

Briefing Paper

Improving financial education in schools: the need for research access

Financial education becoming a compulsory part of the UK's National Curriculum is just the beginning of much needed work to ensure that children are adequately prepared to make informed and sound financial decisions in their adulthood. There is much ground to be covered in terms of research such as determining how financial education can be delivered effectively, ways to evaluate and measure any improved financial capability both in the short and long run and also to determine which personal finance topics to cover and so on. In order to support this, schools need to be receptive and supportive of the research efforts in this area.

Unfortunately, however, the efforts made by schools to be willing to respond to research about financial education teaching policies and practices have been lukewarm. For example, in a baseline study carried out by the Financial Services Authority, to find out the coverage of personal finance lessons in schools, only 59% of primary schools and 49% of secondary schools participated in computer-assisted telephone interviews (FSA, 2002). The follow-up study achieved an overall response rate of 45% (FSA, 2006).

When it comes to allowing researchers to go into schools to carry out research with the school heads, teachers and/or students, personal experience suggests that most schools are not quite supportive of such efforts. Between October 2012 and June 2013, I was involved in

the recruitment of schools for my PhD research. The research required teachers to help me administer a self-completed survey to measure children's financial literacy under test conditions. I wrote to all the state secondary schools and academies in Oxfordshire and Greater London, inviting them to take part in the research. Of the 37 schools in Oxfordshire, only 5 participated and of the 427 schools in Greater London, 3 took part in the pilot and 23 took part in the main study. Overall, the response rate was 6.7%. It was quite disheartening that out of the 42 schools who agreed initially, 14 dropped out of the study in the end.

We have to take note that current research results about financial education in schools are reflective of those which are likely to be more confident and pro-active in efforts to improve the current provision of financial education. This might imply that the actual state of provision for financial education in schools is far from the ideal. In my study, schools which did not take part often cite reasons such as lack of time and even general policies to refuse any research. Those who participate are often enthusiastic and keen to look into how they could include financial education into the curriculum. A Head of Year 10 who invited me back to the school to give a talk on the importance of personal finance commented that schools can make time for something they believe is important for their students.

As a former school teacher, I understand that schools are under constant pressure to maintain or even move up in their league table standings by devoting most of the curriculum time to core subjects such as literacy, mathematics and science. While these subjects are indeed important in any child's education, schools should not overlook the importance of other subjects such as financial education, which students are very much interested to learn about but often lament that it is not often taught enough in schools. Despite being asked to do a test of 25 questions, general feedback from students who did

my survey showed that students enjoyed the process and even after the survey, many were keen to know how well they fared and were having discussions with their teachers on related topics.

My proposed solution to this problem is to offer incentives to schools by rewarding them in their efforts to be concerned about the provision of financial education. This can also help to open up the channels of communications between school managers and financial education campaigners so that meaningful future research can be carried out which will eventually benefit children. For instance, schools' willingness and efforts in engaging with external stakeholders such as researchers and financial education organisations could be highlighted more positively in the Ofsted inspection reports.

As well as looking at this issue from the school perspective, we also need to consider the responsibility of researchers to show schools how the research results could benefit them, for example, giving feedback on the current curriculum, recommending better teaching methods and providing teaching resources and suggest methods of assessment.

Collaborative work between teachers and volunteers from the finance sector could also count as professional development and training hours which can also help to improve teacher's confidence in teaching personal finance.

Current research shows that majority of schools and parents feel that financial education is necessary for children and should be taught (APPG, 2011). But having a compulsory standing in the curriculum does not necessarily guarantee that it will be effective. More research needs to be carried out and schools play an important role in facilitating this process.

References

All Party Parliament Group on Financial Education for Young People (2011) *Financial education & the curriculum*. UK: All Party Parliament Group on Financial Education for Young People.

Financial Services Authority (2002) *Personal finance teaching in schools*. London: Financial Services Authority.

Financial Services Authority (2006) *Personal finance education in schools: a UK benchmark study*. London: Financial Services Authority.

Jessie Sim

Research Fellow

CHASM

The views expressed in this briefing are the views of the author(s) and do not necessarily represent the views of CHASM as an organisation or other CHASM members.