MyBnk's submission to the APPG on Financial Education, July 2022

Introduction

MyBnk is a UK charity that delivers expert-led financial education programmes to 7-25-year-olds in partnership with schools and youth organisations – in-person, virtually over Zoom and online.

Together with young people, we have created innovative, high impact and high energy workshops that bring money to life. By spend, we are the UK's largest charity dedicated to this cause, operating in England and Scotland. We are the leading specialists working with young adults who cannot afford mistakes. We operate to the highest standards of evidence of impact. We have two core objectives – _directly delivery impactful financial education ourselves and influencing the sector to increase reach and quality for all.

Since 2007 we have helped over 300,000 young people learn how to manage their money, this year alone with 23,000. Our expert-led programmes build financial capability at key transitional moments, addressing mind-sets, attitudes, and behaviours to help young people form an understanding of the wider world of money. We also support content, training, and quality control for partners.

Our financial education workshops help form positive saving and spending habits, connect the dots between public and personal finance and arm young people with practical money skills, teaching them how to navigate the system and make informed decisions. Topics range from budgeting, banking, and borrowing to student finance, tax and pensions. Outcomes sought are relevant to age and situation, through habit setting at early ages, preventative skills and knowledge in teenage years through to practical ways to survive and thrive for those entering independence. We help young people make the right choices for themselves. See programme range, here.

With our colleagues from the Youth Financial Capability Group (YFCG) we have developed a Joint Policy Position (JPP) regarding Financial Education for Children and Young People. The YFCG believes schools should choose the approach to financial education that works best for their students. To help we prepared and distributed Financial Education Planning Frameworks for both Primary and for Secondary schools, and a Guide for Schools.

MyBnk's submission builds upon the YFCG Joint Policy Position, but our comments specifically relate to our considerable experience and independent evidence of delivering expert-led financial education into primary and secondary schools and sixth form colleges across the UK over the past 15 years.

Financial education – who plays a role?

1. **What role if any do you think schools should play in the delivery of financial education?**

   Schools should play the leading role in the delivery of financial education.

2. **If you think schools should play a role, please reflect on why you think this is important.**

   Although at an early age, parents and carers are a greater influence on the financial capability of their children, and in teenage years peers are significant influencers (MaPS research), schools and colleges are places of learning and compulsory to attend for ages 5-18. Schools provide place and opportunity to systemically reach young people. It is challenging to reach young people directly through the media or indirectly through their parents.

   Teachers may directly provide financial education, supervise their students to complete studies online and/or facilitate specialists, such as MyBnk. (ibid. Guide to Schools).

3. **If you don't think schools should play a role, please reflect on which audiences you consider should.**

   Schools are not exclusive. Other channels are also relevant – _indirectly through parents, peers and near peers, through other organisations where young people are present such as National Citizenship Service, Guides, Scouts and from other providers such as banks and building societies. However, it is only through schools that all children can be reached.

Challenges and barriers schools face

4. **Thinking about the delivery of financial education in secondary schools, please share reflections on any challenges and barriers that these schools and their teachers face.**

   We would divide challenges and barriers into three:

   a. Attaining and maintaining expertise and competence. (That is knowing the outcomes to achieve, assessing, or creating appropriate resources, acquiring, and maintaining the expertise to deliver).

   b. Time. (Finding time in the school day or after school given other priorities).

   c. Cost: (Either the opportunity cost of teacher time or potentially the explicit cost of a third-party provider).

   In terms of competence, our view is resources are widely available to help teachers support appropriate learning outcomes. Examples include Martin Lewis' financial education textbook, resources quality-marked by Young Money, and the regular release of resources by banks, charities, and others.

The greater challenge is for teachers to attain and maintain the competence and confidence to prepare and deliver financial education. Many teachers admit that their own financial skills are poor. Despite the efforts of organisations such as Young Money and The London Institute of Banking and Finance, who offer teacher training, progress towards universal financial education appears slow.

We believe it is intrinsically challenging to train teachers and maintain their expertise about money. Although the principles of financial education and the learning outcomes to be achieved at each age are relatively constant, context is fast changing. For example, within the last few years exposure to crypto currencies and swapping and paying with tokens has emerged, sometimes leading to inappropriate spending and/ or gambling amongst school children. It is difficult to remain an expert in money as a teacher when only infrequently delivering financial education.

Training teachers is a good option within a whole-school approach, where senior leaders are committed to outcomes and to refresh training and resources regularly to do so. Supporting external experts to deliver financial education can be a more efficient and effective option (see question 6).

Teacher turnover is high, and expertise can be quickly lost. There are further impacts. For example, MyBnk had a relationship with a senior teacher at a south coast school who facilitated us to deliver financial education for Key Stages 3, 4 and 5. When the teacher left, the relationship and provision ended.

Finding time in the school day is a systemic issue at secondary schools. Academic subjects are prioritised. Teachers are often on performance related pay linked to student grades in assessed subjects. Financial education will be a negligible component of the assessment and unlikely to be prioritised relative to weightier subjects.

Although organisations, such as MyBnk, can provide financial education at a cost of £20-30 per student schools may prefer the 'free' _options of internally training teachers or utilising volunteers. Schools and teachers, of course, will incur opportunity cost. Volunteers are unlikely to be good teachers or sufficiently expert. Outcomes at the level of the student will likely suffer.

5. **Thinking about the delivery of financial education in primary schools, please share reflections on any challenges and barriers that these schools and their teachers face.**

Our comments for primary schools are consistent with those for secondary schools. However, they tend to be less serious and more easily overcome.

Learning outcomes are simpler but more profound for primary-aged children. Context changes less. The pressure on time within the school day is less. MyBnk delivers more education into primary schools for ages 7-11 than into secondary schools for ages 11-16.

For the youngest we believe teacher training is the best option, given the 'settling-in' challenges for young children.

6. **In what ways could secondary schools be better supported to overcome the challenges and barriers identified?**

   If the objective is framed in terms of the outcomes achieved for the young person, we believe there is a strong argument supporting scaling direct delivery as more cost-effective than focusing on training teachers.

   Supported by MaPS and independent evaluators, MyBnk led a research project in 2020-21 to compare methods of delivering financial education to 16 and 17 year olds: MyBnk and the Money Charity delivered programmes using their experts, MyBnk further provided content, training and support and quality control to a commercial organisation (Learn By Design) who then delivered MyBnk's programme to schools; Young Money trained teachers. Impacted by the pandemic, the study demonstrated that direct delivery from a specialist is a more robust method to achieve impact for the young person. Young Money, were unable to train the teachers they forecast and those that they trained, did not go on to deliver financial education. In contrast Learn By Design, supported by MyBnk achieved similar outcomes to MyBnk and achieved their targets for reach. We recommend a further comparative study in 'normal times' _to enable the original objective of a cost-benefit comparison to be achieved.

   Additional independent evaluation by Substance of MyBnk's secondary school programmes showed 73 % of teachers believe outside experts are better placed to deliver than other teachers. 70% thought they were more effective than volunteers.

7. **In what ways could primary schools be better supported to overcome the challenges and barriers identified?**

   See secondary schools.

8. **Any are there any primary or secondary schools that face unique challenges and barriers to delivering financial education? (For example, by region/ Indices of Multiple Deprivation decile).**

   MyBnk published a study in 2021 which considered the incidence of low baseline financial capability of 2100 children attending the primary schools with which we work (Young people most in need or YPMIN). We found approximately 1 in 3 YPMIN in schools characterised by above the national average of pupils eligible for free school meals and located in areas of multiple deprivation compared to 1 in 4 or 5 for primary schools in general.

   As a result of our programmes, YPMIN make the largest percentage point increase in money knowledge, skills and confidence, being brought to above the baseline for peers from more affluent areas. Across three multi-year independent evaluations, progress for all young people has averaged 7% against a range of financial capability indicators, while for YPMIN it has averaged 56%. We believe our initial study provides enough evidence to suggest a link between young people most in need of financial education and financial deprivation.

A next phase of research would be to include more schools and young people, break down the relative need categories into smaller groupings to identify whether the YPMIN deprivation correlation follows a larger trend line and to corroborate this quantitative analysis with qualitative findings. MyBnk has already adopted a policy of targeting schools likely to contain a high percentage of pupils that are YPMIN. If the results of the study prove generally applicable, supporting proven interventions, such as from MyBnk, to reach YPMIN may be an efficient and effective strategy. For the mainstream 4 in 5 who are not YPMIN, lighter-touch interventions may be sufficient. We would welcome further research.

Another broad group which faces challenges are rural areas and seaside towns. We find there is less external support available in these areas and that baseline financial capability for young adults entering our Money Works programme is lower for rural areas relative to urban.

9. **If yes, please reflect on what these unique challenges and barriers are and what solutions could address them.**

   See question 9 and consider targeting rural areas.

Other support for the delivery of financial education

10. **Please share any other policy mechanisms that would better support schools to deliver high quality financial education among both primary and secondary aged children.**