CHASM Financial Education Workshop

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Today

• Why financial education matters
• What we know about where things are at
• What we’re doing about it
Why financial education matters

Too many young adults are making money mistakes, and are over-indebted

Increasingly early opportunities to spend, often ‘invisible’

At least 2.5m young people should be getting financial education; majority are not

Children’s self-control ability, developed from age 3, is as likely as IQ & socio-economic status to predict adult financial outcomes

Evidence is mixed, but there are approaches that work - timing and delivery method matters

Many financial behaviours in place by 12; attitudes by age 7
Nationally representative survey of 4-17 year olds in UK

- 4958 respondents took part, March - June 2016
- Interviews carried out online (60%) and face-to-face (31%)
- Data weighted to represent population breakdown in each nation
- Additional interviews in Devolved Nations, & with 15-17 year olds

- Initial results released at Financial Capability Week
- Full report early spring – Research Conference 28 March
When looking at 16- to 17-year-olds:

- 32% say they haven’t had experience of putting money into a bank account
- 39% do not have a current account
- 59% can’t read a payslip properly
- 29% don’t know what will happen if they don’t pay their Council Tax

Less than **HALF (43%)** of young people aged 12–17 are confident managing their money

We are concerned by this because our findings suggest a link between confidence in managing money and money behaviours – in particular, those who are low in confidence are less likely to shop around, and tend to save less money:

- If given £10, those with low confidence would save less of it than those who were confident
- Those with low confidence were also much less likely to say they save money most or every time they get some
- Those with low confidence were also much less likely to say they shop around
only 4 in 10 children aged 7-17 say they have learned about money management at school

only 7% have talked to their teachers about money

Positively, 9 in 10 young people who said they had learned about money management at school said it was useful.
3 in 4 children talk to their parents about money

3 in 4 parents say they are a good role model

Considering this, it is surprising that:

Only 3 in 5 parents feel confident talking to their children about money

Only 1 in 3 parents talk to their children about household finance although this does increase with age

Furthermore, parents’ behaviour may not always set the best example:

50% do not save regularly

44% don't feel confident managing money

68% find keeping up with their credit commitments and bills a burden
Financial education in the UK

- Provision is patchy, relatively small scale
- There are important gaps
- Focus often remains on knowledge not applied to ‘real life’
- Too few teachers - and other practitioners - have had financial education training
- Little robust evidence of outcomes and impact
- Parents are also important, yet there is little support

But – there are examples of excellent delivery, commitment, and opportunities to build on
CYP theory of change + 16/17 activities

MAS activities 16/17

NEEDS
- CYP & Parents Fin Cap survey
- BCS70 research

WHAT WORKS
- EEF/YE ‘Maths in Context’
- Talk Learn Do
- What Works Fund projects
- Evidence hub
- Fin Ed Quality Mark

PROVIDERS
- Provision Mapping
- SIB scoping & feasibility testing

COORDINATION
- IMPACT principles
- TSIP
- Evaluation toolkit
- Sharing learning / stakeholder engagement
- Policy influence incl. APPG

Outputs

Robust overview of need, provision, funding, and gaps in market

Growing + increasingly diverse evidence base for what works to for different ages / needs

Clear business case for relevance and priority of financial education

Mechanisms and partnerships established to share learning, co-design solutions, develop and manage market

Increased evaluation capacity and capability within sector

Increased use of evidence to inform intervention design

Increased % interventions being evaluated robustly

Increased % funding directed towards evidence-based and well-evaluated provision

Increased £ funding targeted at identified need and filling gaps

Improved educational experiences for CYP

Increased delivery at scale of education that works, to meet identified need

Improved awareness, knowledge, and capability of practitioners & teachers

National policy prioritises evidence-based financial education

Funding system incentivises innovation & ‘what works’

Diverse and sustainable funding system for financial education

Medium term outcomes

Improved positive parenting influences

Increased success to support networks (including positive peer influences)

Ultimate outcomes

All CYP will get the financial education they need by 2025

Improved knowledge and skills

Increase in positive attitudes and motivations

Increased connection and access to products/risk

Increase in financially capable behaviours of young people

Leading to a future generations of adults who make good financial decisions

moneyadviceservice.org.uk
Some key projects

1. Financial Education Quality Mark
2. What Works Fund
3. Education Endowment Foundation & Young Enterprise – Maths in Context
4. Vulnerable CYP
5. Evaluation support
Tools & resources

**IMPACT Principles**
Raising awareness about, and encouraging, good evidence and evaluation practice

**Evaluation Toolkit**
Resources to help organisations generate, use and share better evidence about financial capability

**Support and Training**
Bespoke support to help organisations evaluate their activity

**Evidence Hub**
A focal point for organising and sharing financial capability evidence and insight
Teachers Outcome Framework

How to use this tool:
Select the appropriate area below

School-wide Enablers

Financial education, attitudes, knowledge and practice

General pedagogical practice

Championing and promoting financial education

View Output File

To see guidance on how to use the tool click here

Welcome
Children, young people (CYP) and parents Outcome Framework

How to use this tool:
Select the appropriate area below

- 3 - 5 yrs
- 5 - 7 yrs
- 7 - 11 yrs
- 11 - 14 yrs
- 14 - 16 yrs
- 16 - 18 yrs
- Parents
- Picture Questions

To see guidance on how to use the tool click here

View Output File
Thought prompts

• What are the barriers to knowing and doing what works?
• Where are the opportunities to overcome these?
• What more, or different, can we all do to help make it happen?
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