those with little or no prior experience of teaching the subject—but that it also benefits experienced teachers by exposing them to up-to-date content.[90] They argued that financial education training should be embedded at an early stage—for instance, during initial teacher training (ITT)—with opportunities for continued professional development throughout a teacher's career.[91]

60. Sharon Davies told us that research undertaken by the University of Edinburgh Business School had found that the most effective financial education was that taught by trained teachers.[92] The research also found that providing effective teacher training not only has a positive impact on pupils' financial literacy outcomes, but that teacher confidence and the financial capability of the pupils they teach both increase relative to the degree of support provided to teachers.[93]

61. Yet we know there are a number of obstacles which make it difficult for teachers to acquire sufficient training. Ofsted recently carried out an independent review of teachers' professional development, with a focus on teachers' experiences of the training and development they had engaged in since April 2021. Ofsted's interim report, published

86 Q16
87 Young Enterprise and University of Edinburgh Business School, What Works for Financial Education: The Impact of Training Teachers in Financial Education on the Financial Capability of the Students they Teach, p 4
88 Q53
89 Q16
90 Professor Tina Harrison et al (FE0064) p 2
91 Professor Tina Harrison et al (FE0064) p 2
92 Q53
93 Young Enterprise and University of Edinburgh Business School, What Works for Financial Education: The Impact of Training Teachers in Financial Education on the Financial Capability of the Students they Teach, p 4

in May 2023, sets out the responses to an online survey of 1,953 teachers and leaders about their experiences. When asked about the biggest barriers to their participation and engagement in professional development, 87% of respondents named "workload pressures" and 73% said "availability of staff to cover my lessons."[94]

62. The Money and Pensions Service is currently examining a number of potential models for expanding and embedding financial education teacher training. In January 2023, it launched the "Improving Financial Wellbeing through Teacher and Practitioner Training and Targeted Provision" programme. Funding from this £1.1 million grant programme is being used to explore seven projects that deliver financial education training to teachers or offer direct delivery of financial education to children in vulnerable circumstances. The models are being trialled by external partners, including Just Finance Foundation, National Literacy Trust, and Young Enterprise. The results and evaluation of these models are expected to be published in spring/summer 2024.[95]

63. **Providing teachers with opportunities for appropriate teacher training and continued professional development in financial education has clear benefits for both teachers and pupils. However, there are various factors, including workload pressures, which preclude many teachers from accessing financial education training and development opportunities. We welcome the investment made by the Money and Pensions Service to explore the types of training that are most suitable for teachers and how these can be embedded more effectively.**

64. **Training in financial education must be offered at an early stage of a teacher's career through initial teacher training (ITT). Incorporating financial education training from an early stage provides teachers with a foundation on which they can build their knowledge, skills and confidence in the subject. Training opportunities should be continuously available and well signposted throughout a teacher's career.**

65. ***The Department for Education should ensure that training in financial education is available to all teachers beginning their careers through initial teacher training provision, and that continued professional development opportunities and subject knowledge enhancement (SKE) in financial education are available and accessible for all teachers. The Department should ensure that appropriate financial education options are included in both the Early Career Framework and the suite of national professional qualification (NPQ) courses.***

94 Ofsted, Independent review of teachers' professional development in schools: phase 1 findings (May 2023)
95 Money & Pensions Service, Improving children and young people's financial wellbeing: seven projects for teachers and vulnerable children (March 2023)

4 Evaluating financial education

The role of Ofsted

66. Financial education is not currently inspected by Ofsted. The Department for Education told us that elements of financial education may be examined when Ofsted inspectors conduct a deep dive into mathematics as part of a school inspection or when inspectors look at a school's support for pupils' personal development, which could include financial education within citizenship.[96]

67. The evidence shows that the scant level of assessment performed by Ofsted undermines the importance of financial education, discourages school leaders and teachers from viewing the subject as a priority, and, consequently, that pupils are missing out. Research commissioned by Young Enterprise found that Ofsted has a powerful influence in shaping schools' priorities, including through the inspection process. One secondary school teacher responding to its survey said: "If it doesn't provide the school with something to boost their Ofsted rating, they'll not be interested."[97]

68. We have heard particular concerns about the way in which citizenship—a national curriculum subject—is being inappropriately assessed by Ofsted.[98] Ofsted's education inspection framework for graded inspections of schools has four areas, or "key judgements", which are given individual grades by inspectors: the quality of education; behaviour and attitudes; personal development; and leadership and management. Whilst mathematics is assessed under the quality of education judgement, citizenship provision is inspected as part of the general evaluation of personal development.[99]

69. Under the quality of education assessment, inspectors will judge the extent to which a school demonstrates particular standards by referring to criteria that include:

- The provider's curriculum is coherently planned and sequenced towards cumulatively sufficient knowledge and skills for future learning and employment.
- Teachers have good knowledge of the subject(s) and courses they teach. Leaders provide effective support, including for those teaching outside their main areas of expertise.
- Teachers and leaders use assessment well, for example to help learners embed and use knowledge fluently or to check understanding and inform teaching.[100]

70. An assessment of these criteria provides a school with comprehensive and detailed feedback it can use to improve its teaching and curriculum provision. That citizenship is not subject to this level of scrutiny means it—and the substantial proportion of financial education content it includes—is not being assessed to the same rigorous level as other national curriculum subjects. Liz Moorse (Chief Executive of the Association for Citizenship Teaching) described to us the consequences of not inspecting citizenship under the quality of education banner:

96 Department for Education (FE0085) paras 51–52
97 Young Enterprise (FE0041) p 14
98 Association for Citizenship Teaching (FE0066) para 2.5
99 Ofsted, School inspection handbook (April 2024), paras 271, 325
100 Ofsted, Education inspection framework (July 2023)

> The problem is that if you do not inspect citizenship properly, you are not going to inspect financial education properly either, because citizenship and financial education have that relationship. If you are not doing the depth of investigation and supporting schools to do better and highlighting the ones that do it well—and there are many that do it well—we are not going to make progress in the area.[101]

71. **Ofsted's inadequate evaluation of financial education in schools undermines the importance of financial education and adversely affects how it is viewed and prioritised by teachers and school leaders. Citizenship in particular is not being appropriately assessed by Ofsted. Inspection under the personal development judgement alone is not the right accountability measure for a subject as important as citizenship and the financial education content it includes. Citizenship should be evaluated by Ofsted as part of its quality of education key judgement in addition to personal development.**

72. ***The Department for Education should work with Ofsted to review how it can improve its evaluation of financial education. We recommend that citizenship provision be inspected under the quality of education key judgement and personal development. The Department should take note of the Committee's Fourth Report of Session 2022–23 and its recommendation that Ofsted should evaluate schools' achievement of the Gatsby benchmarks.***

PISA financial literacy assessment

73. The OECD's Programme for International Student Assessment (PISA) has, since 2000, evaluated the educational systems of participating countries and the performance of 15-year-old pupils in mathematics, science and reading. The results for each assessment cycle—typically carried out every three years—provide governments with an international benchmark from which they may learn about the policies and practices of other countries. The information and data each country receives is intended to support governments to improve their education policies.[102]

74. Since 2012, the OECD has offered an additional assessment of young people's financial literacy. This assessment is optional for participating countries and jurisdictions, and separate from the core evaluation of mathematics, science and reading. Assessments of financial literacy were carried out in 2012[103], 2015[104], 2018[105], and 2022[106]—with twenty-three countries/jurisdictions taking part in the most recent iteration. Participants in past financial literacy assessments include Estonia, Finland, Canadian provinces, Malaysia, the Netherlands, Spain, and the United States. None of the four nations of the United Kingdom has participated in any of the PISA financial literacy assessments.

75. Remarking on the Government's decision not to participate in the four PISA financial literacy assessments, Liz Moorse (Chief Executive of the Association for Citizenship Teaching) told us that "one of the things that sometimes helps push things up the agenda

101 Q15
102 OECD, About PISA, accessed April 2024
103 OECD, PISA 2012 Results: Students and Money: Financial Literacy Skills for the 21st Century Volume VI (2014)
104 OECD, PISA 2015 Results: Students' Financial Literacy Volume IV (May 2017)
105 OECD, PISA 2018 Results: Are Students Smart About Money? Volume IV (May 2020)
106 Results for the 2022 financial literacy assessment were not published at the time of writing.

[is] when you become part of an international comparative piece of work."[107] Sharon Davies (Chief Executive Officer at Young Enterprise) said that taking part in the assessments would provide an opportunity to benchmark the UK's financial capability internationally and give financial education an increased profile.[108]

76. The Minister for Schools (Rt Hon Damian Hinds MP) told us that the Government decided not to take part in the PISA financial literacy assessments in order to reduce the burden on schools. He described how other countries had previously found it difficult to encourage the required number of schools to participate and that "we determined not to do this optional part, partly for that reason."[109] However, only a small number of schools from each participating country are required to volunteer to take part in the PISA financial literacy assessment[110]—there is not a workload burden across the board.

77. The Minister also drew our attention to the correlation between the results in mathematics and financial literacy—for instance, countries that perform well in the mathematics assessment tend to do likewise in the financial literacy test. Minister Hinds suggested that, as England had scored above average for mathematics in recent PISA cycles, pupils would likely achieve strong results in financial literacy.[111]

78. Results for the 2022 financial literacy assessment are yet to be published. Evidence from the 2018 cycle does show a broad correlation between performance in the mathematics and the financial literacy assessments. There are variations, however. In 2018, students in the United States scored below the OECD average in mathematics, but slightly above for financial literacy. Conversely, students in Italy scored a near-average mark in mathematics but a lower-than-average result for financial literacy, whilst Brazilian students also scored higher for financial literacy than mathematics.

Country	Mean score in mathematics	Mean score in financial literacy
	OECD average: 489	OECD average: 505
Estonia	523	547
Finland	507	537
United States	478	506
Italy	487	476
Georgia	398	403
Brazil	384	420

A sample of the 2018 PISA results for mathematics and financial literacy.[112] [113]

79. Furthermore, countries and jurisdictions that have scored the highest average marks in mathematics in recent cycles—including Estonia, Poland, and Canadian provinces—have opted to participate in the financial literacy assessment.

80. **The OECD's internationally renowned PISA assessments, which examine the education performance of children in different subjects, include an assessment of**

107 Q11
108 Q42
109 Q113
110 OECD, PISA 2018 Results: Are Students Smart About Money? Volume IV (May 2020) p 152
111 Q113
112 OECD, PISA 2018 Results: Combined Executive Summaries Volume I, II & III (December 2019), p 17
113 OECD, PISA 2018 Results: Are Students Smart About Money? Volume IV (May 2020), p 17

financial education; England and each of the UK nations has currently opted out of participating in this. The Minister told us that this was to reduce the burden on teachers and because, in his view, participation in the mathematics section of PISA was sufficient. Whilst we accept that there is some correlation between outcomes for the mathematics and financial literacy PISA assessments, results in the former do not necessarily reflect performance in the latter. Participating in the financial literacy assessment would demonstrate the Government's commitment to improving financial education in England and give the subject more prominence. The emphasis that the Prime Minster has placed on financial literacy surely means he should want the UK to be showing a lead in this area. If other devolved nations chose to follow such an approach it would allow for useful and valuable comparisons between them and the English system.

81. ***We recommend that the Government applies to participate in the next PISA financial literacy assessment scheduled for 2025 and engages with the devolved administrations to encourage them to do likewise.***

Conclusions and recommendations

Provision of financial education in schools in England

1. Whilst there are some examples of exemplary practice, in the main financial education in primary schools in England is insufficient and should be expanded. Children use money at an increasingly young age and with greater independence, often making transactions that are immediate and, at times, irreversible. Whilst this should in theory be happening from secondary school age onwards, there is increasing evidence that children under eleven are being reached by online marketing and may be subject to financial pressures. (Paragraph 14)

2. Effective financial education needs to begin early, during primary school years. We have heard evidence that the limited provision of financial education in primary school mathematics does not adequately prepare children for the fast-changing financial world in which they increasingly participate. Building a strong foundation for financial education at primary school would also ensure that as children develop their cognitive abilities and a sense of delayed gratification, they will do so informed by good financial practice. (Paragraph 15)

3. The amount of delivery time dedicated to financial education in secondary school mathematics is insufficient and does not reflect the importance of personal financial literacy or the emphasis which has been placed on it by the Government. More financial content, based on real-life, problem-solving activities, should be included within the secondary mathematics curriculum. (Paragraph 21)

4. *We recommend that the Government urgently reviews the contents of the mathematics curriculum from key stage 1 to key stage 4 in order to expand the provision and relevance of financial education at primary and secondary school level. This need not require a re-drawing of the national curriculum itself but could be achieved through a model curriculum approach to enhance and enrich mathematics with financial knowledge. Whether through curriculum enhancement or reform, more financial content must be incorporated into the mathematics curricula to ensure that young people at every level are developing financial literacy as a fundamental part of their mathematical knowledge and fluency. This needs careful sequencing to deliver age-appropriate content. Whilst the Oak National Academy may prove a useful mechanism for delivering this to teachers, it should not be the only vehicle for delivering such an important development.* (Paragraph 22)

5. Financial education is crucial for 16-to-18 year-olds, many of whom are transitioning into the workplace, paying taxes, considering applying for a student loan, and living away from home for the first time. Yet it is post-16 students who miss out on any form of compulsory financial education. Providing post-16 students with a comprehensive financial education as part of its plans to continue maths education to the age of 18 should be a priority for the Government. Recruiting and retaining a sufficient number of teachers to teach mathematics is already a challenge but Government must address if it is to expand the delivery of mathematics to the age of 18. (Paragraph 28)

6. *We welcome the Government's proposals to make mathematics compulsory learning for all students up to the age of 18. Whichever form this takes, whether through the Advanced British Standard or otherwise, the Government must ensure that the mathematics programme includes financial literacy as a fundamental part of the curriculum. The Government should also redouble its focus on recruitment and retention of maths teachers if this aim is to be met.* (Paragraph 29)

7. *Beyond pure mathematics, as we recommend in our report on post-16 qualifications, the Department should explore means of increasing the take up of core mathematics and functional skills courses, but it should also consider offering a specific qualification in financial literacy which could fit into the Advanced British Standard as a minor subject. This would provide opportunities for progression for students who may not be able to take A level mathematics but show an interest or aptitude in improving their financial knowledge. This could also be a useful alternative to the GCSE retake for those who do not achieve a grade 4 or above in mathematics.* (Paragraph 30)

8. *The Department should carefully consider the requirements for teaching such a course and could take the opportunity to broaden mathematics recruitment behind those with a degree or A level in the subject to ensure there is a sufficient cohort of qualified teachers who can deliver financial education and contextual mathematics.* (Paragraph 31)

9. Making the economic and financial elements of PSHE education statutory at primary and secondary school level appears to us to be a simple and effective way of expanding financial education at both levels and signalling the increased importance of the subject to all students. (Paragraph 37)

10. *The Secretary of State should make regulations, using powers under section 35 of the Children and Social Work Act 2017, to provide for the personal and societal elements of financial education to be taught compulsorily in schools.* (Paragraph 38)

11. A cross-curricular approach in which aspects of financial education are taught in various subjects across the curriculum helps pupils to understand its relevance in different contexts. It also has the benefit of offering students some form of financial education, whatever their subject preferences may be. This approach, however, can lead to a lack of coherence in what is taught between subjects. A financial education co-ordinator would provide their school with a more coherent programme of study and clarity over curriculum requirements. (Paragraph 44)

12. We welcome the Money and Pension Service's guidance on financial education, which sets out the benefits of appointing a financial education lead. Whilst we agree with Minister Hinds that each school is best placed to decide how to implement its financial education programme, we believe that providing schools with more detailed guidance on appointing and supporting a financial education co-ordinator, should they choose to do so, would enable school leaders to make more informed decisions about creating and developing this important role. (Paragraph 45)

13. *We recommend that each school or Multi-Academy Trust (MAT) should consider having a financial education lead, who may be a teacher of mathematics, PSHE or citizenship, to co-ordinate financial education across the school curriculum. The Government should produce detailed guidance for MATs, teachers and school*

leaders on how best to appoint and support financial education leads. It should also consider the case for providing subject knowledge enhancement (SKE) and continuing professional development (CPD) to support such a role. (Paragraph 46)

Supporting teachers to deliver financial education

14. There is no shortage of financial education teaching materials, yet the evidence tells us that these materials are often unsuitable, the sheer quantity is unhelpful to teachers looking for appropriate resources and that, consequently, they are not being utilised in schools. Whilst it is right that schools should be able to determine which materials they use to teach financial education and that the Government should not prescribe which books and resources ought to be used in schools, we believe that the Department can and should make the process of finding and selecting high-quality financial education teaching materials easier for teachers. (Paragraph 54)

15. *The Department for Education, working with subject associations, professional bodies, the Money and Pensions Service, and other government departments, should curate and promote a selection of high-quality financial education teaching materials and make these easily accessible to teachers and pupils.* (Paragraph 55)

16. Providing teachers with opportunities for appropriate teacher training and continued professional development in financial education has clear benefits for both teachers and pupils. However, there are various factors, including workload pressures, which preclude many teachers from accessing financial education training and development opportunities. We welcome the investment made by the Money and Pensions Service to explore the types of training that are most suitable for teachers and how these can be embedded more effectively. (Paragraph 63)

17. Training in financial education must be offered at an early stage of a teacher's career through initial teacher training (ITT). Incorporating financial education training from an early stage provides teachers with a foundation on which they can build their knowledge, skills and confidence in the subject. Training opportunities should be continuously available and well signposted throughout a teacher's career. (Paragraph 64)

18. *The Department for Education should ensure that training in financial education is available to all teachers beginning their careers through initial teacher training provision, and that continued professional development opportunities and subject knowledge enhancement (SKE) in financial education are available and accessible for all teachers. The Department should ensure that appropriate financial education options are included in both the Early Career Framework and the suite of national professional qualification (NPQ) courses.* (Paragraph 65)

Evaluating financial education

19. Ofsted's inadequate evaluation of financial education in schools undermines the importance of financial education and adversely affects how it is viewed and prioritised by teachers and school leaders. Citizenship in particular is not being appropriately assessed by Ofsted. Inspection under the personal development judgement alone is not the right accountability measure for a subject as important

as citizenship and the financial education content it includes. Citizenship should be evaluated by Ofsted as part of its quality of education key judgement in addition to personal development. (Paragraph 71)

20. *The Department for Education should work with Ofsted to review how it can improve its evaluation of financial education. We recommend that citizenship provision be inspected under the quality of education key judgement and personal development. The Department should take note of the Committee's Fourth Report of Session 2022–23 and its recommendation that Ofsted should evaluate schools' achievement of the Gatsby benchmarks.* (Paragraph 72)

21. The OECD's internationally renowned PISA assessments, which examine the education performance of children in different subjects, include an assessment of financial education; England and each of the UK nations has currently opted out of participating in this. The Minister told us that this was to reduce the burden on teachers and because, in his view, participation in the mathematics section of PISA was sufficient. Whilst we accept that there is some correlation between outcomes for the mathematics and financial literacy PISA assessments, results in the former do not necessarily reflect performance in the latter. Participating in the financial literacy assessment would demonstrate the Government's commitment to improving financial education in England and give the subject more prominence. The emphasis that the Prime Minster has placed on financial literacy surely means he should want the UK to be showing a lead in this area. If other devolved nations chose to follow such an approach it would allow for useful and valuable comparisons between them and the English system. (Paragraph 80)

22. *We recommend that the Government applies to participate in the next PISA financial literacy assessment scheduled for 2025 and engages with the devolved administrations to encourage them to do likewise.* (Paragraph 81)

Formal minutes

Wednesday 8 May 2024

Members present

Robin Walker, in the Chair

Flick Drummond

Anna Firth

Nick Fletcher

Ian Mearns

Jess Phillips

Delivering effective financial education

Draft Report (*Delivering effective financial education*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 81 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order N 134

Adjournment

Adjourned till Tuesday 21 May at 9.30 am.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Tuesday 30 January 2024

Liz Moorse, Chief Executive, Association for Citizenship Teaching; **Jonathan Baggaley,** Chief Executive, PSHE Association; and Sarah Hannafin, Head of Policy, NAHT Q1–39

Louise Hill, Co-Founder and CEO, GoHenry; **Leon Ward,** CEO, MyBnk; **Sharon Davies**, CEO, Young Enterprise; and **Andrew Wilson,** Director of Communications, Santander UK Q40–61

Tuesday 5 March 2024

Martin Lewis CBE, Broadcaster and Founder of MoneySavingExpert.com; and **Russell Winnard**, Chief Operating Officer, Young Enterprise Q62–92

Rt Hon Damian Hinds MP, Minister of State for Schools, Department for Education; and **Kate Dixon**, Director of Pupil Wellbeing and Safety, Department for Education Q93–122

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

FE INQ numbers are generated by the evidence processing system and so may not be complete.

1 ASCL (FE0030)

2 Abraham, Mr Roy (FE0029)

3 Akehurst, Mrs Heather (Open Awards) (FE0008)

4 All-Party Parliamentary Group on Financial Education for Young People (FE0042)

5 Appleyard, Dr Lindsey (Coventry University); and Dibb, Professor Sally (Coventry University) (FE0067)

6 Association of Accounting Technicians (FE0024)

7 Association for Citizenship Teaching (FE0066)

8 Association for Citizenship Teaching (FE0091)

9 Association of British Insurers (FE0077)

10 Association of Colleges (FE0069)

11 Barclays (FE0090)

12 Barnardo's (FE0071)

13 Bedford, Gabriella (FE0011)

14 Bell, Mr Mike (FE0007)

15 Centre for Social Justice (FE0051)

16 Chartered Institute for Securities & Investment (CISI) (FE0020)

17 Christians against Poverty (FE0021)

18 City Pay it Forward (FE0063)

19 Cleland, Mr John (FE0014)

20 Collins, Darren (FE0088)

21 Core Partner Group (FE0070)

22 CryptoUK (FE0019)

23 Department for Education (FE0085)

24 EVERFI from Blackbaud (FE0062)

25 Economics, Business and Enterprise Association (FE0010)

26 GoHenry (FE0022)

27 Golding, Dr Jennie (FE0004)

28 HSBC UK (FE0074)

29 Harrison, Professor Tina (University of Edinburgh); Ansell, Professor Jonathan (University of Edinburgh); and Shaw, Dr Kitty (University of Edinburgh) (FE0064)

30 Hitchings, Professor Emma (University of Bristol); Bryson, Mrs Caroline (Bryson Purdon Social Research); and Douglas, Professor Gillian (Professor Emerita, King's College London) (FE0061)

31 I have a voice (FE0076)
32 Institute and Faculty of Actuaries (FE0028)
33 Internet Matters (FE0015)
34 Iqbal, Owais (FE0081)
35 James, Miss Heather (FE0005)
36 Just Finance Foundation (FE0057)
37 Lee, Professor Nirmala (London Metropolitan University) (FE0082)
38 Loughborough University Centre for Mathematical Cognition (FE0054)
39 Lowell (FE0053)
40 Lyons, Adrian (FE0001)
41 Marston, Mr James (FE0006)
42 Maths For Life Limited (FE0009)
43 McConnell, James; Davies, Taylor; and Weatherburn, Ella (FE0031)
44 McMahon, Mr David (FE0012)
45 McQuone, Rhiannon (FE0084)
46 Money and Pensions Service (FE0068)
47 Moneybox (FE0045)
48 MyBnk (FE0049)
49 MyPocketSkill (FE0050)
50 NAHT (FE0027)
51 NCFE (FE0039)
52 National Literacy Trust (FE0075)
53 National Network of Parent Carer Forums (FE0046)
54 National Youth Agency (FE0038)
55 OCR (FE0078)
56 Office of the City Remembrancer (FE0079)
57 PIMFA (FE0023)
58 PSHE Association (FE0040)
59 Parent Zone (FE0056)
60 Parentkind (FE0043)
61 Pensions Management Institute (PMI) (FE0055)
62 Pickin, Mr John (FE0018)
63 Ponton, Mrs Christine (FE0072)
64 Positive Money (FE0047)
65 RedStart Educate (FE0065)
66 Relph, Mr Brandon (FE0080)
67 River Tees Multi Academy Trust (FE0025)
68 Royal Society (FE0092)

69 Santander UK and Twinkl (FE0036)

70 Social Market Foundation (FE0026)

71 ShareSoc (UK Individual Shareholders Society) (FE0089)

72 St. James's Place (FE0016)

73 St. James's Place (FE0017)

74 Surviving Economic Abuse (FE0037)

75 TICK Hub Ltd (FE0002)

76 Tasker, Charlotte (FE0087)

77 The Careers & Enterprise Company (FE0059)

78 The Centre for Financial Capability (FE0052)

79 The Independent Schools Association (FE0058)

80 The Money Awareness and Inclusion Awards (FE0060)

81 The Money Charity (FE0035)

82 True Potential Wealth Management (FE0032)

83 UK Finance (FE0073)

84 UK Shareholders Association (FE0083)

85 Vanquis Banking Group and Snoop (FE0044)

86 Wallis, Mr David (FE0013)

87 Ward, Mr Kevin (FE0003)

88 Westwood, Helen (FE0086)

89 Young Enterprise (FE0041)

90 Youth Financial Capability Group (FE0048)

91 Thomas, Mr Geoffrey (FE0034)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2023–24

Number	Title	Reference
1st Report	Ofsted's work with schools	HC 117
2nd Report	Teacher recruitment, training and retention	HC 119
1st Special Report	Persistent absence and support for disadvantaged pupils: Government response to the Committee's Seventh Report	HC 368
2nd Special Report	Ofsted's work with schools: Ofsted response to the Committee's First Report	HC 624
3rd Special Report	Ofsted's work with schools: Government Response to the Committee's First Report	HC 689

Session 2022–23

Number	Title	Reference
1st Report	Not just another brick in the wall: why prisoners need an education to climb the ladder of opportunity	HC 56
2nd Report	Educational poverty: how children in residential care have been let down and what to do about it	HC 57
3rd Report	The future of post-16 qualifications	HC 55
4th Report	Careers Education, Information, Advice and Guidance	HC 54
5th Report	Support for childcare and the early years	HC 969
6th Report	Appointment of His Majesty's Chief Inspector of Education, Children's Services and Skills	HC 1800
7th Report	Persistent absence and support for disadvantaged pupils	HC 970
1st Special	Is the Catch-up Programme fit for purpose?: Government response to the Committee's Fourth Report of Session 2021–22	HC 273
2nd Special	Not just another brick in the wall: why prisoners need an education to climb the ladder of opportunity: Government response to the Committee's First Report	HC 645
3rd Special	Educational poverty: how children in residential care have been let down and what to do about it: Government response to the Committee's Second Report	HC 854
4th Special	The future of post-16 qualifications: Government response to the Committee's Third Report of Session 2022–23	HC 1673
5th Special	Careers Education, Information, Advice and Guidance: Government response to the Committee's Fourth Report	HC 1848

6th Special	Support for childcare and the early years: Government response to the Committee's Fifth Report	HC 1902

Session 2021–22

Number	Title	Reference
1st Report	The forgotten: how White working-class pupils have been let down, and how to change it	HC 85
2nd Report	Appointment of the Chief Regulator of Ofqual	HC 512
3rd Report	Strengthening Home Education	HC 84
4th Report	Is the Catch-up Programme fit for purpose?	HC 940
1st Special Report	Strengthening Home Education: Government Response to the Committee's Third Report	HC 823

Session 2019–21

Number	Title	Reference
1st Report	Getting the grades they've earned: Covid-19: the cancellation of exams and 'calculated' grades	HC 617
2nd Report	Appointment of the Children's Commissioner for England	HC 1030
3rd Report	A plan for an adult skills and lifelong learning revolution	HC 278
4th Report	Appointment of the Chair of the Office for Students	HC 1143
1st Special Report	Special Educational Needs and Disabilities: Government Response to the Committee's First Report of Session 2019	HC 668
2nd Special Report	Getting the grades they've earned: COVID-19: the cancellation of exams and 'calculated' grades: Response to the Committee's First Report	HC 812
3rd Special Report	A plan for an adult skills and lifelong learning revolution: Government Response to the Committee's Third Report	HC 1310