

Executive Summary

MyBnk welcomes the opportunity to comment on these proposals. We restrict our comments to personal financial education within the GCSE and short-course in citizenship.

The context does not reflect the requirement to teach personal financial literacy and the content proposed follows: there is none. This is despite the requirement of the revised English national curriculum and additionally, in our view, the help personal financial capability is to empowering responsible and active citizenship.

The content examined will inevitably influence the programme of study. Omitting personal financial education will negatively influence the provision of such for GCSE students and Key Stage 4 students who choose not to study citizenship but should receive mandatory financial education.

Context should be revised and personal financial income content should be included in three groups:

- personal income and deductions (which may be linked to government spending)
- personal financial choices, consumption, long-term savings (which relate to public spending choices)
- the banking system, interest, credit and debit (linking with how the public sector finances itself)

We have discussed our comments with the Youth Financial Capability Group but the views expressed are our own.

Background

MyBnk is the UK's leading direct deliverer of financial education and enterprise experiences for young people.

Our charity has reached 100,000 11 to 25 year olds in over 450 schools and youth groups with a range of 100 minute to all-day sessions covering topics such as saving, borrowing, pensions, budgeting and university finance. Programmes are delivered within PSHE, Citizenship, and Business Studies as well as cross-curricular.

Workshops are created in-house by teachers, former finance sector workers, youth workers and young people via a Youth Advisory Panel. Our Education Officers are rigorously trained in core subject knowledge and classroom techniques over two weeks, are assessed by young people and teachers after every session and sit exams every six months. In 2012/13, 97% of young people and 100% of teachers rated our trainers three to four out of four for [effectiveness](#).

We use real life case studies, colourful resources, games and videos drawn from their age group and popular culture, enabling young people to explore and form their own opinions. Our team is made up of teachers, youth workers and people who have worked in the financial sector - most of who are in their twenties and share their university experiences with pupils.

We also recently won a [Centre for Social Justice Award](#) for Preventing Poverty, were named [Charity of the Year](#) by Children & Young People Now magazine and provide the financial literacy element of the government's [National Citizens Service](#) and face-to-face side of the [Money Advice Service](#).

Consultation questions

1. Is the revised GCSE content in each of these subjects appropriate?

(a) Citizenship studies

The draft content is inadequate. Specifically there is no content covering personal financial education. The citizenship curriculum should 'enable pupils to manager their money on a day-to-day basis and plan for future financial needs'. Furthermore we strongly believe financial capability is crucial to empower responsible and active citizens and citizenship.

Incomplete content follows from incomplete context, aims and learning outcomes. Points 4.2 to 4.5, Reformed GCSE and A level subject consultation, make no reference of the need to build personal financial capability. The GCSE specifications, point 3 citizenship studies draft GCSE subject content, only mentions how taxes are raised and how government policy decisions relate to individuals. The context guidelines need to reflect the intentions of the [APPG](#), the 118,000 people who signed [petition](#) and the national curriculum and focus on personal financial literacy. The OECD definition is "a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing".

Financially capable individuals may take control of their own financial affairs and that capability helps them understand, interpret and interrogate the finances, choices, obligations and constraints of the state.

Finance appears exclusively under the heading 'The Economy, Finance and Money'. Here the requirement of the revised national curriculum in England, 'how public money is raised and spent', is met. The remaining five national curriculum subjects, 'income and expenditure, insurance, credit and debt, savings and pensions, financial products and services', are overlooked. These subjects were included 'to enable (students) to manage their money on a day-to-day basis and plan for future financial needs'. We strongly believe these subjects must be covered from the perspective of the individual. Secondly the content can be linked to wider society.

We recommend the following content groupings as supportive of significantly increasing personal financial capability and active citizenship:

- Income and wages including minimum wage and payroll deductions - pay slips, tax, national insurance, auto enrolment pensions for the individual. This may be linked to government spending
- Needs and wants, lifestyle choices, budgeting, household costs, insurance, pensions, investments, saving in general and risk for the individual. This may be linked to government choices
- Interest, banking terms, current and savings accounts, flow of money, consumer choice, forms of payment, borrowing, credit and debt for the individual. This may be linked to how the government finances itself.

2. Is the content for citizenship studies GCSE short course appropriate?

Our comments for the short course in citizenship are identical to those for the GCSE and are repeated:

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Equalities Impact

Question 6.

Not specifically and adequately including content related to personal financial education within citizenship risks having a disproportionate equalities impact in terms of equality of opportunity.

There is a growing body of evidence, most notably referenced and evidenced by the OECD PISA financial literacy stream, of significant differences in financial capability within countries.

Underperforming groups include first and second generation immigrants and those from relatively deprived, low-income backgrounds. Recent research suggests differences in financial education and advice could account for up to 40 % of the difference in income at retirement, excluding the impact of starting incomes. (Professor Pierre-Carl Michaud, University de Quebec, Income & Wealth.

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