

Briefing paper BP2-2018

Financial Education in Schoolsⁱ: Key Findings

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Context

The 2008 global financial crisis and the rising level of personal debt complemented by low levels of adult financial capability brought into focus financial education as a policy tool for future personal and national economic wellbeing. After intense lobbying, financial education gained statutory status in the National Curriculum through its addition to the core subject of mathematics and foundation subject of citizenship education. From 2014 financial education was to be delivered through three subjects: mathematics, citizenship education and PSHEe (Personal, Social, Health and Economic education). The aim of financial education curriculum reform was to bring consistency and uniformity in financial education provision across all state-maintained schools. However, researchⁱⁱ suggests that the statutory status has not had a substantial impact on the quality of financial education provision in schools.

This summary reviews the findings from the first independent, theoretically informed and in-depth analysis of the effect of statutory status on financial education provision in secondary schools in England. This research set out to identify and examine the barriers and constraints to effective financial education delivery. The case study research involved document analysis, lesson observations and 51 interviews with: key national stakeholders, and teaching and management staff in three converter-academy schools.

Key Findings

- There are three key reasons why the recent reforms have made little difference to the provision of financial education secondary schools: schools are still judged primarily in relation to academic performance rather than a broader curriculum; uncertainty around education reform and cuts in resources; financial education has low subject status as a cross-curriculum theme.
- Each school differed in the financial education curriculum delivery model as well as curriculum content. Most schools did not have a financial education policy in place. Only one school had a financial education champion and a coordinated financial education provision across the whole school. GCSE citizenship education was not taught in any school because of its optional status.

- Formal financial education qualifications such as IFS, AQA and Edexcel were offered to only less able students in mathematics. A financial education certificate was mandatory for all sixth form students in only one school.
- Majority of teachers admitted to having never read or referred to the National Curriculum. All the teachers and head of departments took their guidance from subject specification set by exam boards.
- The status of the subject in a very hierarchical National curriculum set policy priority and determined the allocation of resources such as time, money and specialist staffing. Mathematics, a high status subject, was well resourced and managed whereas non-statutory subject like PSHEe was poorly resourced and regulated.
- There was lack of awareness at senior school leadership level about the services and resources available from financial education charities and financial sector. Only one school was working closely with a financial education charity to plan financial education curriculum and train teachers.

Why has financial education provision in school not improved?

Three main reasons were identified for the poor quality of financial education provision in secondary schools in England:

1. The education system has become fragmented. The dichotomy between market-based, result-driven educational policies and the main aims of the National Curriculum creates a contradictory policy environment that reinforces the structural constraints such as subject status and policy priority. The conflicting policy environment and cuts to school funding increased pressure on teachers and the school timetable. Even though all the teaching and management staff interviewed believed in the importance of financial education for young people, schools are struggling to provide a balanced curriculum.
2. The emphasis placed on academic results through league tables and Ofsted inspection. Any subject or courses that took time away from Ebacc² subjects were gradually being phased out of the school curriculum. Not only are resources diverted from teaching life skills such as financial education towards academic subjects, but discretion in the classroom is also encouraged.
3. Lack of clear and concise learning outcomes in the form of a statutory learning framework and guidance in the National Curriculum, especially in PSHEe contributes to the inconsistency of financial education provision across and within schools.

Recommendations to improve financial education delivery

- The vague PSHEe curriculum guidelines in the National Curriculum for financial education need to be made more robust and clear. The Department for Education should provide strategic leadership by endorsing a specific learning framework for financial education across all the key stages to ensure consistency and progression of financial education content across schools. All three aspects of financial education; namely numerical skills, economic citizenship and personal money management should be given equal importance through clearly defining the links between financial education and mathematics, citizenship education and PSHEe.

- Financial education taught through the combined subject of citizenship education and PSHEe should be examined and evaluated through the Ofsted’s Common Inspection Framework and linked to overall grading criteria for schools. This will help raise its status in schools and lead to better resource allocation.
- Inclusion of financial education in Initial teacher training (ITT) as well as CPD programmes for teachers, especially mathematics, citizenship education, business and economics teachers.
- Inclusion of financial education as part of the leadership training to raise awareness and support head teachers to develop effective financial education school policies and implementation plans.
- Formal financial education qualifications such as IFS/AQA/Edexcel certificates should be made mandatory for *all* GCSE and sixth form students.
- Within schools, the quality of financial education provision provided through the combined subject of PSHEe and citizenship education should be strengthened firstly, through regular assessments and lesson observations. Secondly, through greater involvement of economics and business studies teachers as financial education subject specialist in planning, managing and delivering financial education in schools.
- Development of a database at the national level with details of providers, available trainings and teaching to provide a holistic view of financial education provision across the country, which would enable schools to make well-informed decisions.

The views expressed in this Briefing Paper are the views of the author and do not necessarily represent the views of CHASM as an organization or other CHASM members.

ⁱ Syed, F.S. (2018) Financial Education in schools: Policy into Practice, PhD thesis, University of Birmingham, Birmingham, UK <http://etheses.bham.ac.uk/8010/>. Supervised by Professor Karen Rowlingson, University of Birmingham and Dr. Lindsey Appleyard, Coventry University

ⁱⁱ APPG report on Financial Education for Young People (2016) Financial Education in Schools: Two Years on – Job Done? <https://goo.gl/c7Xdgb>