1. INTRODUCTION

This is a summary of the report by an All Party Group on financial education led by Justin Tomlinson. This group provides a medium through which Parliamentarians and organisations can discuss the current provision of personal finance education in schools and colleges; ensure young people are equipped to make informed financial decisions; help make resources and qualifications more widely available; and support schools in the delivery of financial capability.

2. BACKGROUND

Two-thirds of people in the UK feel too confused to make the right choices about their money and more than a third say they don’t have the right skills to properly manage their cash. Between 2004 and 2010, individual insolvency levels rose sharply and in the 12 months ending in Q3 2011, approximately 1 in 361 people became insolvent. This is significantly higher than the annual average of 1 in 1,655 people seen over the last 25 years. Without fundamental changes to the way individuals manage their money, this problem will continue to grow. We believe that financial education is a long term solution to the national problem of irresponsible borrowing and personal insolvency. Furthermore, teaching people about budgeting and personal finance will help equip the workforce with the necessary skills to succeed in business and drive forward economic growth.

In schools across England the existing provision of personal finance education is ad hoc, with only 5% of teachers in our survey reporting that they have ever taught the subject. In contrast, it is being introduced in many countries’ curricula as part of their national strategy to improve financial capability. Unless more children and young people in England learn about personal finance, there is a real risk that we will be left behind.

Schools face significant barriers to teaching personal finance education, including pressures on curriculum time, no statutory mandate and lack of awareness of suitable resources. In addition, there is currently little teacher training in personal finance education and therefore limited subject knowledge and confidence. Accordingly, initial teacher training and Continuing Professional Development would provide a good opportunity for teachers to develop the confidence and skills to teach the subject, although schools should retain autonomy on what they feel would be helpful to their staff.

In primary schools the current cross-curricular approach should continue but it is important that primary teachers are fully equipped to teach basic maths and money skills in order to lay the foundation for secondary education.

In secondary schools personal finance education should be provided on a cross-curricular basis grounded in both mathematics and Personal Social Health and Economic education (PSHE education). As personal finance relates to different subjects, it requires coordination and support in each school in the form of a ‘champion’, preferably a member of the Senior Leadership Team. Access to high quality resources and training, sourced by the school’s ‘champion’, would make the teaching of personal finance sustainable.

Personal finance education outcomes need to be assessed to be given curriculum time. A dual mathematics GCSE would offer an excellent opportunity to assess progress in the mathematical components of financial capability at Key Stage 4. However, a single GCSE need not be a barrier to the development of aspects of personal finance in mathematics. PSHE education is currently inconsistent and needs to be revised into clear strands with essential expected outcomes. One of these strands should be personal finance. Training and assessment needs to be improved in PSHE education.

Teachers should always lead on the teaching of personal finance education. However, it is recognised that there is an important role for volunteers from financial service firms and other external experts in supporting the teaching of this subject in schools. Coordination of resources and support available to schools needs to be improved and be readily accessible to teachers who are interested in using them.
3. **KEY RECOMMENDATIONS**

The Government should promote the provision of high quality financial education in schools in England. It should do this by acting on, or supporting, the following recommendations:

**National Provision**
- Personal finance education should be a compulsory part of every school’s curriculum.
- Resources produced by outside organisations and visits of providers to schools should be available and accessible if considered helpful by teachers and quality marked by a trusted body.

**Primary Education**
- Primary teachers should build upon their teaching of basic money and mathematics skills from an early age across the curriculum in preparation for secondary education.
- We welcome the Government’s current proposal to increase the minimum requirement of mathematics GCSE to grade B for primary school teachers and encourage that it should be adopted.
- It would be advantageous to use the opportunity of training days to refresh the mathematics skills of primary school teachers, although we respect the right of the schools to provide training in a way they feel is appropriate.

**Secondary Education**
- Personal finance education should be taught cross-curricular in mathematics and PSHE education with the financial numeracy aspect of personal finance education situated in mathematics and subjective aspects taught in PSHE education. It should be packaged in an obvious and clear way to young people.
- Personal finance elements of maths should be clearly highlighted to emphasise how they relate to real life decisions. If viable, the Government should implement the Smith Report and Maths Review’s recommendation for the twin GCSEs: ‘Application of Mathematics’ and ‘Methods in Mathematics’ to improve financial numeracy and ensure it is examined.
- PSHE education should be clearly defined into four separate strands, one of which should be personal finance. Through reworking the PSHE education syllabus, more focused training and assessment can be developed.
- A school coordinator, or ‘Champion’, should be appointed in each school, preferably from the Senior Leadership Team. This ‘Champion’ should be given responsibility for ensuring that outcomes are achieved across maths and PSHE education, ensuring there is a clear link between the elements of personal finance taught in mathematics and PSHE education and for sourcing resources.

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The full report can be found at: [http://www_pfeg.org/curriculum_and_policy/appg_on_financial_education_for_young_people/appg_strands/appg_inquiry_report.html](http://www_pfeg.org/curriculum_and_policy/appg_on_financial_education_for_young_people/appg_strands/appg_inquiry_report.html)

Or search on the terms ‘all party group financial education young people’ using a search engine.