

# MONEY

In late February and March a flurry of press releases went out to journalists from savings and investments institutions celebrating the fact that personal finance had made it onto the draft new National Curriculum for secondary schools. Included among them were the results of research carried out by The Nationwide indicating 75 percent of the population were in favour of the subject's being taught, with one in two of those polled for the building society suggesting their current finances would have been healthier had had a chance to study money management when at school.

The charity pfeg, which has been campaigning since 2000 for effective personal finance education, was unsurprisingly among those 'welcoming' these developments. In addition to its own efforts, the organisation had been a key contributor to the work of the All Party Parliamentary Group on Financial Education for Young People that had published a report demanding the subject be made a compulsory subject in December 2011 – which had been accompanied by an e-petition in favour of the proposal signed by 118,000 people.

Despite this notable success pfeg's 'applause' was more muted than might have been expected. "The devil's in the detail," explains pfeg chief executive Tracey Bleakley. "The DfE are currently considering all the submissions they received to the draft curriculum and we expect to see the final version in September. There are still ways in which the ball can be dropped." Among the causes for concern is the extent to which schools engage with the subject. "The fear is that it becomes a token topic addressed once a year by handing out a few leaflets," says Ms Bleakley. "We have also made a number of recommendations which we hope will be adopted including extending the teaching of personal finance into primary schools, the appointment of finance education 'champions' in schools and also ensuring all schools, including academies and free schools, are expected to teach the subject to a high standard."

The need for the topic is certainly urgent. The Organisation for Economic Co-operation and Development (OECD), that manages the rounds of testing known as the Programme for International Student Assessment (PISA) has also got in on the act, publishing a framework for the teaching of financial literacy in April ahead of tests they will be introducing in 2015. The rationale for the venture is sobering reading. It describes how Europeans are facing a perfect storm of factors that make financial self-reliance and canny money management a must. In particular, the framework highlights the 'transfer of risk' that is underway as governments and companies shift financial responsibility for such things as higher education and pensions onto the individual's shoulders. Today's students are also growing up in a world in which the access to financial products has never been greater and targeting of young consumers has never been more sophisticated.

## PERSONAL FINANCE EDUCATION TIMETABLE

**Jan 2011** – All Party Parliamentary Group (APPG) on Financial Education for Young People launched.

**Dec 2011** – APPG publishes its report calling for compulsory financial education

**Feb 2013** – New draft National Curriculum for England (NCE) published, including personal finance in

KS 3 & 4 maths and citizenship. DfE begins consultation.

**Apr 2013** – DfE consultation on NCE closes

**Apr to Sep 2013** – DfE considering responses

**Sep 2013** – Expected announcement of new NCE.

**Sep 2014** – New NCE comes into effect



### ABOUT THE EXPERT

JEROME MONAHAN HAS TAUGHT FOR OVER 20 YEARS. IN 1999, AFTER A DECADE WORKING IN LONDON SECONDARY SCHOOLS – BOTH STATE AND INDEPENDENT, HE BECAME A FREELANCE TEACHER, EDUCATIONAL WRITER AND JOURNALIST. HIS BACKGROUND IS ENGLISH, DRAMA, HUMANITIES AND FILM/MEDIA STUDIES. BORROWING FROM ALL THESE DISCIPLINES, HE HAS, SINCE 2000 DEVISED AND DELIVERED A BROAD PROGRAMME OF PRIMARY AND SECONDARY INSET AND STUDENT WORKSHOPS ACROSS THE UK AND INTERNATIONALLY.

"The focus of financial education in schools must always be giving young people the generic skills, knowledge and confidence they need to make sensible financial decisions," says Tracey Bleakley. "This isn't about financial advice – but rather, equipping young people with the tools they need to manage their finances. However, that there is a wider discussion to be had around how we change personal finance behaviour for the better, 'benchmarking' norms analogous to the 'five a day' messages concerning fruit and vegetables. It's a complex issue that would need a lot of work and widespread agreement. We are looking forward to contributing to this debate."

Assuming all still goes to plan, come September, financial education will have a presence in both the new citizenship and mathematics curricula. In the case of the latter, this represents a significant shift in favour of topics requiring the practical application of percentages, proportional reasoning and data interpretation and a triumph over past resistance from teachers concerned that such approaches represent a dilution of the subject.

"This success," says Tracey Bleakley, "is a measure both of the recognition among politicians that effective, embedded financial education is a key way of tackling social inequalities and also the value a lot of teachers have come to see in the subject as a means of raising maths standards." She admits further research is needed, but as a means of gathering evidence to support a bid for such an investigation, pfeg polled opinion among 140 maths teachers it knows earlier this year with three quarters (74.6%) replying that financial education had a positive impact on pupil attainment – though the extent of this 'impact' varied considerably.

Personal finance looks set to become part of the National Curriculum for KS3 and 4 from September 2014 – but will schools be prepared to teach it, and do the draft proposals go far enough? Jerome Monahan investigates...

### USEFUL LINKS

PFEG RESOURCES AND QUALITY MARK  
[TINYURL.COM/TSFINANCE1](http://TINYURL.COM/TSFINANCE1)

PFEG – PLANNING FRAMEWORKS (11-16)  
[TINYURL.COM/TSFINANCE2](http://TINYURL.COM/TSFINANCE2)

THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), PISA 2012 FINANCIAL LITERACY ASSESSMENT FRAMEWORK  
[TINYURL.COM/TSFINANCE3](http://TINYURL.COM/TSFINANCE3)

INSTITUTE OF FINANCIAL STUDIES – 14-19 QUALIFICATIONS  
[TINYURL.COM/TSFINANCE4](http://TINYURL.COM/TSFINANCE4)

NATIONWIDE EDUCATION:  
[TINYURL.COM/TSFINANCE5](http://TINYURL.COM/TSFINANCE5)

MARTIN LEWIS – TEEN CASH CLASS  
[TINYURL.COM/TSFINANCE6](http://TINYURL.COM/TSFINANCE6)

In pfeg's secondary planning framework for financial education, published to give schools a chance to gear up to the changes coming in September, the softer but no less crucial aspects of the subject are covered in Citizenship schemes of work. These address issues designed to help students become better at managing their money and grow as critical consumers geared up to shopping around for products or when considering long-term contracts for mobile phones and the like. It is also in these lessons that the more emotional aspects of personal finance may be tackled, getting teenagers to weigh up the emotional impact of debt and start to marry up their lifestyle expectations with the kinds of careers they feel they might pursue.

According to Ellen McHugh, the enterprise and finance co-ordinator at John Warner School in Hoddesdon, Hertfordshire, it's not surprising that young people face difficulties given the increasingly detached way spending is conducted and ease with which credit appears to be on offer. "Young people rarely have to live within allowances these days, getting used to being able to get cash on demand from parents," she suggests. "Add to this the increasing 'disconnect' that comes with paying for things with plastic and the relationship between spending and actual money can become dangerously separate." And all this, she points out, is occurring against a grim economic backdrop, with the prospects for young people getting well-paid jobs or buying a home becoming increasingly elusive.

"It's important that the topic is tackled gently and incrementally," says Tracey Bleakley. "Too much too young or all in one go and there's a risk of making young people so fearful they disengage." John Warner School

has gained pfeg Centre of Excellence status thanks to its long-standing commitment to a carefully graduated personal finance education. "We begin in Year 7 by getting pupils to think about the kinds of choices they make in our own canteen," says Ellen McHugh. "Personal finance has a part to play in the kinds of planning that students do at the ends of Year 9 and Year 11 when facing exam subject choices, and we currently offer the Institute of Financial Studies certificate course to our sixth-formers. We hope to provide the diploma course also soon – it's the equivalent of an A Level."

"It is amazing what schools such as John Warner can achieve, integrating financial education into all corners of the curriculum," says Tracey Bleakley. "But for me a stand-out moment came when a sixteen-year-old there told me how much she hated the subject. She explained that she had set her heart on owning a flat in central London while pursuing a career as a fashion designer and what a shock it had been realising the gap between what she could reasonably hope to earn, certainly in the early days of such a career, and the expense of the lifestyle she envisaged would be quickly within reach. Of course, I commiserated with her, but then I asked her when would be better to discover this problem – now or six-months into her degree?"