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19 January 2016

Stuart Burt

Young Enterprise

By email: stuart.burt@y-e.org.uk

**Call for evidence into the impact and effectiveness of financial education in schools across the UK – response from Barclays Bank PLC**

Dear Mr Burt

We welcome the opportunity to respond to this Call for Evidence.

Improving the financial capability and the employment outcomes of all young people is of real importance to Barclays. Ensuring that no one is left behind is central to how Barclays approaches innovation, accessibility, recruitment and citizenship. We understand our role is one of both a major employer in the UK and a bank supporting the financial transactions and accounts of over 16 million personal account customers.

We are keen to not only state the case for financial education as we do in submissions such as this, but to provide extensive free content, education frameworks, and in person support to making the teaching of financial capability and employability skills as easy as possible and to enhance learning outcomes.

Barclays has a long history in leading, funding and supporting a significant number of activities to improve the financial education of young people over the last decade. Barclays financial support for this sector since 2010 alone runs into the tens of millions of pounds through programmes including LifeSkills, Horizons, Barclays Money Skills and pfeg My Money Week.

This response focuses on our most recent evidence limited to programme delivery within education settings but we would be happy to share any additional details or background relating to other settings or product offerings.

Q1. How does your organisation support financial education for young people, in particular within schools?

1. LifeSkills[[1]](#footnote-1) is Barclays flagship employability programme which includes financial education content as a core component. The motivation behind the programme is to create a better future for all young people.  LifeSkills aims to ensure no young person is left behind by equipping them with the key skills needed in the future, boosting our economy and supporting our society.  Aimed at 11-24 year olds, materials are available for young people, teachers, educators (for example youth group leaders) and parents. Since launch in Spring 2013, more than 1.8 million young people have participated in the programme, with over 70 % of UK secondary schools and 24,000 educators registered. Barclays also has financial education resources created in partnership with well-respected national charities such as pfeg, Action for Children and the National Youth Agency. Whilst these resources are also focused on financial skills, they are tailored to different groups, some of which may require additional support. These include primary school children, young people in the justice system, young people with learning difficulties and young people from acutely disadvantaged areas. These are free resources available to all to download and use.
2. There are three areas of learning content included within LifeSkills. These are people skills; work skills and money skills. This submission only highlights the money skills element. The programme provides content in a number of ways to reinforce learning, meet different learning needs and the preferences of educators and influencers. LifeSkills money skills content helps students learn to manage their money now, and identify good financial habits for the future. Content covers six areas of financial education and seeks to improve confidence, knowledge and behaviours.

 These are:

* Attitudes to money
* Making ends meet
* Keeping track of finances
* Planing ahead
* Choosing products
* Keeping informed

Classroom content does not refer to any Barclays products or services, nor contain any Barclays branding.

*Content for teachers / educators*

1. We provide teachers with hours of curriculum linked teacher-led lessons and quick fire activities to deliver in the classroom, covering each of the areas highlighted above. Interactive online content complements this. The materials are broken down by age with options for teachers to create extension activities for students.

Activities include:

* Making ends meet: Helping students identify sensible spending habits based on their needs and wants
* Who wants to be a squillionaire: Introduces students to a number of personal finance terms and concepts using a light-hearted quiz
* Money at work: Helps students understand payslips, tax and NI. Introduces work-based financial terminology and simulates a work-based budget management activity. Explores finances for self-employment.

*Volunteer-led lessons*

1. Schools and Colleges can request a Money Skills volunteer-led lesson. When this happens, Barclays colleagues will go to the school and facilitate sessions, adding real life examples to activities. In 2015 over 510 Money Skills volunteer led lessons were delivered in schools across the UK. This represents 35 per cent of LifeSkills volunteer led lessons. Schools place significant value upon having colleagues in the classroom, stating that it helps students to see the importance of a topic if someone is coming into school to talk to them about it, and that even if it is something the teacher has already covered, a new voice can add new authority to the material covered. To ensure activities are delivered in schools regardless of the resources they have available to co-ordinate it, Barclays provides funding to four charity partners (Transformation Trust, Free the Children, Business in the Community and Children in Scotland) to actively promote and deliver LifeSkills workshops to with schools with more than 21% of students in receipt of free school meals.

*Online interactive content*

1. Complementing in-class activities is a suite of online content. This is designed so that teachers can use it in school, or young people can access it independently of any teaching. Content includes interactive quizzes, articles and tools. The most popular money pages for young people include: Understanding money basics; Spending, saving and borrowing money; Getting to grips with money and banking words; and, Your Money Personality

Q2. Has the need for young people to understand how to handle money changed over the past four years?

1. The importance of young people needing to understand how to manage money has not diminished since the last inquiry. There have been significant changes to the ways in which money is managed and transacted. Contactless payments, mobile payments, money management apps, online intermediaries and the growth of new forms of currency such as Bitcoin present a challenge to the teaching of financial education which must be addressed.
2. With regularity there will be new financial products, government and regulatory changes impacting personal finance. The way which people work in the future will also fluctuate, with it being likely to include more self-employment and multiple part-time roles, leading to more complex financial situations. Young people require an awareness of such topics so they can navigate the impact of these changes. Learning outcomes should also include the fact that circumstances will continue to change over students’ lifetimes so understanding where guidance can be sought to keep up-to-date is important. Specific recent examples include changes to pensions and university fee and loan structures. Teaching content needs to be regularly updated to reflect these changes. Considering the move away from cash to digital payments it is key to ensure that young people are being educated how to access, safely use and weigh up benefits and disadvantages of new channels.
3. This environment will continue to change, ever more rapidly, and as such it is incumbent upon all stakeholders involved in creating learning resources, to instil in learners an approach to money management which can be applied as new technologies emerge in future.

Q3. How effective is current financial education provision in schools across the UK in providing young people with the necessary money management skills required for later life?

Q4. What are the most effective and engaging methods of teaching financial education at primary and secondary level that you have been involved in?

Q6. How can teachers be best supported in delivering engaging and effective financial education in schools?

As questions 3, 4 and 6 are all seeking evidence on engaging and effective interventions, the responses have been grouped together, rather than repeat information.

1. According to our independent evaluation, conducted by the Work Foundation, when the following factors are present in LifeSkills classroom delivery then positive outcomes can be achieved. These can be read across to financial education:
* Small groups;
* Activities and a high-level of interaction;
* Content review and repetition (reinforcement);
* Practice with external professionals;
* Encouragement of the use of the LifeSkills website to review information, and for some, to carry on at a faster pace on their own; and,
* Intense modes of programme delivery.
1. The Work Foundation also reported that evidence from the volunteer led lessons they observed indicated that Money Skills sessions were a novel addition to the schools’ curriculums. The originality of the material meant students found it useful and could see its utility in their future lives, e.g. managing a budget at university. Many students stated that LifeSkills had highlighted to them the importance of money management and given them useful tips in how to effectively engage in these practices. The main drivers of change were practical exercises on budgeting, scenarios of young people and money management and information on products such as high cost credit. The timeliness and relevance of interventions to young people is key to enhancing engagement and learning outcomes.
2. Young people value being able to select the learning methods they prefer. Bitesize LifeSkills learning content delivered by peers or by influencers on YouTube has been very popular. Associated levels of learning are also favourable. Young people completing financial skills content online report high levels of improved knowledge and confidence. 77% better or much better at saving money; understanding what kinds of bank accounts are available; having the ability to plan and spend money; 75% understanding when they can afford something or when they should wait to buy it; and, 73% knowing the meaning of financial terms.

Quotes from young people following money skills sessions in school or online training:

* “I have prepared a monthly budget encapsulating my income and all expected expenses, and thus far this year I have managed to uphold the budget”
* “I have a separate savings account now and I know what is going out of my bank accounts when I am using my debit cards. It has allowed me to become more organised”

Quotes from teachers:

* “This was a brilliant workshops, the delivery from the two volunteers was very good. They engaged with the few pupils we had (which can be hard at times); they were so friendly and made the workshop good fun. Not only did the pupils learn about money management but us staff did as well.”
* “The students really enjoyed the workshops provided by Barclays - it does make a difference when it’s not your teacher telling you these things!”
* “I was really impressed with the volunteers and it was a fantastic opportunity for our students to meet people working in the banking industry and learn about managing money, which is an important skill for their future wellbeing.”
* “The team who delivered the money skills workshop to our Year 7 students were well prepared and very professional in their delivery.  The feedback from students and supervising school staff confirmed this.”

Q5. What impact has the introduction of statutory financial education at secondary level since September 2014 in England had on the amount and impact of teaching in this area?

1. We can demonstrate that there is increasing demand from schools for the delivery of financial skills sessions by bank colleagues and that year on year, more teachers are downloading lesson plans and other content. We can anecdotally attribute some of this to the curriculum changes. That the independent evaluation of LifeSkills found that financial education in school remains a ‘novelty’, mentioned in paragraph 10, could be seen as a cause for concern regarding the impact of the curriculum.
2. Teachers regularly cite lack of time as a reason why they haven’t either reviewed LifeSkills content or been able to deliver it. Content being in the curriculum doesn’t increase the time that teachers have, but it does increase the priority they may pay to a particular topic and the subsequent attention given. As such it is important that the financial education links, limited though they are, remain in place.
3. Our teacher registration and volunteer request data suggests that teachers from across subject areas and leadership responsibilities have an interest in supporting students to develop their financial and employability skills. How schools deliver this content varies between each and every institution. Drop down days and particular school ‘weeks’ are common. We have found that is the flexibility of the content we offer that has made it so popular.

Q7. Should primary schools place as much a focus on financial education as secondary schools?

1. The Money Advice Service amongst others has identified that financial habits are set by the age of 7. Accordingly primary school and parental influencers are extremely important. As such, given the clear importance the curriculum still has in determining how teachers allocate their time, and the defining role primary education has upon children, it would be sensible to include financial education in a future curriculum.

Q8. How do we ensure that all young people – regardless of social, economic or cultural background – leave education with the ability to understand how to budget?

1. Ensuring that all young people learn something requires a number of factors to be in place. These are:
* Integrated delivery – reinforcing learning across subjects and in different contexts;
* Learning resources tailored to different learning styles and with different reference points to ensure engagement, interest and relevance;
* Learning resources with adjustments for different learning needs across the additional support needs spectrum; and
* Educators feeling empowered, supported and with time to prepare and teach

Q9. Do you have suggestions for how government policy could help ensure that all young people leave education financially capable?

1. Government has available a number of levers it could consider using to increase the frequency and impact of financial education teaching. These include:
* Introducing financial education as a statutory element in the primary curriculum.
* Introducing financial education and employability skills awareness to teacher training curricula, delivered through both the academic and practical elements of study.
* PSHE becoming a statutory subject is currently under consideration by the Department for Education. We would encourage the Department to publish its findings in this respect and to carefully consider whether this could be a significant way in which schools could help develop rounded individuals in possession of employability, financial and enterprise skills amongst others.
* Providing greater support to schools and teachers to enable them to embed best practice, learn from others and attend CPD sessions.
* Encouraging a positive social and cultural shift to the discussion of money management within families. This is something the Money Advice Service has started to consider. Given how early in life financial habits are set then it is crucial for parents and carers to be empowered to support their children and to have information on what they need to be sharing.

Q10. What is the impact of financial education on later life and ability of young people to fulfil their potential?

1. There is clear evidence provided by the Money Advice Service and others on the long term impact of financial education interventions. This includes, but is not limited to, improved resilience from financial shocks, planning for life events and securing better value financial products.
2. The financial education programmes funded by Barclays are all independently evaluated to ensure participants have clear improvements in their knowledge, confidence and skills following sessions or courses. For this knowledge to be retained then it needs to be refreshed on a regular basis, whether by forming habits leading to the practical use of what has been learnt or by receiving further guidance from another source.

We would be more than happy to supply any further information and give oral evidence if required.

Yours sincerely,

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1. www.barclayslifeskills.com [↑](#footnote-ref-1)