Financial Education in Secondary Schools in the UK

May 2023

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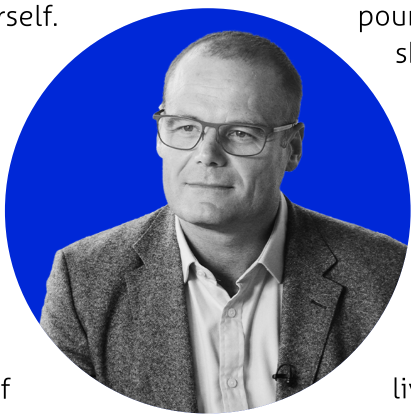
Foreword

Mark Bailie, CEO of Compare the Market

Everyday life is full of financial decisions. From big decisions like buying a house or investing money, to more regular day to day choices, such as finding good deals, managing household bills and using a credit card, many of these can be complicated and overwhelming if you don't have the tools to help you understand your options and secure the best outcome for yourself.



This report aims to provide valuable insights into financial education in UK secondary schools and its impact on young people's financial literacy. We hope that the findings will be useful and thought provoking for policymakers, educators, and other stakeholders alike in the field of financial education.

We know that most people leave school with an inadequate grasp of basic finance. This lack of financial confidence and understanding can have a real impact on their adult lives, limiting the choices of financial products available to them and with potential to significantly increase the amount they pay throughout their lives.

At Compare the Market, we're passionate about helping people save money and get great deals on their household bills. That's why we are partnering with MyBnk to help more young people get better access to high-quality financial education, removing financial stress and helping them gain the skills they need to manage money in a cost-effective way. This means ensuring they are better equipped to make companies fight for their business by offering better deals, and where we can help is to make searching and comparing those deals as easy as possible. Over three years, the partnership aims to help over 70,000 young people directly.

According to our latest Money Action Index, despite recent bill increases, 59% of households who are worried about rising costs have not taken steps to bolster their finances. This is a significant financial decision given we're in the worst cost-of-living crisis for over a generation and there are potentially hundreds of pounds of savings available by simply shopping around.

The importance of understanding how to make good financial decisions is further supported by our Household Financial Confidence Tracker research, which found that as the cost of living has risen over the past 12 months, 44% of 18- to 24-year-olds feel they are in a worse position financially compared to a year ago. Over a third (34%) have found it difficult to keep up with household expenses such as rent, energy, water, and credit card bills over the past six months.

It's clear that young adults at the start of their financial lives are bearing the brunt of inflation and the cost-of-living crisis. That's why we will continue to support MyBnk and work with policymakers, businesses, households, and schools to think seriously about how we, as a society, can improve financial understanding.

Foreword

Leon Ward, CEO of MyBnk

From a very young age, we interact with money almost every day. Yet, there remains a chasm in financial education across the UK.

It is no surprise that when we first talk about MyBnk's work, one of the most common responses we get is "I wish I'd learnt that at school". Without knowledge of the concepts, products or economic state they are about to enter, how can the young people of today thrive as adults tomorrow?

This research shows that two-fifths of 18–24-year-olds are not financially literate. This is deeply concerning given the current economic crisis and its impacts on mental health and wellbeing. Young Minds' research found that rising costs are the major worry for over half (56%) of young people. Young people reported disruption to daily life, particularly their diet and sleep – two cornerstones of good health and wellbeing. Improving the financial capability of young people can help them cope with this situation, and prevent serious future problems, including poor mental health, unemployment, and homelessness.

Our research also shows that 18–24-year-olds who are unemployed or from lower income backgrounds are more likely to have lower financial literacy. Two-thirds of MyBnk's work is now with 16–25-year-olds in challenging circumstances, such as those leaving the UK care system. Given the vast majority of people in the UK complete their secondary education, we recognise this is a crucial sector for MyBnk to support, particularly in areas of deprivation.

Within any changes to the national curriculum, we urge the government to consider a focus on money management topics with practical maths interlinked. We also acknowledge the pressures and constraints teachers face, including the time needed for lesson preparation and any upskilling needed to teach personal finance topics.

Indeed, as this report shows, teachers are currently carrying the weight of educating pupils about money. Echoing findings from the 2023 APPG (All Party Parliamentary Group) report, many highlighted time as a key constraint, and noted that more efficient use of the school day would be the best way to find additional time. This is where organisations like MyBnk can step in, with quality resources and expert trainers who are up to date on the financial landscape.

With 61% of young adults not able to recall receiving financial education at secondary school, curriculum requirements, encouragement and help appear to have reached a limit and are not resulting in financial capability for all. In the absence of a minimum provision of financial education in schools, financial education is likely to remain an unloved subject that may be de-emphasised to fulfil the many other commitments schools and teachers face. Our recommendations also reflect the important role of family, friends, charities and businesses in building the financial capability of young people.

Given the combined economic and health benefits that financial education can provide, MyBnk remains committed to delivering programmes across the country and calling for greater prioritisation of this critical issue. Preparing children and young people to be financially confident and capable as they enter adulthood will provide rewards for us all.

We are proud to publish this white paper with Compare the Market and stand ready to offer our insights and expertise to ensure that every young person can make informed money choices.

Executive Summary

Key findings:

Current state of financial literacy and financial education levels in the UK

- Based on the Compare the Market and MyBnk Financial Education measure, only two in five young adults (41%) in the UK are financially literate.

- Almost two-thirds (61%) of young people do not recall receiving any financial education at school, compared to under a third (29%) who do recall receiving financial education.

- On average, those who received financial education lessons were taught for approximately 48 minutes. Translating this to a weekly basis, this is approximately 11 minutes.

- For those who received financial education in secondary school, the average time spent studying mathematics was 33 times more than the average time spent receiving financial education at school.

- The vast majority of respondents (70%) aged 18-24 support the implementation of regular financial education lessons in schools.

- Only one per cent of teachers stated their opposition to providing financial education lessons in schools, suggesting a strong consensus of support.

The link between financial education and financial literacy

- The analysis finds a statistically significant positive association between the logarithm of average hours of financial education per week and financial literacy.

- 30 hours a year of financial education for 11- to 18-year-olds is calculated as the minimum amount for the majority of young adults to be financially literate.

Differences in financial literacy by demographic

- Former private school students, those in full-time work or education, those coming from suburban or rural areas, and those coming from households with higher incomes are more likely to be financially literate.

- Respondents who are unemployed or not working for other reasons saw the lowest shares of those considered financially literate, at 26% and 22%, respectively.

The relationship between financial literacy and use of financial products

- Financial literacy is observed to be positively correlated with the uptake of riskier financial products, such as stocks and shares individual savings accounts (ISAs).

- Only 47% of Buy Now Pay Later (BNPL) users are financially literate and only 44% of credit card holders are financially literate.

Avenues to improving financial education

- Those who did not receive financial education in school appeared to be more financially literate (47%) than those who did receive financial education (33%). Analysis of this statistic provided in conclusions below.

- For those who did not receive financial education at secondary school but were classified as financially literate, nearly two thirds (63%) stated that they received financial education from parents or carers.

The constraints and demands on teachers

- From the perspective of teachers, over three-quarters (78%) stated that financial education lessons are being delivered in schools and 81% stated these were mandatory.

- Of teachers who said that financial education is being delivered in their school, eight in ten (80%) stated that they were personally responsible for preparing and collecting materials.

Executive Summary

- Nearly half of teachers (47%) who believe that financial education should be delivered at schools deemed the training of existing school staff to be the most beneficial factor to improve the provision of financial education.

- On average, teachers believe they need 12 days to train themselves to deliver financial education content. In addition, teachers believe that, on average, 82 minutes of preparation is needed to prepare the material required for an hour-long financial education lesson.

- Among teachers who stated that more time would be beneficial to ensure that financial education is delivered at their institution, 57% believe that making more efficient use of the school day is the best way to find additional time. Examples include using evidenced quality resources, bringing in external resourcing, such as financial education charities, or having dedicated internal resourcing.

A minimum time standard for financial education and its potential impact

- Our analysis also quantifies the effect of increasing the quantity of financial education in schools. Increasing the share of financially literate individuals in the population by a single percentage point, equivalent to approximately 55,000 young adults, requires, on average, a 24% increase in the average hours per week spent on financial education, or approximately 12 minutes per month.

- If just under three and a half hours each month is committed to financial education for 11-18-year-olds in the UK, this could help make the majority of young adults financially literate and increase current literacy levels by 44%. This in turn could positively impact UK economic activity.

Conclusions:

Based on our research, we find that financial education is not being adequately provided in UK schools. Nearly two-thirds of young people cannot recall receiving any financial education at all, while those who did receive financial education were taught for only 48 minutes, per month, on average. This amount of time is significantly less than the average time spent studying academic subjects or developing non-academic skills outside of school. However, the majority of teachers and young people surveyed supported the regular provision of financial education lessons to students at school.

Additionally, those who did not receive financial education in school appeared to be more financially literate than those who did. Although this result is based on smaller samples, it does suggest potential issues with the standard of financial education in schools. Further investigations could be undertaken with larger sample sizes to identify how financial education is being delivered in secondary schools, and how it could be improved.

Our findings suggest that the scarcity of financial literacy among those who received financial education in school is linked to an infrequency of financial education lessons. A majority of young adults who recalled receiving financial education in school found that the financial education provision in their schools was relevant, well-taught, and of good quality. Taken in conjunction with our findings on the average hours that young adults received financial education in schools, alongside comparisons to the time spent on other skills and subjects, it is evident that quantity is a core issue behind the lack of financial literacy in young adults.

However, there are existing constraints on secondary school teachers due to competing demands on their time and in some cases a lack of financial education teaching expertise. Increasing the quantity of financial education provision without impacting other aspects of pupils' development is therefore challenging.

Furthermore, our research shows that providing the necessary training and resources for teachers to deliver quality financial education can be a time-consuming and costly process. Thus, external resources, such as financial education charities, could be utilised to supplement in-school financial education. The findings also demonstrate that financial education should not merely be confined to the classroom and that there is a role for parents, carers, businesses, employers, and the wider community.

Executive Summary

Policy Recommendations:

1. Guarantee 30 hours a year of financial education for every 11–18-year-old regardless of which education pathway they are on

The Prime Minister recently highlighted the importance of numeracy skills. MyBnk supports this but urges for a focus on money management and practical maths skills linked to this. This research suggests that only 41% of young people can be classified as financially literate. Therefore, this report is calling for all 11- to 18-year-olds to receive 30 hours a year of financial education - calculated as the minimum amount for the majority of young adults to be financially literate.

MyBnk stands ready to help educational establishments and employers meet this minimum standard through our expert-led financial education sessions and quality evidenced resources. MyBnk recommends reviewing how time could be created to accommodate these minimum required hours of financial education, for example by reducing time spent on other subjects, including it in the curriculum for other subjects, or making more efficient use of the school day.

The research also suggests that 63% of children not receiving financial education in schools but considered financially literate were taught by their guardian. This shows the critical importance of continuing financial education outside of schools to maximise its impact. MyBnk therefore recommends schools disseminate dedicated "guides" or "toolkits" for young people and guardians to use as part of the 30 hours.

2. Include financial education in regulatory frameworks to establish high standards of teaching

Alongside having a minimum provision of financial education, there is also a need to help ensure that it is delivered. This can be achieved by schools and teachers working with the devolved education departments and regulators across the UK to factor in a minimum provision of financial education as part of their grading systems.

Along with minimum hours, this would also look at the quality of the financial education being delivered. This would draw greater attention to the importance of having a minimum provision.

Although financial education is currently on the curriculum for state secondary schools, not all schools are required to follow this, including academies and private schools. Therefore, having teachers and schools partnering with both devolved education departments and their regulators, and having financial education monitored and assessed, will help to ensure that it is delivered more consistently across the UK.

3. Establish an awards programme to celebrate students, teachers, parents and carers, charities and others who excel in financial education

Similar to the 'Points of Light' programme where outstanding members of communities are recognised for their contributions, we believe that individuals and organisations going above and beyond to promote financial education should be rewarded for their efforts.

The Points of Light programme could be a blueprint for a financial education award for those who have made outstanding progress. This could give individuals and organisations a huge morale boost and bring closer attention to the importance of financial education. It would also help to ensure that financial education is a joint effort by policymakers, businesses, households and schools.

MyBnk recommends that this awards programme is run by the Money and Pensions Service or the Department for Education or equivalents in the devolved nations.

Methodology

Our report explores the current reach of the UK's financial education curriculum in secondary schools and investigates the link between financial education and financial literacy. Additionally, we explore the establishment of a minimum time for financial education in schools, before looking at the potential benefits of such an implementation.

The research is structured around three key areas of interest:
1. The coverage and quantity of financial education
2. The impact on financial literacy
3. The impact on the wider economy and society

The first aimed to investigate the extent of financial education coverage and frequency of financial education lessons in secondary schools. Two surveys were conducted with young adults and teachers to explore their experiences.

The second area of interest focused on assessing the impact of financial education on financial literacy. A bespoke method of measuring financial literacy will be presented, and data from surveys will be analysed to determine the impact of financial education on the financial literacy rates of young adults.

Finally, the third area of interest aimed to assess the relationship between improved financial literacy and economic variables, such as gross domestic product per capita (GDP per capita). We did this to test if there was a correlation between financial literacy and economic growth. The objective of this was to establish a link between increased provision of financial education and improved financial literacy, which, in turn, leads to a positive impact on the economy.

Section 1: An overview of financial literacy and education in the UK today
We present an analysis of financial literacy in the UK in comparison to other countries. Our analysis draws on data from reputable sources such as the S&P Global FinLit Survey and the Organisation for Economic Cooperation and Development (OECD). The S&P Global FinLit Survey is a geographically comprehensive survey of financial literacy conducted by S&P Global and the World Bank Group, which measures financial literacy in four areas: financial knowledge, financial behaviour, financial attitudes, and financial confidence. Respondents must answer correctly on at least three out of four topics to be classified as financially literate, with the four topics being risk diversification, inflation, numeracy, and interest compounding.

To assess the relationship between financial literacy and living standards, we conducted a statistical analysis of the association between financial literacy on the S&P FinLit measure and GDP per capita. This analysis allowed us to determine whether financial literacy is positively associated with higher living standards as approximated through higher output, and to estimate the monetary value of this association.

Furthermore, this section includes a literature review, which entails an examination of the current curriculum requirements for financial education in schools. Specifically, we scrutinised the UK's Strategy for Financial Wellbeing, which was developed by the Money and Pensions Service (MaPS), along with the accompanying guidance that has been issued to secondary schools. Additionally, we emphasise the mandate for maintained schools to integrate financial education into their curriculum since the National Curriculum underwent a revision in 2013, which made financial literacy education a legal requirement effective from September 2014. Our literature review also encompasses an analysis of the resources and support that have been provided to relevant stakeholders in the delivery of financial education, while simultaneously tracking the outcomes that have arisen since the statutory requirement of delivering financial education in schools was instituted.

Section 2: Examining the link between financial education and financial literacy in the UK
This section utilises insights from a custom survey of exactly 4,000 young adults aged 18 to 24 in the UK to learn more about their experiences of financial education in school. Compared to the

Methodology

general adult population, this age group has more recent experience with financial education in school, making their insight highly relevant,

As part of the survey, young adults aged 18 to 24 were presented with the following definition of financial education: 'lessons and exercises to help them better manage money. Examples include advice and information on how to budget, invest, save, or borrow money.' With this definition in mind, young adults were then asked 16 questions pertaining to their financial education and financial literacy.

This section has been split into five main sub-sections:
1. Provision of financial education
2. Time spent on financial education versus other activities
3. Financial literacy of respondents
4. The relationship between financial education in secondary schools and financial literacy
5. Attitudes regarding financial education and perceptions of financial literacy

The first sub-section examines the provision of financial education during respondents' time in secondary school. Our survey asked these young adults if they recall receiving financial education at school, how frequently lessons were offered, and the average length of these sessions. Using these responses, we calculated the average amount of time young adults spent receiving financial education when it was available. We also assessed the perceived quality of financial education lessons delivered in secondary schools and included the findings in this sub-section. Finally, we investigated external sources of financial education to determine their role in promoting financial literacy among school-going children.

In the second sub-section, we compared the time spent on financial education to the time spent on developing non-academic skills and studying academic subjects. Our survey asked young adults to report the amount of time spent on extracurricular activities and academic subjects, including time spent on school lessons, homework, and revision. We then compared these figures to the average time spent on financial education, as determined in the previous sub-section.

In the subsequent sub-section, we aimed to evaluate the financial literacy levels of the young adults in our sample. To accomplish this, we designed a new measure, the Compare the Market and MyBnk Financial Education measure (henceforth referred to as the FinEd measure). This was developed with insights from Compare the Market and MyBnk. The FinEd measure comprises questions from the S&P FinLit survey, as well as three additional topics concerning perceptions of spending, budgeting, and financial confidence. Respondents must correctly answer at least five out of seven topics to be regarded as financially literate by the FinEd measure. Using the responses obtained, we assessed the financial literacy of the entire sample and examined the variance in financial literacy levels across different demographic categories, such as nation, region, type of school, rural-urban place of residence, employment status, annual household income, and the adoption of various financial products.

In the fourth sub-section, we examined the correlation between financial education provision in secondary schools and financial literacy levels. By dividing respondents based on whether they received financial education in school, we analysed whether there were noticeable variations in financial literacy levels between those who received financial education and those who did not. We then utilised data from previous sub-sections to explore potential differences.

In the final sub-section, we explored how young adults perceived financial education and their own financial literacy in comparison to their actual financial literacy as measured by the FinEd metric. By surveying young adults on their own views of their financial resilience and literacy and segmenting them based on whether they received financial education in school, we gained insights into how financial education impacts their personal perceptions. We included questions to assess respondents' perspectives on their financial literacy and education, including whether they believe they are financially literate. It is essential to note that this sub-section aims to investigate young adults' subjective viewpoints on these topics, and personal opinions may not be indicative of their actual financial capability, as various idiosyncratic factors can influence personal perceptions. As such, young adults' perceptions of their financial resilience and literacy may not necessarily align with their true level of financial knowledge and preparedness.

Section 3: Incorporating the perspectives of secondary school teachers

Section three of our report focuses on the perspectives of secondary school teachers regarding financial education in the UK. A bespoke survey was conducted among 645 teachers across the country to obtain an understanding of the current state of financial education provision in secondary schools. While the findings from this survey cannot be directly compared to the young adult survey due to differences in the sample structure, it provides a clear picture of the current state of financial education provision in secondary schools.

The survey presented the same definition of financial education as the young adult survey and included 15 questions to gauge teachers' attitudes towards incorporating financial education into various school subjects, their personal preparedness to teach such content, and the potential cost of reducing teaching time for other subjects. This section is divided into four sub-sections:

1. Current provision of financial education
2. Perceptions of financial education in secondary schools
3. Minimum time requirements for financial education according to teachers
4. Wider sentiments and awareness surrounding financial education

The first sub-section examines the reach of financial education in secondary schools as perceived by teachers, as well as their involvement in delivering financial education lessons. To this end, the survey included questions on the presence of financial education lessons, the delivery method of such lessons, and teachers' responsibilities related to their delivery.

The second sub-section explores secondary school teachers' perspectives on financial education. It covers the time and costs associated with training and delivering financial education lessons, the preparation of financial education lessons, the integration of financial education into daily school activities, and ways to ensure adequate provision of financial education in schools.

The penultimate sub-section investigates teachers' sentiments regarding the implementation of a minimum standard for financial education. The survey included questions on teachers' opinions on implementing a minimum time for financial education. Using the results, we were able to formulate a minimum time requirement from the perspective of teachers while making some assumptions.

Finally, the last sub-section explores wider sentiments surrounding financial education, including teachers' opinions on the most effective age group to deliver financial education to, as well as the age at which such education should start and teachers' awareness of the expected outcomes associated with financial education from different authoritative institutions. The survey included questions covering these topics, and the findings are presented in this sub-section.
Where possible, we provide comparison between different school types to highlight priority areas for improving financial education and literacy inclusively.

Section 4: A minimum time for financial education

This section of the report aims to investigate the possibility of establishing a minimum time for financial education in secondary schools, based on the survey results. To achieve this objective, we examined the frequency of financial education provision by determining the number of hours per week that respondents received financial education in school between the ages of 11 and 18. Using the data from the young adult survey, we grouped respondents based on the average number of hours per week they received financial education, and discerned the share of financially literate individuals in each group, using both the S&P FinLit measure and the FinEd measure. Following this, we ran a regression of financial literacy levels on the number of hours per week students received financial education, with our findings reporting that there is a positive and statistically significant relationship between the logarithm of hours of financial education received and the scores on each of the two financial literacy measures, suggesting that receiving more hours of financial education causes greater financial literacy.

To determine the necessary uplift required to ensure at least a majority of young adults are financially literate, we utilised the findings from the young adult survey on the share of respondents who can be considered financially literate across all young adults who received financial education. Based on this uplift, we then calculated the required hours per month of financial education needed to ensure that a majority (or more) of young adults are financially literate, using the results from the regression analysis that we conducted, after adjusting for sample size and outliers for each of the financial literacy measures.

This section also discusses the broader benefits of establishing a minimum time for financial education in secondary schools. We explored the correlation of financial literacy with economic variables, including GDP per capita, unemployment, and inequality across various countries. By analysing the results of such a correlation analysis, we examined the potential impact on economic growth due to a boost in financial literacy arising from the implementation of a minimum time for financial education. However, we acknowledge that such a calculation assumes that the current statistical relationship observed among a sample of countries between GDP per capita and financial literacy scores remains constant, and therefore we cannot claim that better financial education will necessarily cause higher GDP per capita.

In summary, this section presents a quantitative approach to assess the minimum time required for financial education in secondary schools and highlights the potential benefits of boosting financial literacy, including its correlation with economic variables.

1. Financial literacy and education in the UK today

This section provides an overview of the current state of financial literacy in the UK and examines the level of financial education in schools. It will utilise data from various sources to compare the level of financial literacy in the UK to other countries and explore the reach of financial education programmes.

1.1 Introduction to financial literacy and the UK in context

Financial literacy is a broad term that generally refers to an individual's ability to understand and manage their own personal finances. Various exact definitions have emerged over recent decades, as the importance and benefits of financial savviness and vigilance have become clearer in light of several economic crises worldwide, including the current cost-of-living crisis. These definitions cover areas such as knowledge of financial concepts, ability to budget and save, and access and exposure to appropriate financial products and channels.

One measure of financial literacy is Standard & Poor's Ratings Services Global Financial Literacy Survey (S&P FinLit). [1] The S&P Global FinLit Survey is a geographically comprehensive survey of financial literacy around the world, conducted by S&P Global and the global financial literacy advocacy organisation, the World Bank Group. The survey aims to measure financial literacy and understanding in four key areas: financial knowledge, financial behaviour, financial attitudes, and financial confidence.

The latest available data, completed in 2014, saw interviews completed with over 150,000 adults in more than 140 countries. This approach, harnessed in the present study, asks respondents about four basic financial concepts: diversification of risk, inflation, interest compounding, and numeracy.

The 2014 study found that just a third of adults worldwide are financially literate, with slightly higher levels of literacy among men than women. On a country comparison basis, financial literacy levels were generally higher in more developed economies. As shown in Figure 1, the UK ranked sixth in the world on this measure, with higher scores only seen in some Scandinavian countries, Israel, and Canada.

Financial literacy on the S&P FinLit measure correlates strongly with living standards. Analysis presented in Figure 2 shows a positive relationship between the share of adults who are financially literate and per-capita GDP in 2014, with the latter expressed in current price purchasing power parity US dollars.

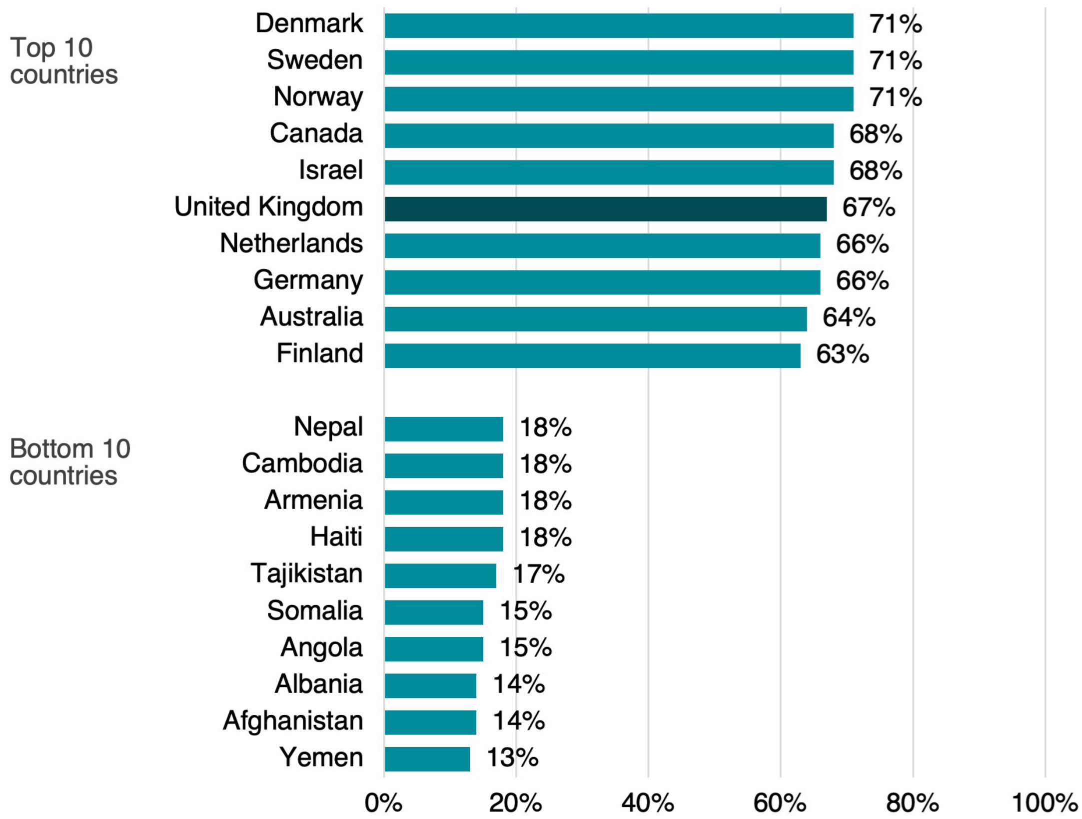
This is the case when stratifying the sample into high-income and non-high-income countries. Indeed, for high income countries, a one-percentage-point higher financial literacy share was related with an additional $427 in per-capita GDP in 2014. [2]

1 Global Financial Literacy Survey, Standard & Poor's Ratings Services (2014). Available here.

2 This figure should not necessarily be taken as representing a causal relationship. Higher financial literacy may itself by facilitated by greater prosperity, and living standards may be driven by other factors that are positively related with financial literacy, both of which would bias the estimate.

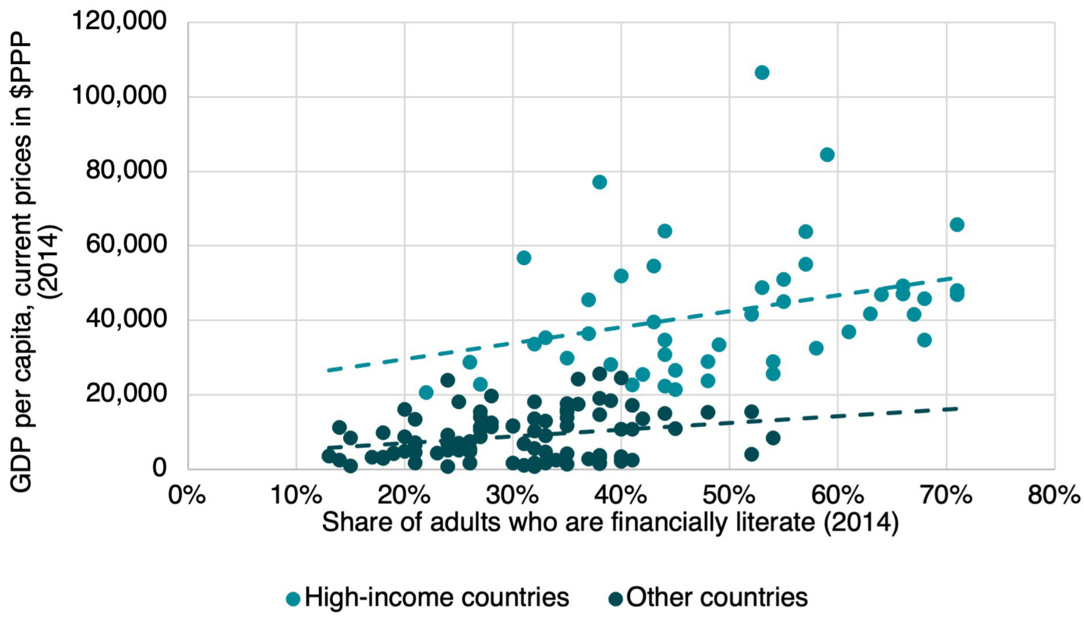
1. Financial literacy and education in the UK today

Figure 1: Share of adults who are financially literate in different countries, S&P FinLit 2014 measure



Source: S&P FinLit Survey, Cebr analysis

Figure 2: Relationship between financial literacy and per-capita GDP (2014)

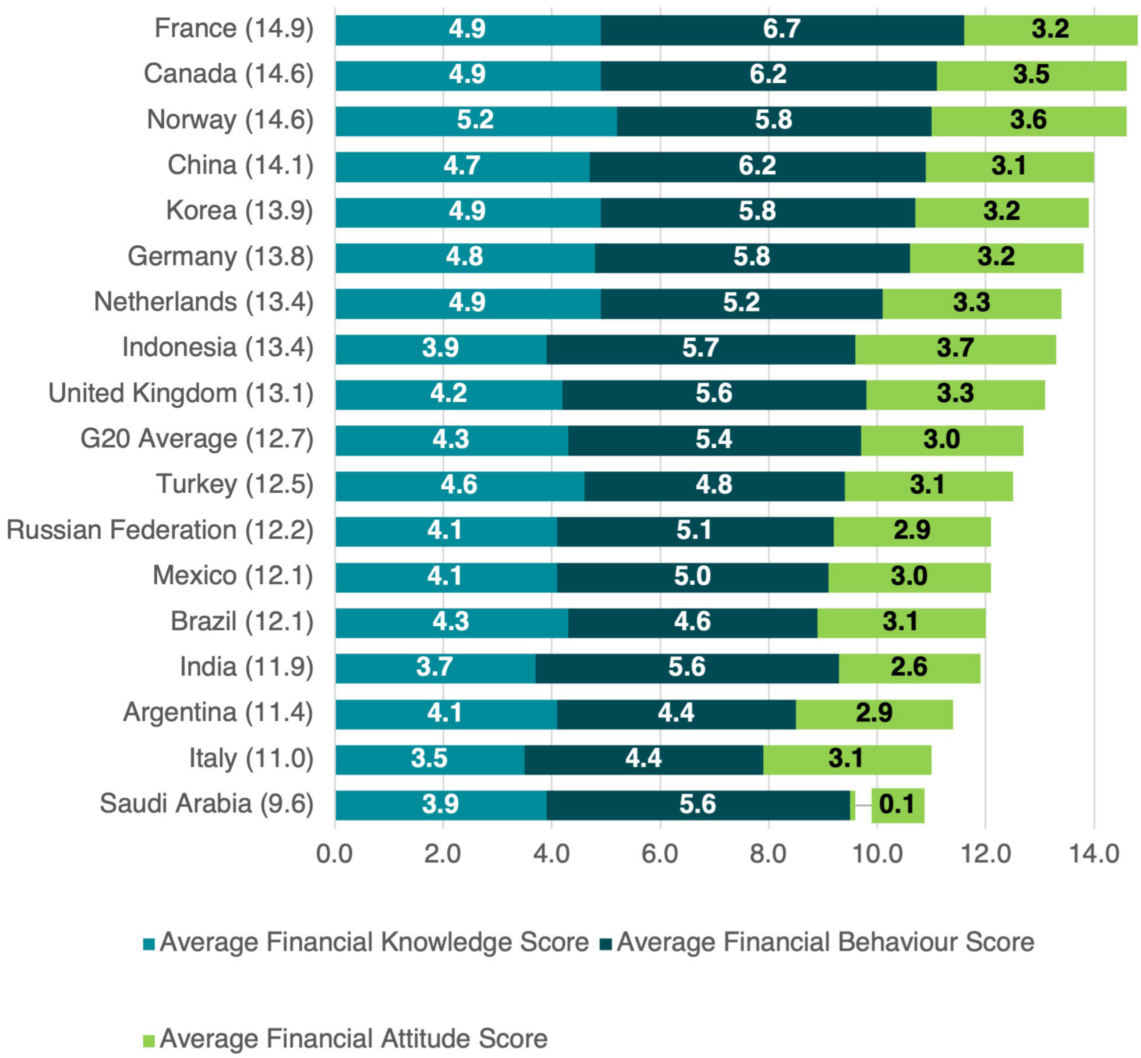


Source: S&P FinLit Survey, IMF World Economic Outlook, Cebr analysis

1. Financial literacy and education in the UK today

A final source of interest is the OECD INFE report on adult financial literacy in G20 countries. This captures basic financial knowledge, behaviours and attitudes among the post-school population and revealed that adults find basic financial concepts and making informed money decisions difficult in many G20 economies. In particular, out of the maximum possible financial literacy score, the average adult across the G20 countries studied scored 12.7 out of the possible overall score of 21. The UK performs slightly better than average, with an average score of 13.1, though ranks considerably below comparable economies such as Germany, South Korea, Norway and France.

Figure 3: OECD INFE average scores for financial knowledge, attitudes and behaviour (total score in parentheses)



Leon Ward, CEO of MyBnk:
"The UK prides itself as being a leader in financial services, yet we have some of the lowest levels of financial literacy in the OECD. Money is traditionally a difficult topic, with Money and Pensions Service research showing 55% of UK adults still aren't comfortable talking about finances. Learning basic financial skills and having open conversations about money from an early age will allow young people from any background to gain knowledge and confidence in effective money management, in turn providing benefits for our economy and society as they leave education and enter the workforce."

1.2 Financial education in the UK

Current curriculum requirements and policy recommendations

The teaching of financial education in schools around the UK varies with school type and curriculum. For example, in England, financial education is not a requirement in primary schools, that is, for students aged five to eleven. However, some other academic curricula, notably mathematics and personal, social, health and economic (PSHE) education, do include some learning about money, hence providing some coverage of financial education.

On the other hand, in secondary schools, that is, for students aged twelve to sixteen, financial education is included in the national curriculum, as part of citizenship and maths. Nonetheless, while schools may draw on the national curriculum, many schools, including academies and free schools, have the liberty to shape their own curriculum. Later subsections will attempt to capture the degree and nature of financial education in secondary schools.

MaPS has issued the UK Strategy for Financial Wellbeing, which aims to provide children and young people with access to a "significant financial education" by 2030. [3] To achieve this goal, several policy recommendations have been made, including a partnership between UK Finance and MaPS to improve financial education, joint pocket money campaigns, and expanding MaPS' financial education initiatives.

The Youth Financial Capability Group (YFCG), of which MyBnk is a part, developed and published the National Financial Education Framework. This framework offers teachers guidance on providing financial education in a structured manner, covering subjects such as budgeting, saving, borrowing, and investing. It is structured according to year groups and recommends appropriate activities and resources for each year. It also emphasises the importance of educating students about the wider financial system and its impact on the economy. Suggestions for teaching methods and resources, such as interactive activities, case studies, and online tools, are also included.

Challenges around delivering sufficient financial education in schools remain

Despite financial education being made mandatory in secondary schools by legislation introduced in 2014 as part of revisions in the National Curriculum, the Centre for Social Justice's 'On the Money' report reveals that two-thirds of teachers believe students still leave school with a poor understanding of finance. [4] The report raises concerns about the MaPS' financial education target goals, suggesting that they may not be ambitious enough. It also notes a shortage of meaningful policy action on financial education in the eight years since its inclusion in the national curriculum.

The latest Young Persons' Money Index survey shows that nearly two-thirds of young people believe their financial knowledge comes mainly from their parents, indicating a lack of financial education provision in schools. [5] Based on the findings from the Young Persons' Money Index survey, only 62% of young people recall having access to some form of financial education in school, despite the 2014 legislation.

The All-Party Parliamentary Group (APPG) on Financial Education for Young People has supported the Centre for Social Justice's view on the financial education target goals set by MaPS. [6] The APPG believes that the national strategy for financial wellbeing needs to be more ambitious by aiming to provide financial education to all school-aged children by 2030, beyond the current target of two million more children.

The APPG's inquiry has highlighted several issues, including the lack of awareness among teachers regarding the curriculum requirements related to financial education, the obstacles that hinder teachers from providing financial education, such as a lack of training, time, and funding, and the need for accessible and well-tailored resources.

3 Money and Pension Service – UK Strategy for Financial Wellbeing. Available here.
4 The Centre for Social Justice – On the Money: A roadmap for lifelong financial learning. Available here.
5 The London Institute of Banking & Finance – Young Persons' Money Index 2022/23. Available here.
6 APPG on Financial Education for Young People – Available here.

2. The link between financial education and financial literacy

Following the review of current curriculum requirements and the continued challenges around delivering sufficient financial education in schools, we deemed it important to consider the link between financial education and wider financial literacy.

In this section, we analyse the link between financial education and financial literacy in the UK, using insights from a bespoke survey of 4,000 young adults, aged 18 to 24, about the state of provision of financial education when the respondents were in secondary school.

In addition to the aforementioned analyses, our survey posed a range of financial literacy questions, as part of our FinEd measure. By collating responses to these questions, we were able to gauge the financial literacy of the surveyed cohort. Subsequently, we correlated these findings with other survey responses to comprehensively investigate the relationship between financial education and financial literacy levels in the UK.

2.1 Provision of financial education

Key findings

- Two-thirds (61%) could not recall receiving financial education at school.
- Of those who could, 29% received financial education once every two to three months.
- Close to a fifth of respondents (18%) who received financial education had lessons not more than once every other year.
- Of former secondary school pupils who could recall receiving financial education, they received, on average, roughly 48 minutes a month, or just 11 minutes a week of schooled financial education.

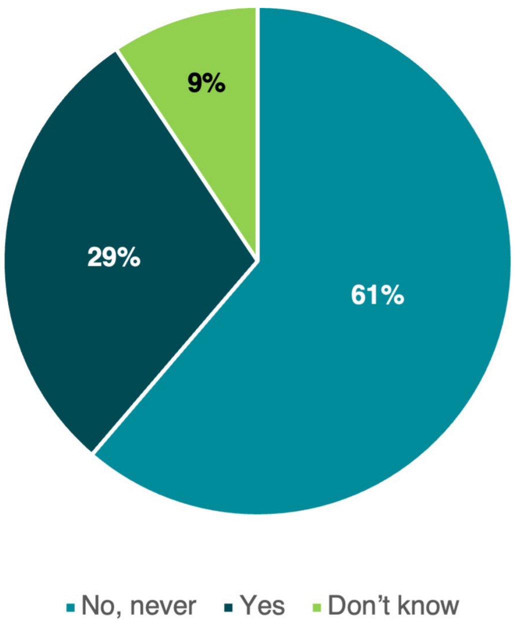
Financial Education at School

The survey asked whether respondents, at any time between the ages of 11 and 18, had received financial education at school. Close to two-thirds (61%) do not recall receiving financial education at school compared to over a quarter (29%) of respondents who do recall this. Meanwhile, 9% were unsure of whether they received financial education between the ages of 11 to 18.

Our results suggest that financial education provision in schools may not have been consistent or widespread enough to reach all students, and that many young people may be missing out on the benefits of financial education. The finding that almost a tenth of respondents are unsure whether they received financial education further emphasises the importance of regularly evaluating and monitoring financial education provision in schools, to identify any gaps or areas for improvement.

2. The link between financial education and financial literacy

Figure 4: Share of young adults on whether they received financial education in school between the ages of 11 and 18

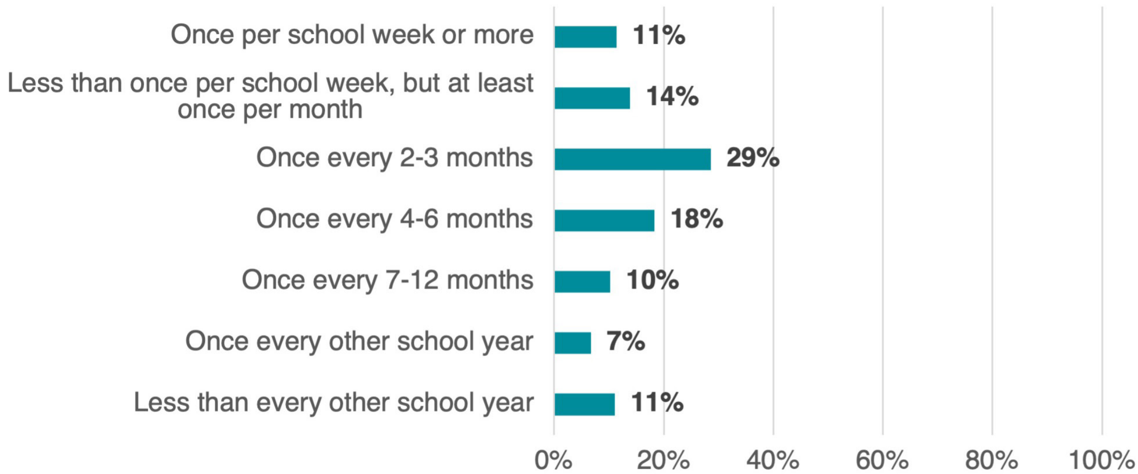


Source: Opinium survey, Cebr analysis

Of those who could recall receiving financial education whilst in secondary school, 29% received financial education once every two to three months, while 18% had a financial education lesson once every four to six months, as seen in Figure 5.

A quarter of respondents (25%) who had received financial education lessons in secondary school stated that they received it at least once per month. Furthermore, close to a fifth of respondents (18%) who received financial education had no more than one lesson every other year.

Figure 5: Share of those who received financial education at school on how many times they received financial education in a year



Source: Opinium survey, Cebr analysis

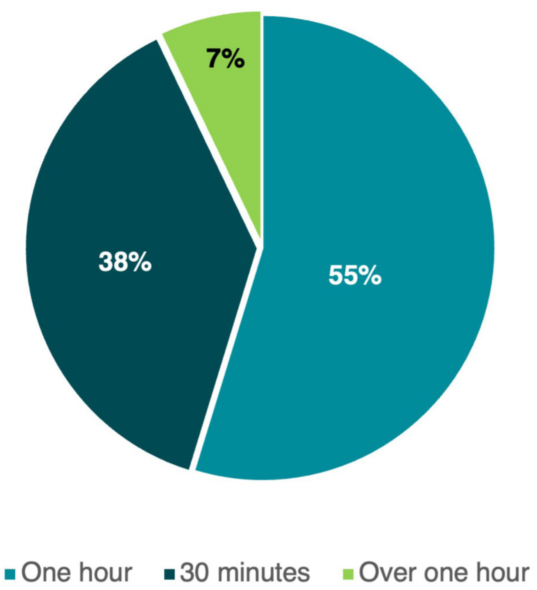
2. The link between financial education and financial literacy

Turning to the length of financial education lessons in secondary school, our study finds that just over half of respondents (55%) stated that the average duration of a lesson was an hour. A 30-minute lesson was the next most common response, at 38%. Conversely, only 7% of respondents received lessons lasting more than an hour.

Based on the 1,174 responses, it is possible to determine the average duration of financial education received at school by only those respondents who had some form of financial education.

On a monthly basis, respondents recall receiving approximately 48 minutes of financial education. Translating this to a weekly basis, the above figure stands at 11 minutes of financial education per week.

Figure 6: Duration of average financial education lesson received in school, to the nearest 30 minutes



Source: Opinium survey, Cebr analysis

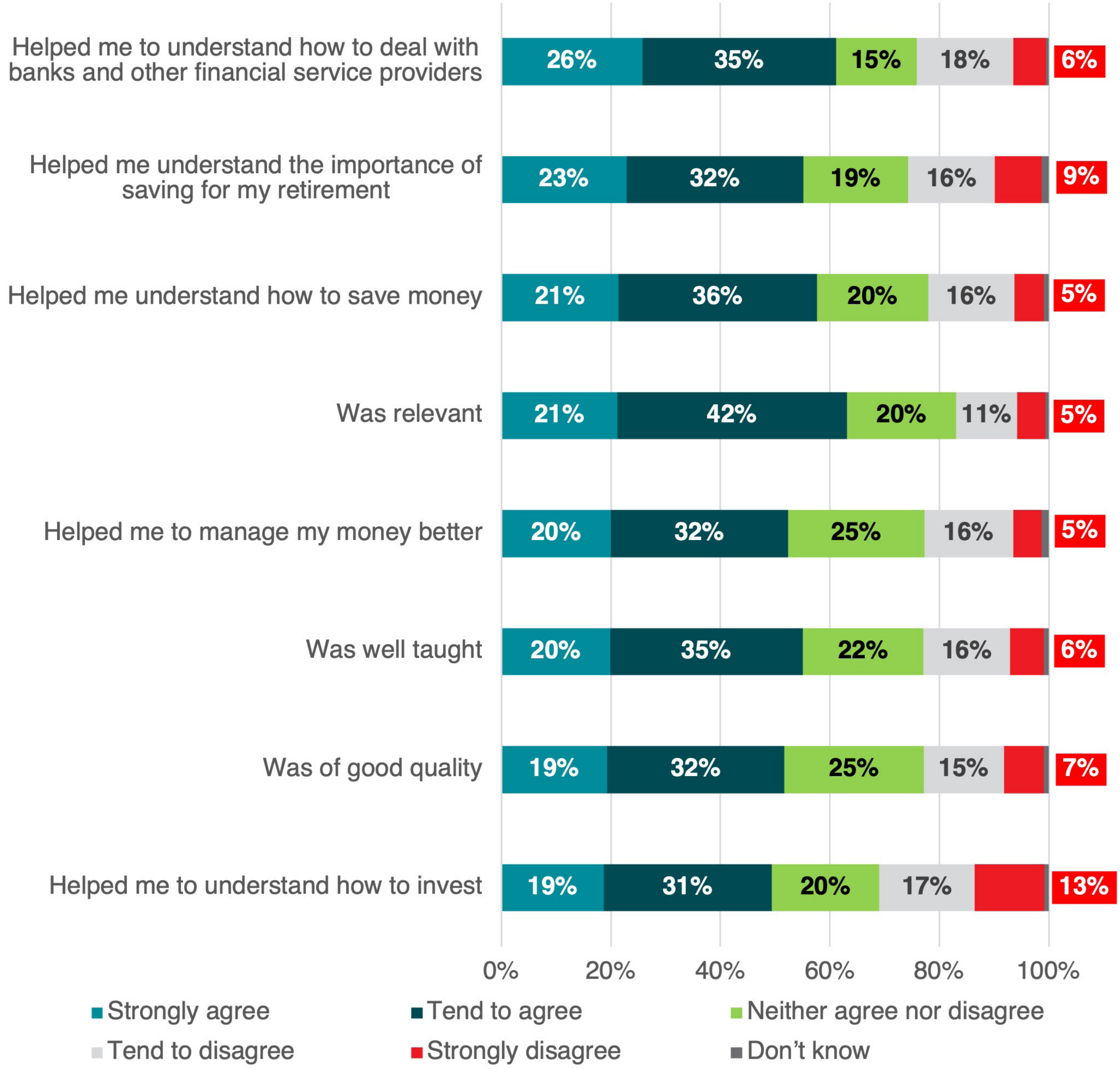
The survey also looked at respondents' perceived quality of financial education (see Figure 7).

Overall, respondents who recall receiving financial education in secondary school agreed that the financial education taught in schools was relevant (63%), well taught (55%), and of good quality (52%), respectively.

Additionally, over half of respondents who had financial education lessons in their schooling years between ages 11 to 18 agreed that the lessons were beneficial in helping them to understand how to deal with banks and other financial providers (61%), helping them understand how to save money (58%), helping them understand the importance of saving for retirement (55%), and helping them manage their money better (52%). Such findings suggest that financial education in schools can be effective in improving young people's financial literacy, as long as the lessons are taught consistently and frequently enough. The findings also highlight the importance of continuing to improve and expand financial education provision in schools, so that more young people can benefit from it. Additionally, it is essential to ensure that financial education is inclusive and accessible to all students, regardless of their background or socioeconomic status, to reduce financial inequality and promote financial literacy as a life skill.

2. The link between financial education and financial literacy

Figure 7: Share of respondents who received financial education on whether they agreed/disagreed with the following statements regarding financial education provision in their secondary school



Source: Opinium survey, Cebr analysis

The importance of family and friends
We wanted to explore other forms of financial education that young people have access to and have used. In doing this, we wanted to see how these other forms compare with school-based financial education. This involved looking at financial education as provided by family members, friends, and employers.

Our findings in Figure 8 illustrate the integral role parents and carers play in promoting financial education. Indeed, a majority of respondents (56%) stated that their parents/carers provided them with some form of financial education.
In addition, over a fifth of respondents (22%) stated they received financial education from friends, while a similar proportion (20%) stated

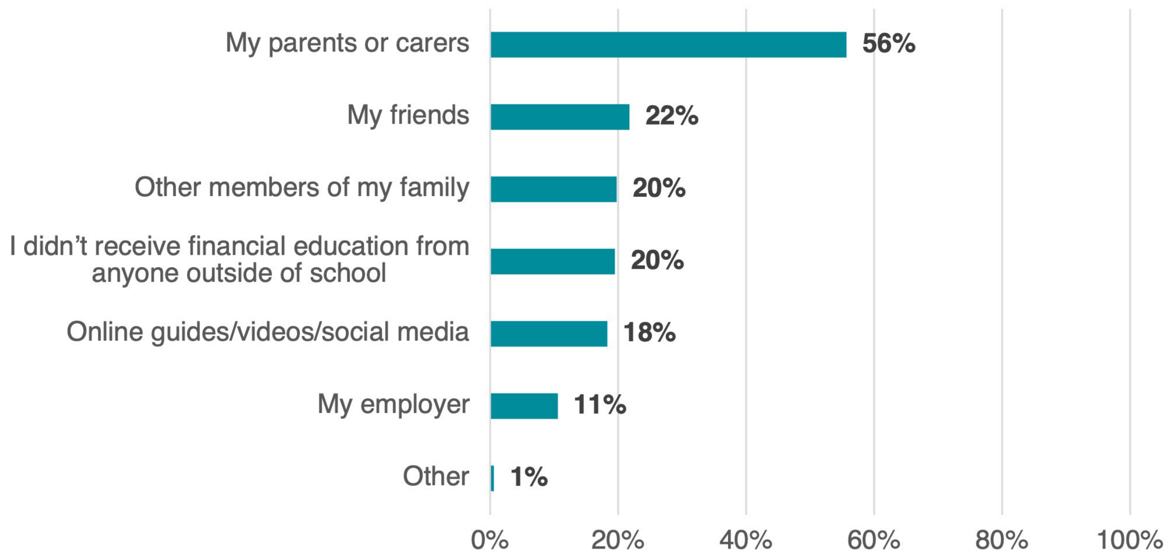
2. The link between financial education and financial literacy

that they received financial education from other members of the family, further highlighting the importance of relatives and peers in encouraging financial education and improving financial literacy. Furthermore, 18% of respondents stated that they received financial education from social media, online guides and/or videos. These online sources are likely to have a strong reach, especially for those who are unable to otherwise access financial education. However, they do not always provide an entirely reliable source of financial information, especially if the sources are not trained in providing financial education.

Yet the data does provide some concerning results, with 20% of respondents stating that they did not receive financial education from anyone outside of school. Of this share, over two-thirds (70%) also did not receive financial education at school, implying that this segment of the population did not receive any form of financial education during their school years. Across the whole sample, this latter segment represents 14% of all respondents. This further highlights the limited reach of current financial education provision in the UK, especially amongst those who need it the most.

In addition, just over a tenth of respondents (11%) said they received financial education from their employer, underlining the lack of employer support in promoting financial literacy.

Figure 8: Share of all respondents who received financial education from the following alternative sources



Source: Opinium survey, Cebr analysis

2.2 Time spent on financial education versus other activities

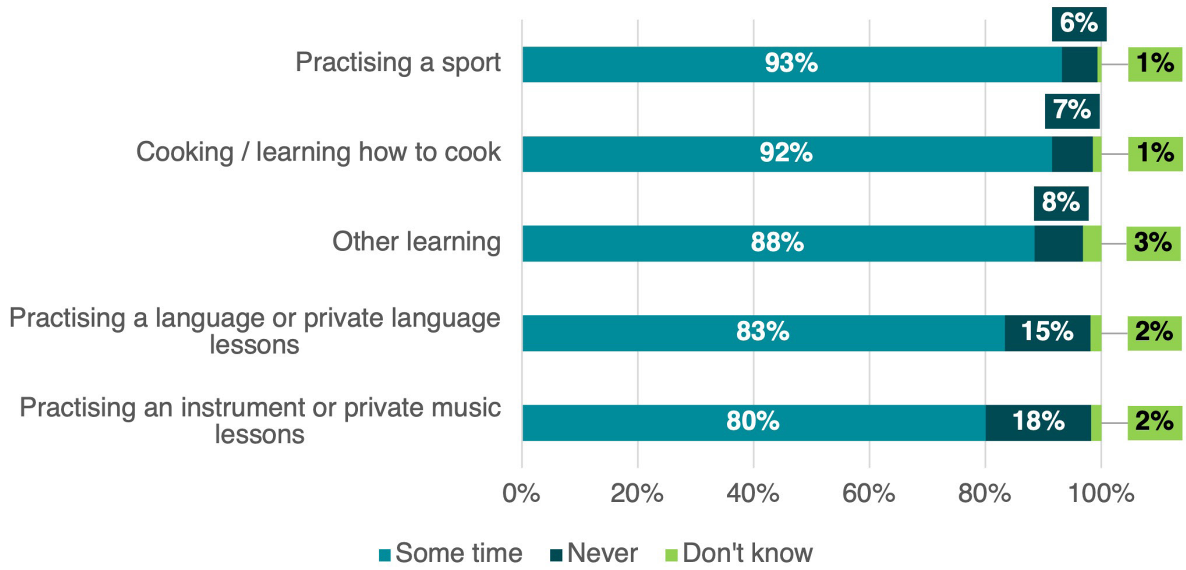
Key findings

- The majority of respondents spent some time pursuing non-core academic skills.
- Respondents who received financial education spent three times more time practising a sport outside of regular school time than receiving financial education at school.
- The average time spent studying mathematics was 33 times more than the average time spent receiving financial education at school.

In this subsection, we investigate how the time spent on financial education in school compares with time spent engaging in other activities. This includes time spent developing non-academic skills alongside studying for academic subjects. Such analysis gives us insight into the relative lack of time devoted to financial education compared with time spent on developing new skills or studying.

To do so, we asked respondents about the time they spent outside of regular school hours to develop skills such as: cooking, sports, music, and languages. We also asked respondents about the average amount of time they spent pursuing each activity. For each of the above skills, a majority of all respondents stated they spent at least up to one hour per school term pursuing the skill, as shown in Figure 9.

Figure 9: Share of all respondents who received financial education on the time spent developing/practising the following skills between 11 and 18



Source: Opinium survey, Cebr analysis

Amongst those who received financial education, the share of respondents who stated that they spent some time on other learning was similar to the share who stated they spent time practising a sport in their secondary school years. On average, respondents spent more time on the latter, however, at 2.5 hours per month, compared to the former, at 2.1 hours per month. This is illustrated in Table 1, alongside the average time dedicated to a range of other activities. [7]

Compared to our estimate of the duration of financial education received at school, at 48 minutes per month, our findings suggest that respondents spent three times more time practising a sport outside of regular school time than

2.2 Time spent on financial education versus other activities

receiving financial education at school.

Even when looking at the skill which saw the least amount of time spent on it – practising an instrument or taking private music lessons at 1.8 hours per month – our estimates suggest that the average time spent developing music skills is twice the average time the respondents received financial education at school.

Table 1: Average amount of time spent by respondents who received financial education developing each of the following skills outside of regular school time in the ages between 11 and 18

Skill	Hours per month (hrs)	Minutes per month (min)	Hours per week (hrs)	Minutes per week (min)	Multiple over duration of financial education provision in schools
Practising a sport	2.5	149	0.6	34	3
Other learning	2.1	128	0.5	30	3
Cooking/learning how to cook	2.0	123	0.5	28	3
Practising a language or private language lessons	1.9	115	0.4	27	2
Practising an instrument or private music lessons	1.8	110	0.4	25	2

Source: Opinium survey, Cebr analysis

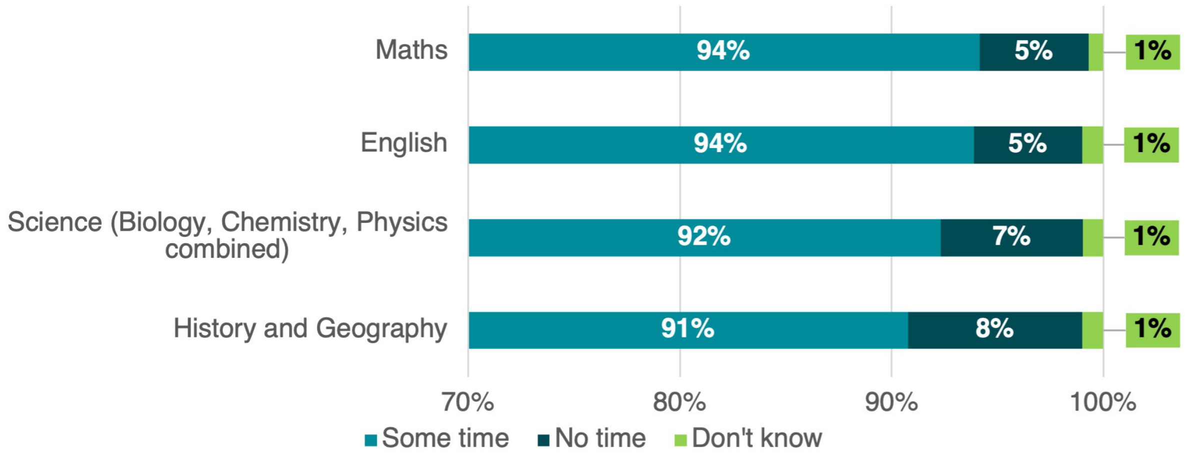
We replicated the analysis above by looking at academic subjects, a core part of the school curriculum. To this end, we asked respondents about the amount of time they spent each week studying certain subjects. This included time in school lessons and outside of school, such as homework and revision. These subjects included mathematics, english, history and geography, and the natural sciences (physics, chemistry and biology combined).

Figure 10 provides an overview of the results of the above. For each of the four subjects, more than four-fifths of respondents (only those who received financial education) stated spending at least some time, on a weekly basis, studying for the respective subject. The highest share was attained for mathematics, with 94% of respondents stating that they spent at least up to two hours on the subject. On the other hand, history and geography saw the lowest share, though this still remained objectively high at 91%.

7 Looking at those who received financial education only for comparability.

2.2 Time spent on financial education versus other activities

Figure 10: Share of all respondents who received financial education on the time spent studying for the following subjects between 11 and 18



Source: Opinium survey, Cebr analysis

Accordingly, we used the respondents' frequency to map out the average time spent studying for the following subjects, with our findings summarised in Table 2. On average, respondents spent more time per month studying for mathematics (26 hours) than any other subject. This was followed by english and the sciences, both of which saw roughly equal average durations, at 25 hours per month respectively.

Compared with our estimate of the duration of financial education received at school, at 48 minutes per month, our findings suggest that the average time spent studying for mathematics was 33 times that of the average duration of receiving financial education at school.

Mark Bailie, CEO of Compare the Market:

"Although it is difficult, together we need to find more time for financial education. It should be a joint effort from policymakers, businesses, households, and schools to encourage the teaching of this vital subject which is essential to long-term financial confidence and stability. Teachers are facing significant time pressure in their lesson preparation, and it's important they are supported through expert-produced and readily available resources. As our research shows, we must not ignore the important role that parents and carers play as well in the provision of financial education for young adults."

2.2 Time spent on financial education versus other activities

Table 2: Average amount of time spent by respondents who received financial education studying each of the following subjects in the ages between 11 and 18

Subject	Hours per month (hrs)	Minutes per month (min)	Hours per week (hrs)	Minutes per week (min)	Multiple over duration of financial education provision in schools
Maths	26.2	1,572	6.0	363	33
Science (Biology, Chemistry, Physics)	25.1	1,503	5.8	347	31
English	25.0	1,500	5.8	346	31
History & Geography	20.5	1,230	4.7	284	26

Source: Opinium survey, Cebr analysis

2.3 Financial literacy of respondents

Key findings

- 41% of respondents could be deemed as financially literate on the FinEd measure of financial literacy.

- More than half of respondents who attended private/independent schools or colleges were classified as financially literate – the only school subtype to attain a majority of attendees classified as financially literate.

- Respondents who attended schools in rural areas are more likely to be financially literate than respondents who attended schools in urban areas.

- Respondents who are unemployed or not working for other reasons saw the lowest shares of respondents considered financially literate, at 26% and 22%, respectively.

- Household income is also largely correlated to an individual's financial literacy; only 34% of respondents earning under £30,000 a year before tax are deemed financially literate. In comparison, the corresponding share for those earning at least £70,000 stood at 52%.

- Amongst those who held credit cards, only 44% were considered financially literate.

Levels of financial literacy

To enable us to better understand the quality of financial education provision in secondary schools, the study sought to estimate the financial literacy of respondents. As such, respondents were presented with a number of financial literacy questions, including those in the S&P FinLit, covering topics of risk diversification, inflation, numeracy (interest), and compound interest. As a base case, we employed the S&P FinLit definition to classify respondents as financially literate if they could correctly answer at least three of the four topics.

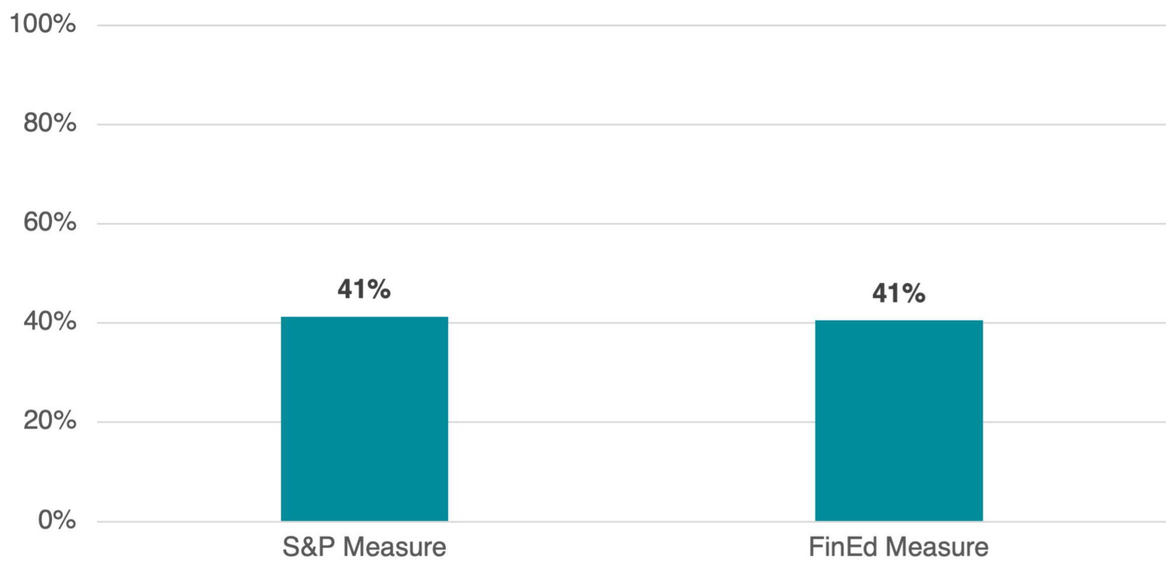
Additionally, our study included the broader Compare the Market and MyBnk FinEd measure of financial literacy, based on insights from MyBnk and Compare the Market. This FinEd measure incorporates questions employed in the S&P FinLit, along with three additional topics on perceptions around spending, budgeting, and financial confidence.

This brings the total number of topics asked in the FinEd measure to seven, with respondents classifying as financially literate if they can correctly answer at least five of the seven topics. Based on respondent answers to each of the seven questions, we were able to map financial literacy, both based on the S&P FinLit measure and the FinEd measure.

The findings, in Figure 11, suggest that, across the sample, 41% of respondents could be deemed as financially literate under the S&P FinLit measure. The FinEd measure shows a similar share of respondents deemed as financially literate (41%), as well. This is lower than the UK-wide 67% figure yielded as part of the S&P FinLit Survey of adults, though there are multiple reasons as to why this may be the case. Firstly, it is worth noting that the S&P FinLit results were published in 2014, which limits the comparability of this metric due to its vintage. Moreover, there may be generational factors at play; our analysis has restricted the sample to only young adults aged 18-to-24, while the S&P FinLit survey looked at all adults, which limits the comparability of the two measures.

2.3 Financial literacy of respondents

Figure 11: Share of respondents who classify as financially literate under each of the following measures



Source: Opinium survey, Cebr analysis

Following this, our study investigated how financial literacy varied across different demographic characteristics. Given that across our sample, the share of respondents who classified as financially literate under the S&P FinLit measure is largely similar to the share considered financially literate under the FinEd measure, analysis of the variation in financial literacy across various demographic characteristics will be centred mainly around the FinEd measure.

Results breakdown by nation and region
The first point of analysis looks at the regional variation in financial literacy rates across the four UK nations, namely England, Wales, Scotland and Northern Ireland. The young adult survey provides a demographic breakdown via the 12 UK regions, after which results for the nine English regions were aggregated to produce an England-wide score for financial literacy.

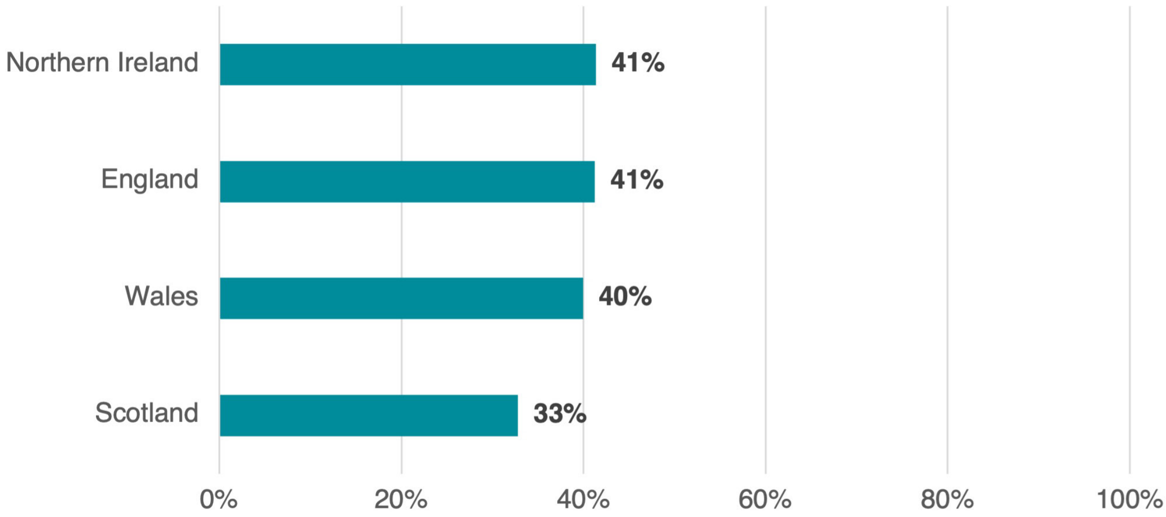
Our findings indicate that Northern Ireland sees the highest financial literacy rate on the FinEd measure of financial literacy, at 41%. In Northern Ireland, financial capability is included in the country's national curriculum for students aged 4 to 14, mainly through mathematics and numeracy, though there are elements of financial education in other academic subjects, including modern languages and learning for life and work.

England sees a similar share (41%) even though financial education is only included in the national curriculum for secondary students, and not all schools are obliged to follow the national curriculum.

Meanwhile two-fifths (40%) of respondents from Wales can be classified as financially literate. On the other end of the scale, Scotland sees the lowest financial literacy rate, at 33%. Scotland's relatively lower score is concerning, though recent legislation has seen new financial education guidance being launched as of 2020, which may help boost the country's financial literacy score further down the line.

2.3 Financial literacy of respondents

Figure 12: Share of respondents who classify as financially literate under the FinEd measure, by UK nation



Source: Opinium survey, Cebr analysis

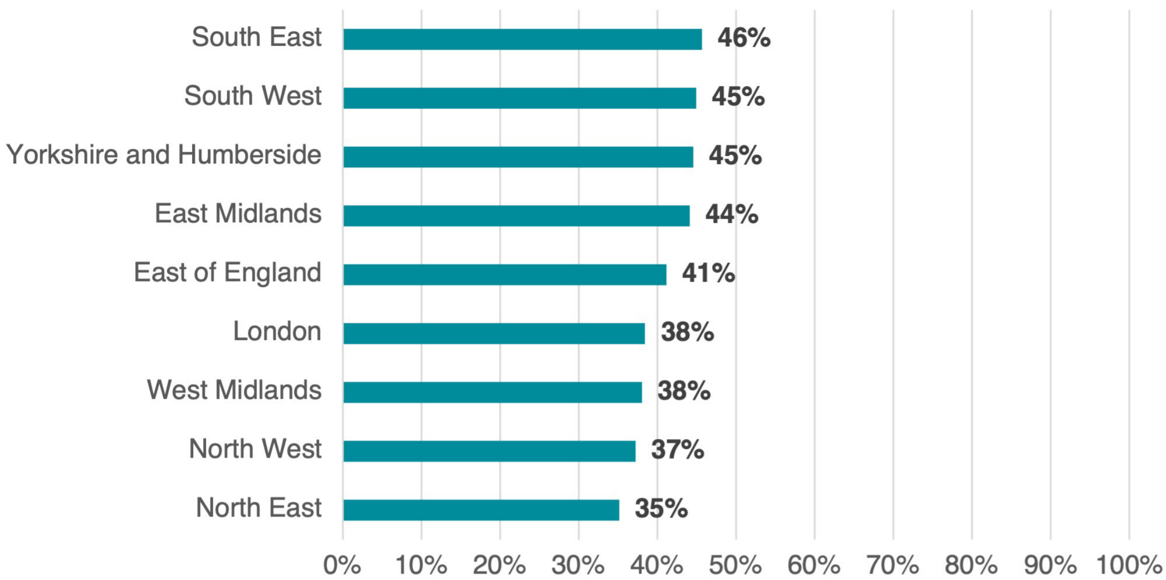
Our findings also present an analysis of financial literacy by English region. There is some semblance of a North-South divide, based on the results in Figure 13, with the South East (46%) and the South West (45%) amongst the best performers, while the North East (35%) and the North West (37%) are amongst the lowest performers.

Results breakdown by type of school

This analysis looks at how financial literacy varied across the type of school which respondents attended during the ages of 11 to 18. The results showsome divide between private and state schools.

42% of respondents who attended private school during the ages of 11 to 18 were financially literate, compared to 40% of respondents who attended state school.

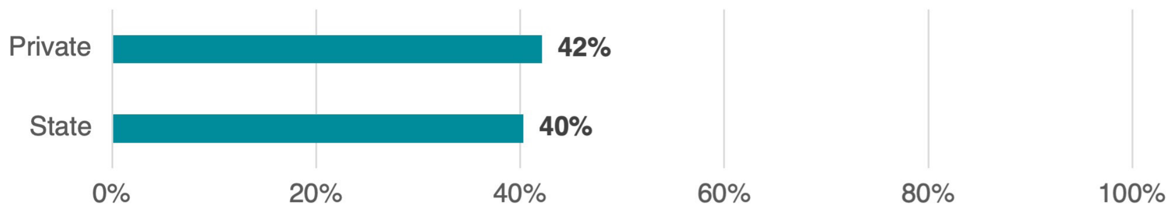
Figure 13: Share of respondents who classify as financially literate under the FinEd measure, by English region



Source: Opinium survey, Cebr analysis

2.3 Financial literacy of respondents

Figure 14: Share of respondents who classify as financially literate under the FinEd measure, by type of school attended



Source: Opinium survey, Cebr analysis

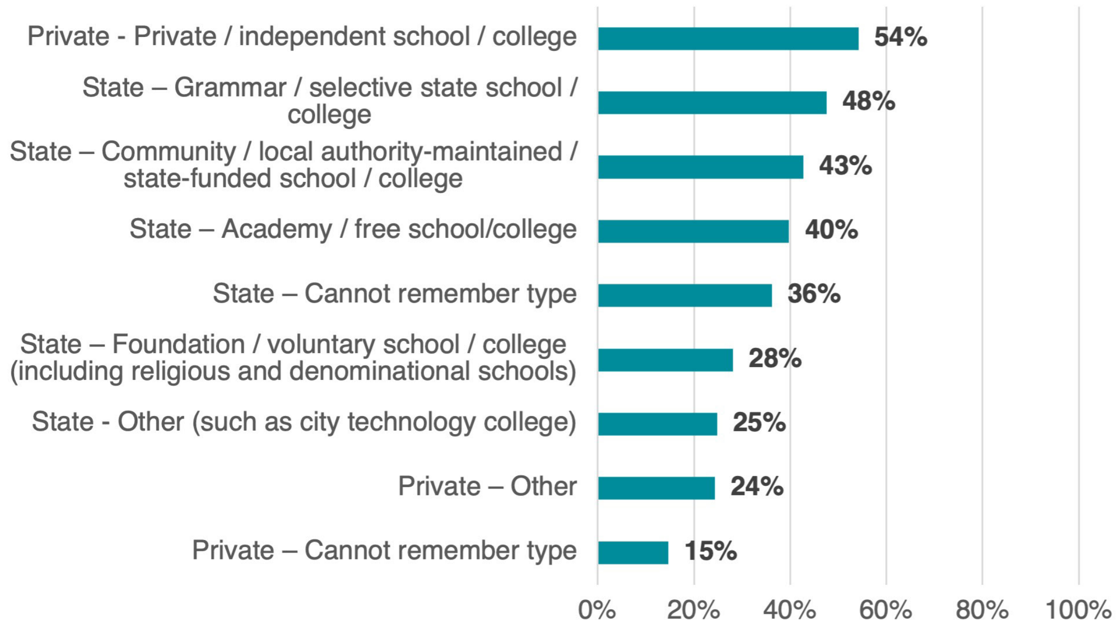
A further breakdown of school type, which highlights the divide between private and state schools, is provided in Figure 14.

More than half of respondents (54%) who attended private/independent schools or colleges were classified as financially literate. As it stands, this represented the only detailed subtype to attain a majority of attendees classified as financially literate.

Grammar/selective state schools saw the next highest share, at 48%. Meanwhile, community/local authority managed, academy/free, foundation/voluntary, and other (e.g., city technology college) schools and colleges saw shares of 43%, 40%, 28% and 25%, respectively.

Leon Ward, CEO of MyBnk:
"It's critical that everyone regardless of background receives impactful financial education. This is where MyBnk and other external resources can step in and support."

Figure 15: Share of respondents who classify as financially literate under the FinEd measure, by detailed type of school attended



Source: Opinium survey, Cebr analysis

2.3 Financial literacy of respondents

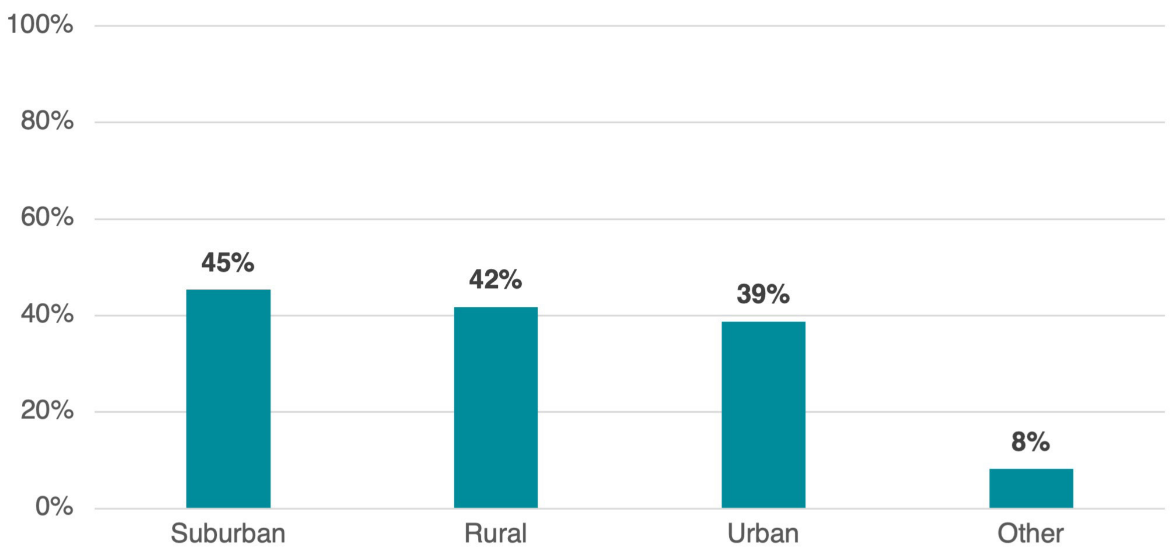
Results breakdown across demographic factors
The Rural-Urban Education Divide

Literature on the rural-urban education divide is extensive, with research often showing rural areas in the UK are associated with poorer education outcomes. [8] Our analysis investigated whether there was any correlation between financial literacy and the rural-urban status of schools attended by respondents.

Interestingly, our findings suggest a departure from existing literature, with respondents who attended schools in rural areas more likely to be financially literate than respondents who attended schools in urban areas, with the share of respondents classifying as financially literate for each location type standing at 42%, and 39%, respectively.

Respondents who attended schools in suburban areas were the most likely to be financially literate, however, with 45% of respondents who attended schools located in a suburban area considered financially literate. It is worth mentioning that suburban subset also had the highest average household income, at £41,900, followed by the rural and urban subsets, at £38,200 and £37,600. While the difference in income is not large, it could have contributed to the difference in financial literacy across the different groups.

Figure 16: Share of respondents who classify as financially literate under the FinEd measure, by location of school attended



Source: Opinium survey, Cebr analysis

Employment Levels
In a separate analysis, our study investigated how financial literacy outcomes varied with current employment status. Employment status is often associated with education outcomes, and, in turn, is likely to affect financial literacy of an individual. Moreover, looking at the variation in financial literacy across employment status provides a rough sense of employer support towards financial literacy for employees.

Data from the survey suggests that full-time students and those working full time (30 hours or more) are equally likely to be financially literate. The share of respondents under each of the two categories considered financially literate amounts to 45%.

Full-time students and employees are also more likely to be financially literate compared to respondents working part-time, those unemployed or those not working for other reasons.

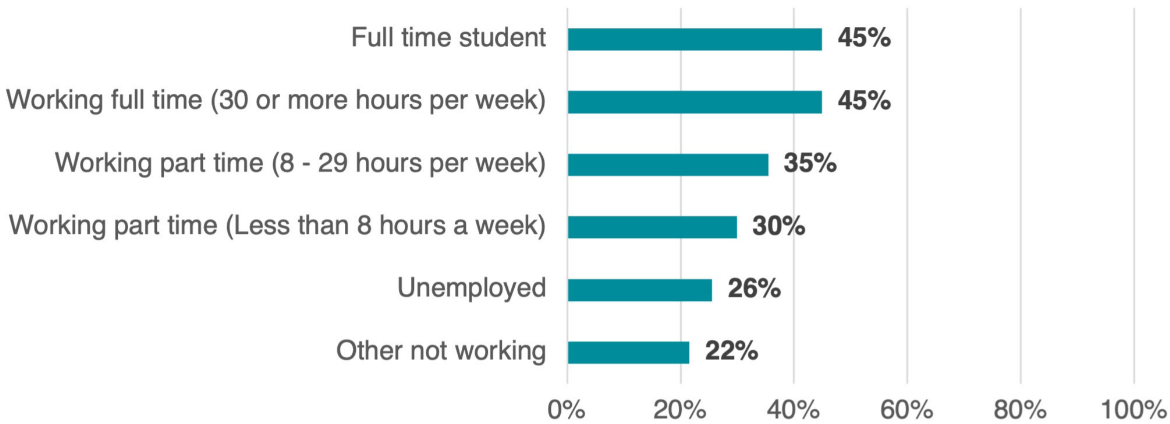
8 Office for Students (OFS) – Place matters: Inequality, employment and the role of higher education. Available here.

2.3 Financial literacy of respondents

Amongst part-time workers, there is clear disparity based on the number of hours worked, with part-time workers working between 8 to 29 hours (35%) more likely to be classified as financially literate compared to part-time employees working less than 8 hours per week (30%).

Meanwhile, respondents who are unemployed or not working for other reasons saw the lowest shares of respondents considered financially literate, at 26% and 22%, respectively. It is worth noting that the two categories form a core part of the 'not in employment, education or training' (NEET) category, reflecting the relatively poorer financial literacy rates across NEET individuals.

Figure 17: Share of respondents who classify as financially literate under the FinEd measure, by current employment status



Source: Opinium survey, Cebr analysis

Mark Bailie, CEO of Compare the Market:
"There is clearly a correlation between wider education levels, employment status and financial literacy. I strongly believe that everyone should have access to financial education regardless of background. In fact, for those in more socio-economically deprived areas, it is even more important that they are provided with the tools to help them make good financial decisions."

Household Income
Household income is also largely correlated with an individual's financial literacy. Studies show that financial literacy is positively and significantly associated with total net worth. [9] Moreover, financial literacy enables individuals to save more effectively and capably manage risk, thereby allowing individuals to grow their wealth to a greater extent compared with individuals deemed less financially literate.

Using results from our survey, our research tested this hypothesis and identified the variation in financial literacy based on annual pre-tax household income. Our findings affirm this view, with the share of respondents classified as financially literate rising with annual pre-tax household income.

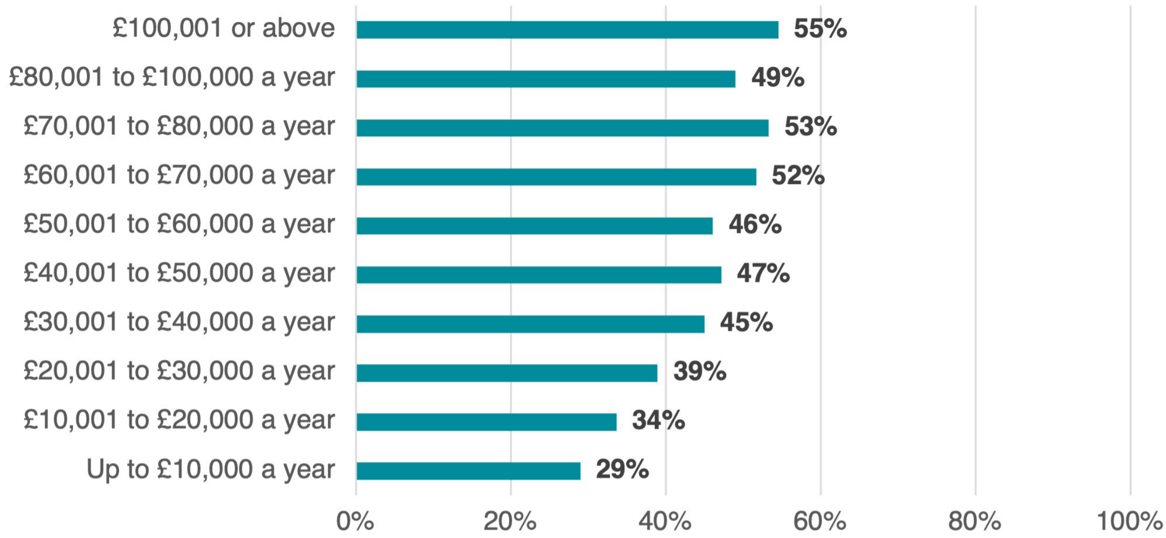
Respondents with annual pre-tax annual household income of at least £100,001 saw the highest share of financially literate respondents, at 55%. This was followed by respondents with annual pre-tax household income in the range of £70,001 to £80,000, and £60,001 to £70,000, at 53% and 52%, respectively.

On the other end of the scale, the lowest three annual pre-tax household income bands -– at most £10,000, between £10,001 and £20,000, and between £20,001 and £30,000 - saw the lowest share of respondents classified as financially literate, at 29%, 34%, and 39%, respectively.

9 National Library of Medicine – How Financial Literacy Affects Household Wealth Accumulation. Available here.

2.3 Financial literacy of respondents

Figure 18: Share of respondents who classify as financially literate under the FinEd measure, by annual pre-tax household income band



Source: Opinium survey, Cebr analysis

The correlation between financial literacy and the uptake of different financial products
Following analysis on the variation in financial literacy with household income, the following section analyses the correlation between financial literacy and the uptake of different financial products in the market.

It is widely acknowledged that enhanced financial capability, which in turn emerges from greater financial literacy, enables people to make better investment decisions and achieve a higher return for a given level of risk. [10] This, in turn, enables such households to accumulate higher levels of wealth relative to households/individuals with lower financial literacy levels. We asked respondents about their involvement with and use of a range of financial products including but not limited to different individual savings accounts (ISAs), credit cards, and other investment accounts.

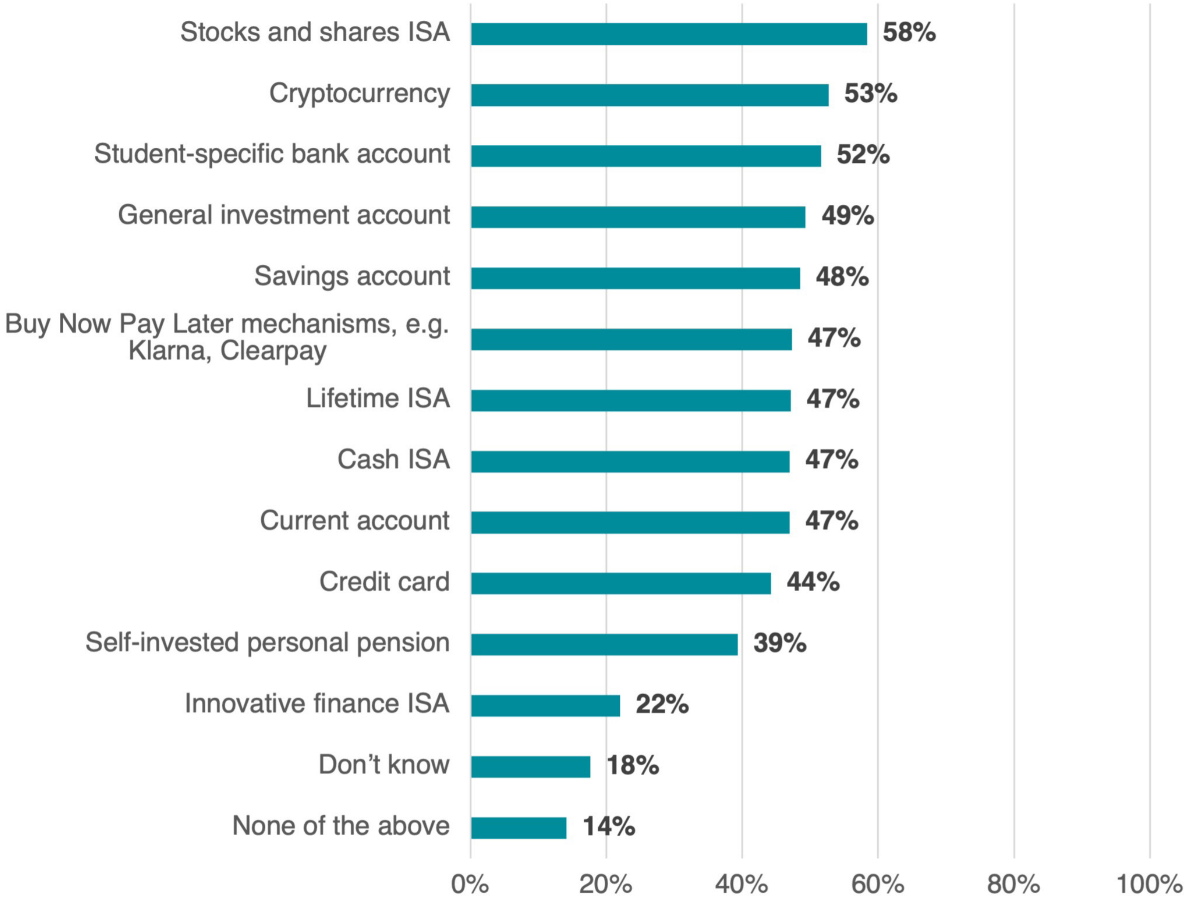
Our findings suggest agreement with the above hypothesis and wider literature regarding the positive association between financial literacy and involvement in riskier assets. Looking across all financial products, the share of respondents considered financially literate was highest for those involved in stock and shares ISAs, at 58%.

Meanwhile, amongst those who held credit cards, only 44% were considered financially literate. On the other hand, amongst all respondents who were not involved in any of the listed financial products, only 14% could be considered financially literate, with this share representing the smallest share across all categories. This, alongside self-invested personal pension plans and innovative finance ISAs, were the only categories that saw shares below two-fifths.

10 Money and Pension Service – The Economic Impact of Improved Financial Capability. Available here.

2.3 Financial literacy of respondents

Figure 19: Share of respondents who classify as financially literate under the FinEd measure, by involvement in the following financial products



Source: Opinium survey, Cebr analysis

2.4 The relationship between financial education provision in secondary schools and financial literacy

Key findings

- Those who did not receive financial education in school are more likely to be considered financially literate than those who did.
    - o 47% of those who did not receive financial education at school are deemed financially literate, while only 35% of those who did receive financial education in school are deemed financially literate.
    - o The frequency of financial education lessons emerges as a key contributor to the above finding, given our findings in prior sections detailed the presence of good quality financial education in schools, with the relative infrequency likely preventing proper absorption of the material.

- Of those who did not receive financial education at school but are classified as financially literate, a majority (63%) stated that they received financial education from their parents and/or carers.

By analysing data on respondents' financial literacy levels alongside information on whether they received financial education in school, we can examine the correlation between financial literacy and the provision of financial education in secondary schools. These insights allow us to evaluate the current provision of financial education and whether it effectively improves students' financial literacy in later life.

Our estimates indicate that individuals who did not receive financial education in school are more likely to be financially literate than those who did receive such education between the ages of 11 and 18. Nearly half (47%) of the former group are considered financially literate, while slightly more than a third (35%) of the latter group correctly answered at least five out of seven topics on the FinEd measure. A high-level overview of the findings suggests that current financial education provision in schools may not adequately equip students with the skills to be financially literate.

Among those who did not receive financial education but still managed to correctly answer at least five out of seven topics and were classified as financially literate, a majority (63%) reported that they received financial education from their parents and/or carers. This percentage is significantly higher than the sample-wide share of 56%.

Furthermore, it appears that the current financial education provision in schools may not effectively equip students with the skills required for financial literacy, while also highlighting the presence of external sources beyond school, including parents, charities, businesses, and wider society, as key sources of the promotion of financial education.

In light of findings from earlier in this report, where we highlighted that a majority of young adults who recalled receiving financial education whilst in school had stated that such lessons were relevant (63%), well-taught (55%) and were of good quality (52%), it seems that the scarcity of financial literacy amongst those who received such education is likely not primarily due to poor quality of financial education. Instead, the frequency of financial education lessons emerges as a significant concern. Our earlier findings showed that across young adults who recollected receiving financial education in secondary school, the average duration of such lessons stood at just 48 minutes per month, considerably below time spent developing non-academic skills or time spent on academic subjects.

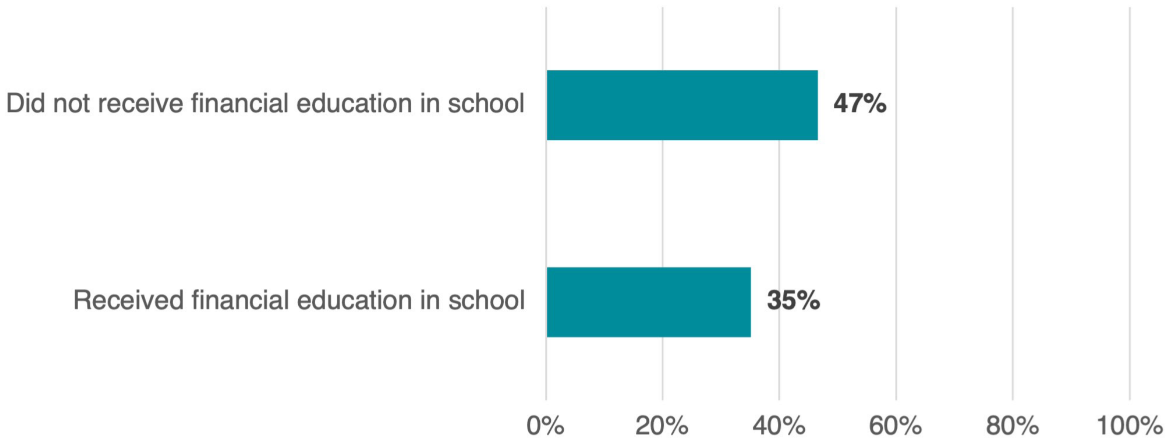
These findings suggest that while good quality financial education is available in schools, the infrequency of lessons prevents proper absorption of the material. The dependence on external sources, including parents, charities, businesses, and wider society, to provide financial education further confirms the idea that financial education lessons in schools alone are inadequate in promoting financial literacy, with this inadequacy

2.4 The relationship between financial education provision in secondary schools and financial literacy

resulting from the sporadic provision of financial education lessons in schools.

The quality of financial education provision was not thoroughly examined in our survey, however. Therefore, we cannot provide in-depth qualitative feedback from young adults regarding the types of financial education provision they received. Further research could address these aspects to enhance the findings of this subsection.

Figure 20: Share of respondents who classify as financially literate under the FinEd measure, by whether they received financial education in school between the ages of 11 to 18



Source: Opinium survey, Cebr analysis

2.5 Attitudes regarding financial education and perceptions of financial literacy

Key Findings

- When respondents were asked to gauge their own financial literacy, the survey found that the majority (55%) agree they are financially literate. This is significantly higher than the actual financial literacy rates stated earlier in the report which has revealed that only 41% of respondents can be considered financially literate on the FinEd measure of financial literacy.

- Two-thirds (66%) of those who received financial education in school agree they are financially literate, which again contrasts with the financial literacy measures showing that only 35% were deemed so.

This section seeks to investigate how respondents perceive their own financial literacy and financial education in comparison to the actual financial literacy rates, both on the FinEd measure and the S&P FinLit measure. To do so, the survey included questions aimed at gauging respondents' own perspectives on their financial literacy and financial education, including around whether respondents feel they are financially literate.

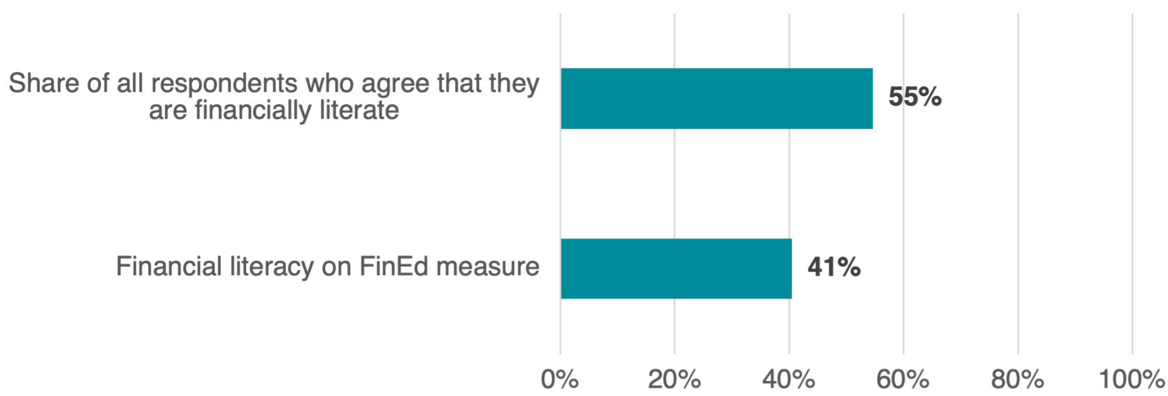
It is worth mentioning that this section aims to investigate young adults' personal sentiments regarding the below topics, including that of financial resilience, financial literacy, and their ability to cope with the rising cost of living. An individual's perceived notions of these topics may not be indicative of their actual financial capability, as various idiosyncratic factors can influence personal perceptions. Therefore, we anticipate that respondents' perceptions of their financial resilience and literacy may not necessarily align with their true level of financial knowledge and preparedness. Despite this, we deemed it relevant to include a measure of perceived sentiments, as financial education can impact both perceptions and actual capabilities.

By assessing young adults' perceptions of their financial resilience and literacy, and segmenting based on whether they received financial education while in school, we can gain insights into how financial education impacts how they view their own financial situation and identify potential areas for improvement.

Financial Literacy

Our survey asked whether respondents themselves felt financially literate, with a majority (55%) stating that they agreed they are financially literate. This reading is significantly higher than the findings of the financial literacy measure, based on the FinEd which found that only 41% respondents can be considered financially literate. Only 13% did not think they were financially literate.

Figure 21: Share of respondents on whether they think they are financially literate



Source: Opinium survey, Cebr analysis

2.5 Attitudes regarding financial education and perceptions of financial literacy

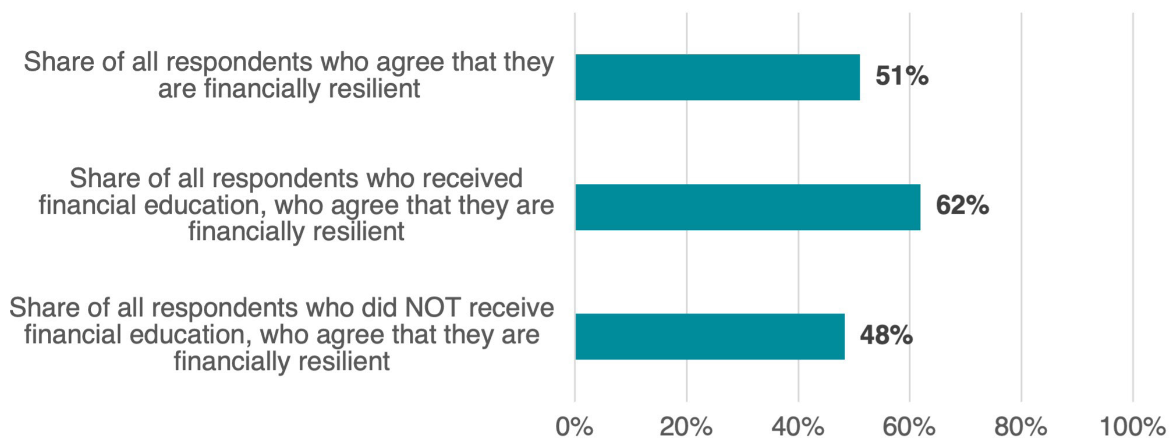
Restricting the sample to those who received financial education in secondary school sheds greater insight into the perceived quality of financial education in schools, with close to two-thirds of respondents (66%) who received financial education in school agreeing that they are financially literate.Only 4% disagreed with this statement.

This further contrasts with earlier findings, based on FinEd measure, which showed only 35% of respondents who received financial education in schools classified as financially literate respectively – a notably lower figure than amongst those who did not receive financial education in school.

Financial Resilience
Our research also asked about financial resilience, defined as the ability to cope financially when faced with a sudden fall in income or unavoidable rise in expenditure. A majority of respondents (51%) agreed that they were financially resilient, compared to 17% who disagreed that they were financially resilient.

Receiving financial education seems to have had a positive effect on improving self-reported financial resilience amongst respondents, with 62% of respondents who received financial education agreeing that they are financially resilient, compared to the sample-wide figure of 51%. Our analysis could be further enhanced had a measure for financial resilience been included as part of our survey. Accordingly, we could have compared respondents' perceptions of their financial resilience to their true level of financial resilience to determine any differences. Further research could incorporate such an element.

Figure 22: Share of respondents on whether they think they are financially resilient



Source: Opinium survey, Cebr analysis

Analysing the relationship between financial education and navigating the cost-of-living crisis
In light of the ongoing cost-of-living crisis, our research sought to investigate how respondents were coping with elevated price pressures.
In particular, this section focuses on whether receiving financial education in school had better prepared respondents to cope with increasing living costs.

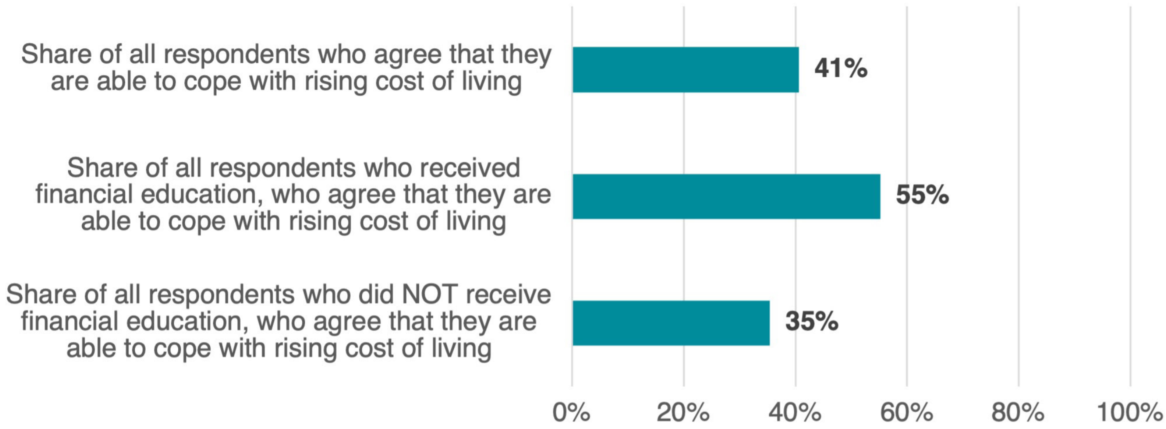
Overall, 41% of respondents agreed that they were able to cope with the rising cost of living. However, over a third of respondents (35%) disagreed that they were able to cope with the rising cost of living,

2.5 Attitudes regarding financial education and perceptions of financial literacy

highlighting a clear divide between how price pressures have impacted individuals.

Segmenting for those who received financial education adds an interesting dimension to the results. The majority of respondents (55%) who received financial education whilst in secondary school agreed that they could cope with the rising cost of living, compared to just 35% who did not receive financial education. This highlights the capacity that financial education has to instil confidence in individuals to cope with shocks to personal finances, such as a surge in inflation.

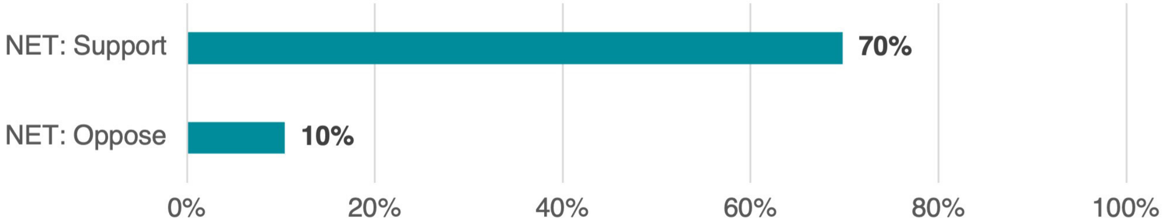
Figure 23: Share of respondents on whether they have been able to cope with the rising cost of living



Source: Opinium survey, Cebr analysis

Sentiment towards incorporating financial education holistically into the school curriculum
Turning to education, our research analysed respondents' sentiment towards incorporating financial education holistically into the school curriculum. In particular, we looked at whether respondents aged 18 to 24 would support schools being required to provide financial education lessons to students. Across the entire sample, the vast majority of respondents (70%) supported the implementation of regular financial education lessons in schools, demonstrating the observed importance of financial education from young adults as part of their developing years.

Figure 24: Share of respondents on whether they supported the regular provision of financial education lessons to students at school



Source: Opinium survey, Cebr analysis

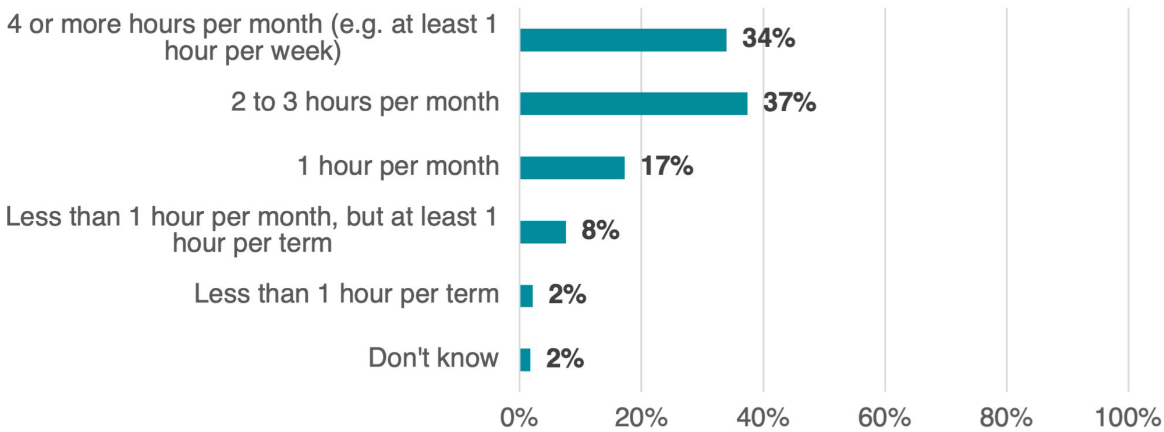
2.5 Attitudes regarding financial education and perceptions of financial literacy

Amongst those who supported financial education lessons in schools, our survey then looked into the adequate frequency of such a provision. Two to three hours per month represented the most popular answer, followed closely by four or more hours per month, at 38% and 34%, respectively. A quarter of respondents who supported the provision of financial education in schools (25%) believed that, at most, an hour per month was adequate. As such, the average frequency amounted to 2.6 hours per month.

Finally, the research looked at who would be best suited to provide financial education at schools. This question was posed to the entire sample across those who received financial education in school and those who did not.

A majority (61%) indicated that the teaching of financial education should be kept in-house, meaning schoolteachers should be responsible for providing financial education to students. However, within this sample, there was some divide on whether teachers should teach financial education via separate lessons or whether this should be provided as part of existing lessons. Within this group, the vast majority (69%) stated that this should be done via separate lessons, with the remainder (31%) believing that financial education provision should not come at the expense of the provision of other academic/co-curricular subjects.

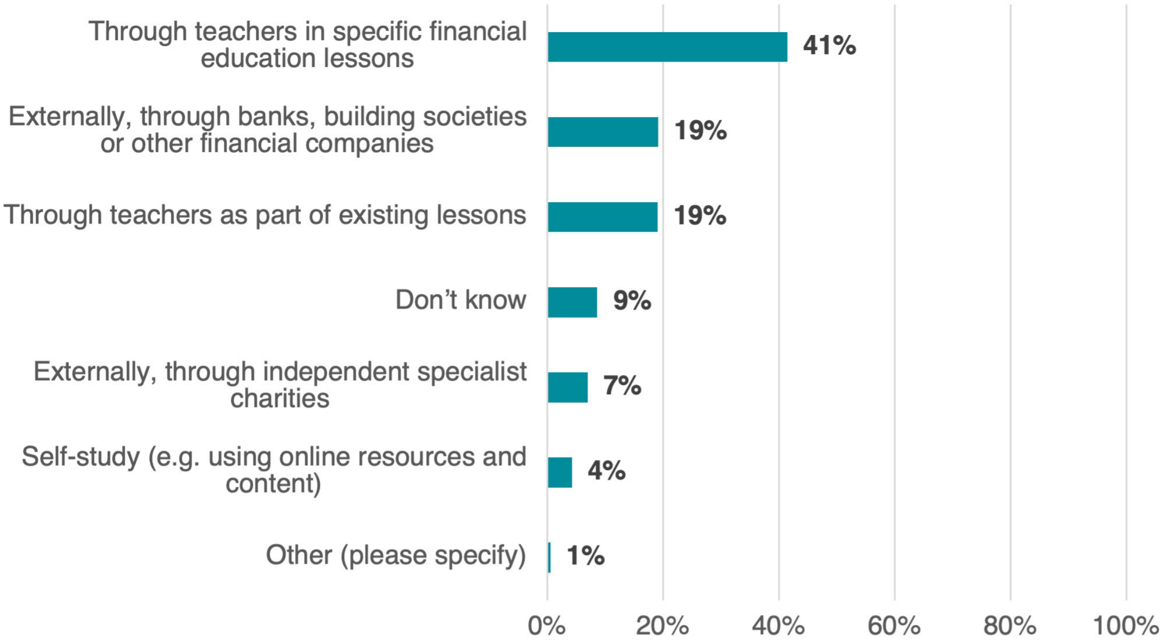
Figure 25: Share of respondents who supported the regular provision of financial education lessons to students, on the adequate frequency of such lessons



Source: Opinium survey, Cebr analysis

2.5 Attitudes regarding financial education and perceptions of financial literacy

Figure 26: Share of respondents on who would be best suited to deliver financial education to students aged 11 to 18 at school



Source: Opinium survey, Cebr analysis

Leon Ward, CEO of MyBnk:

"Despite our research showing the importance of financial education, we recognise the pressures and constraints teachers are under. That's why we strongly encourage the government, schools, businesses, and households to take advantage of external resourcing from organisations like MyBnk. MyBnk's financial education experts and resources save teachers the time needed to train themselves, prepare the content and deliver impactful lessons."

3. Teachers' perspectives

This section assesses teachers' perspectives on financial education in schools. We did so via a separate bespoke survey of 645 secondary school teachers in the UK, enquiring about the state of financial education provision in schools and teachers' perspectives on the barriers associated with the current provision of financial education. Where possible, we also segmented the results by school type, to explore the differences in financial education across different types of school, namely state and private schools.

3.1 Current provision of financial education

Key findings

- Close to four-fifths (78%) of teachers surveyed stated that financial education is currently being delivered in their schools.

- A majority of teachers who reported the presence of financial education in their schools (81%) stated that financial education was being delivered via mandatory lessons, of which 56% of the above majority declared that such lessons were not examinable.[11]

- In terms of optimal delivery type, 88% of teachers agreed that financial education should be delivered via mandatory lessons. Nonetheless, this group was split on whether these should be examinable or non-examinable, with 51% believing it should be non-examinable, while 49% believed it should be assessed.

- Across the subset of teachers who stated that financial education lessons were being delivered in their schools, four-fifths (80%) stated that they were responsible for preparing/collecting materials, including resources from external organisations, to be used in financial education lessons.

- For the same group, 79% stated that they were responsible for the delivery of financial education lessons.

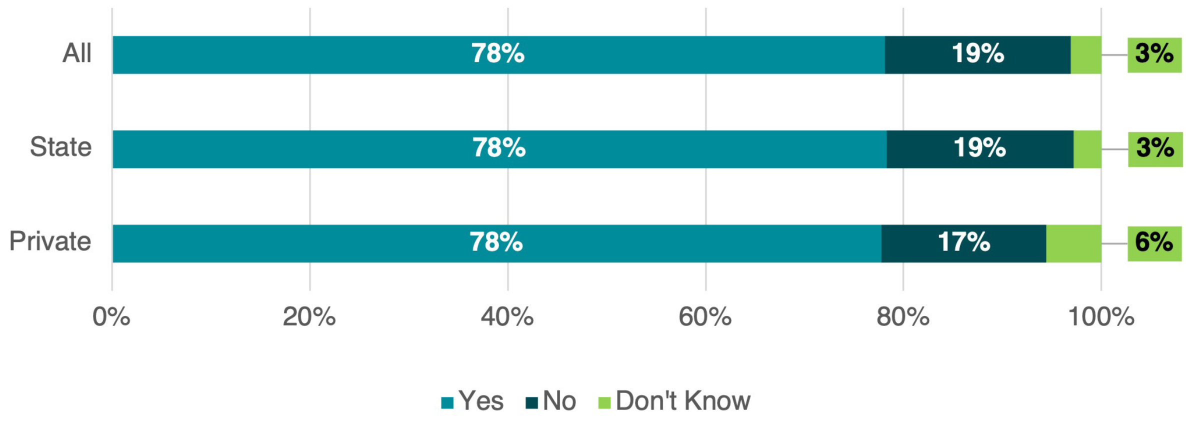
A key aim of our survey was to highlight the current reach of financial education provision in secondary schools in the UK. Subsection 2.1 explores a similar element, with close to two-thirds (61%) of 18-to-24-year-olds surveyed not recalling receiving financial education when they were in secondary school. This was followed by 29% of respondents stating that they could recall receiving financial education whilst in secondary school.

Close to four-fifths (78%) of teachers surveyed stated that financial education is currently being delivered in their schools. This was followed by 19% of teachers stating financial education is not being delivered at their schools. Segmenting for private and state schools, we find that a similar share of teachers declared the provision of financial education at their schools, at 78%.

11 'Examinable' refers to testing or evaluating financial education in an examination or assessment. It means that the material or content covered is suitable for examination, typically in an academic or professional setting.

3.1 Current provision of financial education

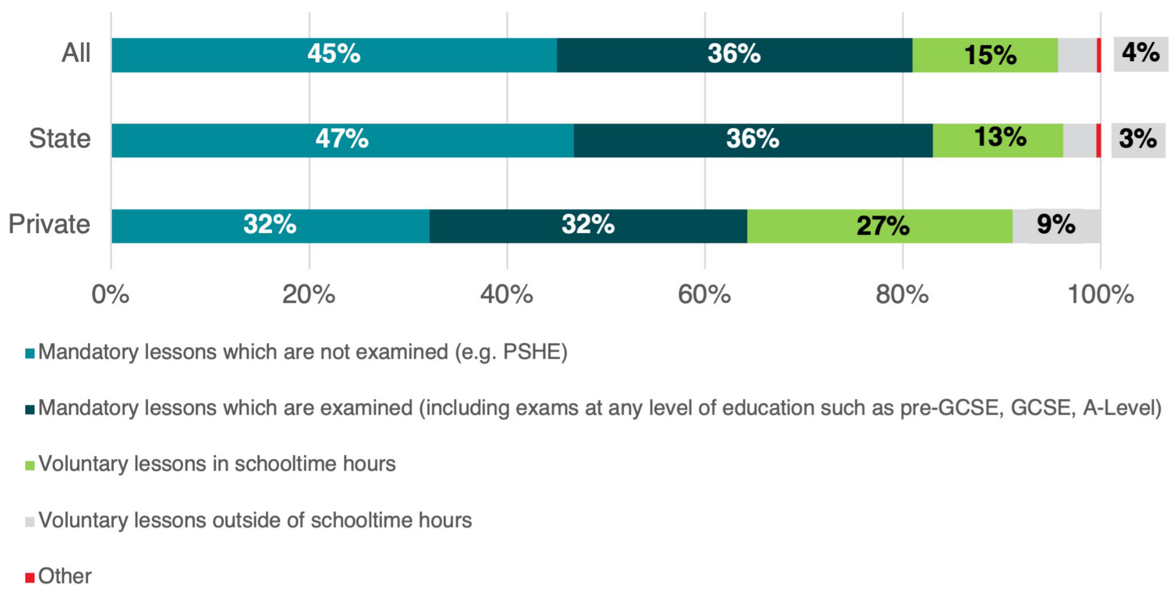
Figure 27: Share of teachers on whether financial education is currently being delivered at their schools, by school type



Source: Opinium survey, Cebr analysis

Amongst the subset of teachers reporting that financial education is being delivered at their school, we then asked teachers about the delivery method. Overall, a majority of this group (81%) stated that financial education was being delivered via mandatory lessons, of which 56% of the above majority declared that such lessons were not examinable. Only 19% of all teachers stated such lessons were voluntary, of which a bulk (79%) declared that such lessons occurred in schooltime hours.

Figure 28: Delivery method for financial education amongst teachers declaring that financial education is currently being delivered in their schools, by school type



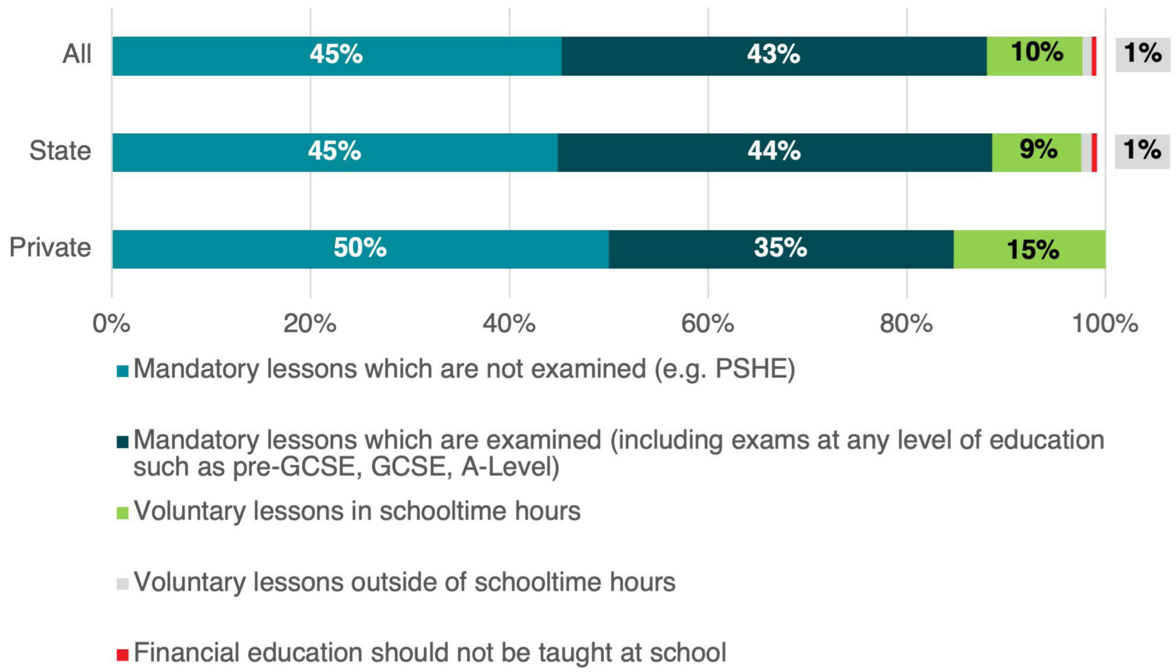
Source: Opinium survey, Cebr analysis

3.1 Current provision of financial education

In terms of optimal delivery type, teachers overwhelmingly agreed that financial education lessons should be delivered via mandatory lessons, with 88% of all teachers believing so. They were split on whether these should be examinable or non-examinable, however. Of all the teachers who believed financial education lessons should be mandatory in schools, 51% believed it should not be examinable, while 49% believed it should be.

Only one per cent of teachers stated their opposition to providing financial education lessons in schools, suggesting a strong consensus of support.

Figure 29: Share of all teachers on how financial education should be delivered in schools, by school type

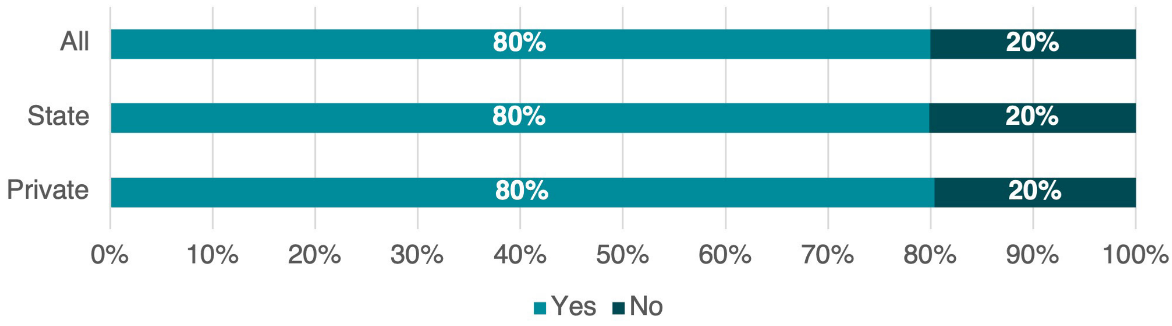


Source: Opinium survey, Cebr analysis

Our survey also enquired about teachers' responsibilities pertaining to financial education lessons, for those teachers who stated that financial education lessons were being delivered in their schools. Across this sample, four-fifths (80%) of teachers stated that they were responsible for preparing/collecting materials, including resources from external organisations, to be used in financial education lessons. We retrieved the same share when segmenting for private and state schoolteachers.

3.1 Current provision of financial education

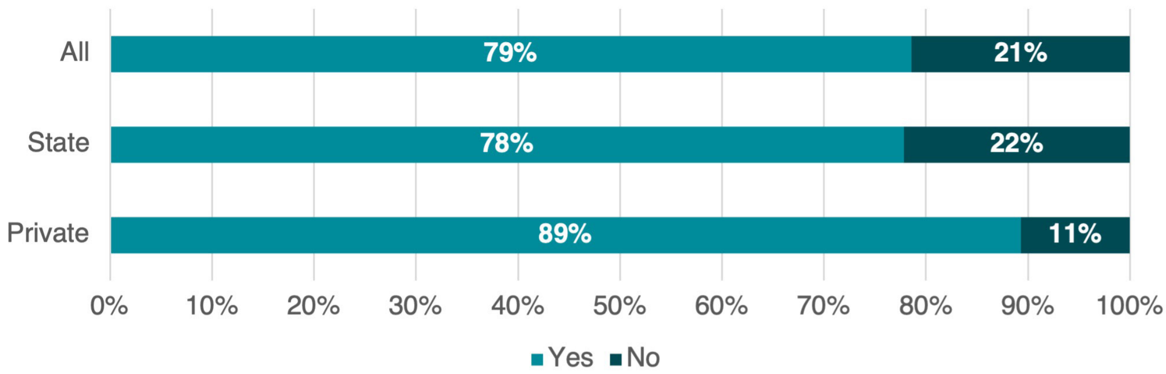
Figure 30: Share of teachers who declared that financial education is currently being delivered in their schools on whether they were responsible for preparing/collecting materials, including resources from external organisations, to be used in financial education lessons, by school type



Source: Opinium survey, Cebr analysis

In comparison, 79% of teachers who stated that financial education lessons were being delivered in their schools were responsible for the delivery of financial education lessons. This varied by type of school however, with private school teachers (89%) considerably more likely to be involved with the delivery of such lessons than state schoolteachers (78%).

Figure 31: Share of teachers who declared that financial education is currently being delivered in their schools on whether they were responsible for delivering financial education classes, by school type



Source: Opinium survey, Cebr analysis

3.2 Perceptions of financial education in secondary schools

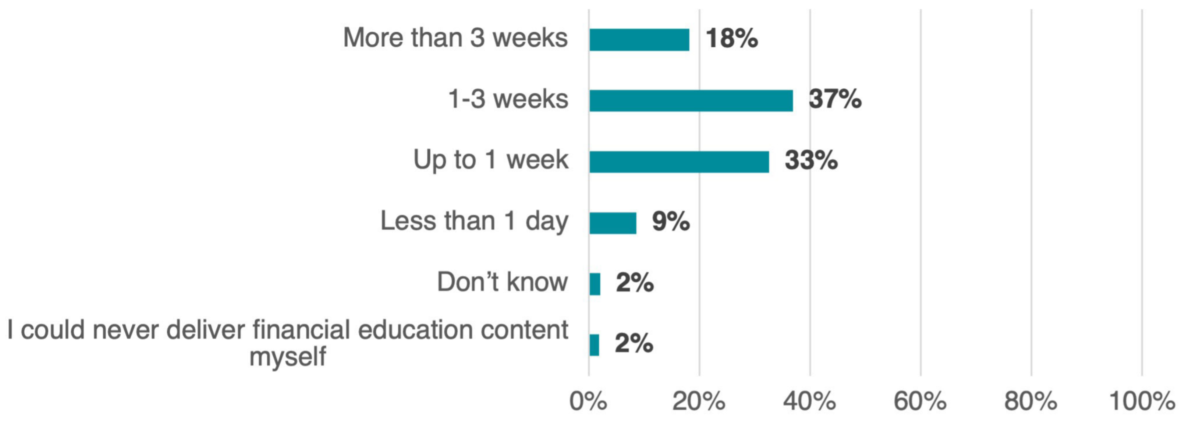
Key findings

- On average, teachers believed 12 days were sufficient enough to train up and deliver financial education content.
- In addition, teachers believed that, on average, 82 minutes were sufficient to prepare the material needed for a financial education lesson of an hour.
- Across all teachers who believed financial education should be delivered at schools, training of existing school staff was deemed the most beneficial factor to improve financial education provision (47%).
- Other popular responses included ringfenced time for teachers to prepare, plan, and/or deliver financial education (43%), reserved time in the school day for students to receive financial education (43%), and funding (41%).
- Across teachers who stated that more time would be beneficial to ensure that financial education is delivered at their institution, a majority (57%) of this subgroup believed that making more efficient use of the school day would be the best way to find additional time. Examples of a more efficient use of the school day included utilising evidenced quality resources, bringing in external resourcing, and having dedicated internal resourcing.

Our survey also enquired about secondary school teachers' perspectives on financial education. This covered the time costs associated with training and delivery, the preparation of financial education lessons, the integration of financial education into daily school activities, and possible ways to ensure the adequate provision of financial education in schools.

37% of teachers believed that it would take them between one to three weeks to train up to be able to deliver financial education in schools, as seen in Figure 32. This was followed by a third of teachers stating that it would take them up to a week, and 18% of teachers declaring that it will take them more than three weeks. On average, for those who specified a time period as a response to this question, teachers believed 12 days were sufficient to train up to be able to deliver financial education content.

Figure 32: Share of all teachers on the time needed to train to deliver financial education content

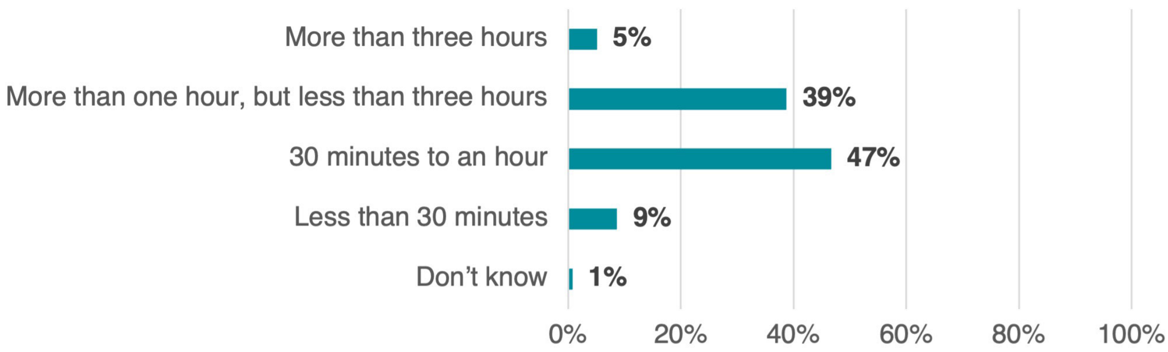


Source: Opinium survey, Cebr analysis

3.2 Perceptions of financial education in secondary schools

Training to be able to sufficiently deliver financial education content is not the only time cost however, with teachers also having to prepare materials in advance of financial education lessons. To get a better idea of the time cost associated with the delivery of financial education lessons, we asked teachers on the time they think would be needed for them to prepare a financial education lesson of an hour, with their answers listed in Figure 33. The most popular response (47%) was that 30 minutes to an hour would be needed. The next most popular answer was that of more than an hour but less than three hours (39%). On average, for those who specified a time period as a response to this question, teachers believed 82 minutes were sufficient to prepare the material needed for a financial education lesson of an hour.

Figure 33: Share of all teachers on the time needed to prepare a financial education lesson of an hour



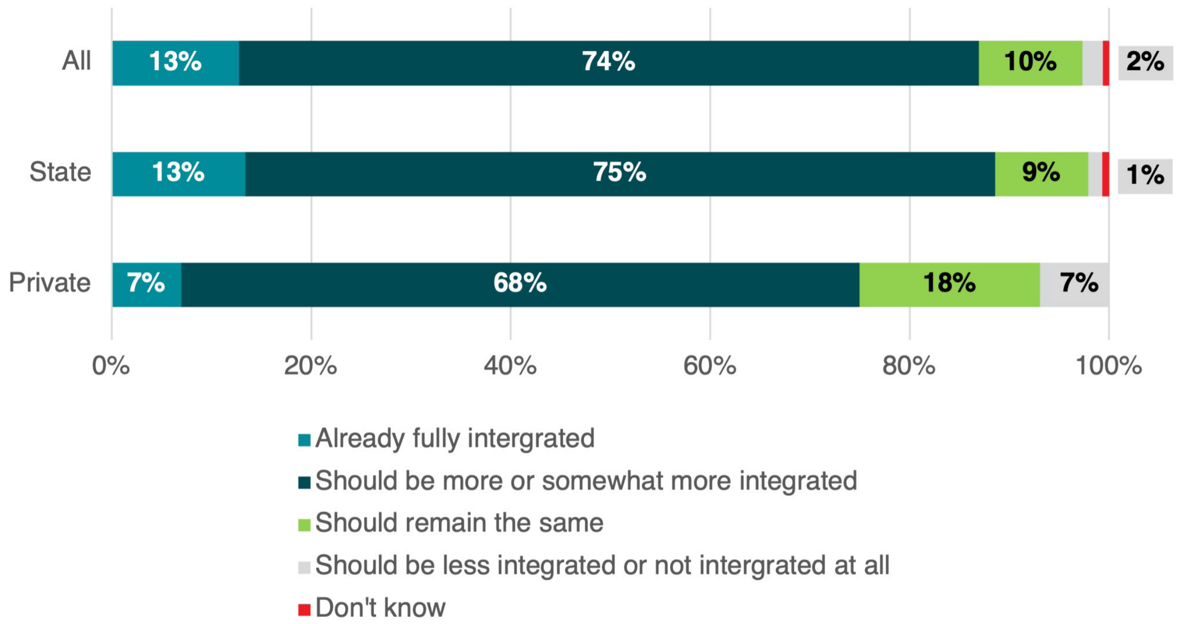
Source: Opinium survey, Cebr analysis

Our survey also enquired about teachers' perceptions of financial education in secondary schools. We asked about the current integration of financial education into daily school activities and whether teachers thought financial education should be more or less integrated.

Amongst teachers in favour of financial education being delivered in schools, a majority (74%) felt that financial education should be much or somewhat more integrated in daily school activities. Meanwhile, 12% believed that financial education was already fully integrated, while 10% felt that the level of integration should remain the same.

3.2 Perceptions of financial education in secondary schools

Figure 34: Share of teachers who think that financial education should be delivered at schools on whether they believe that financial education should be more or less integrated into daily school activities in their institution



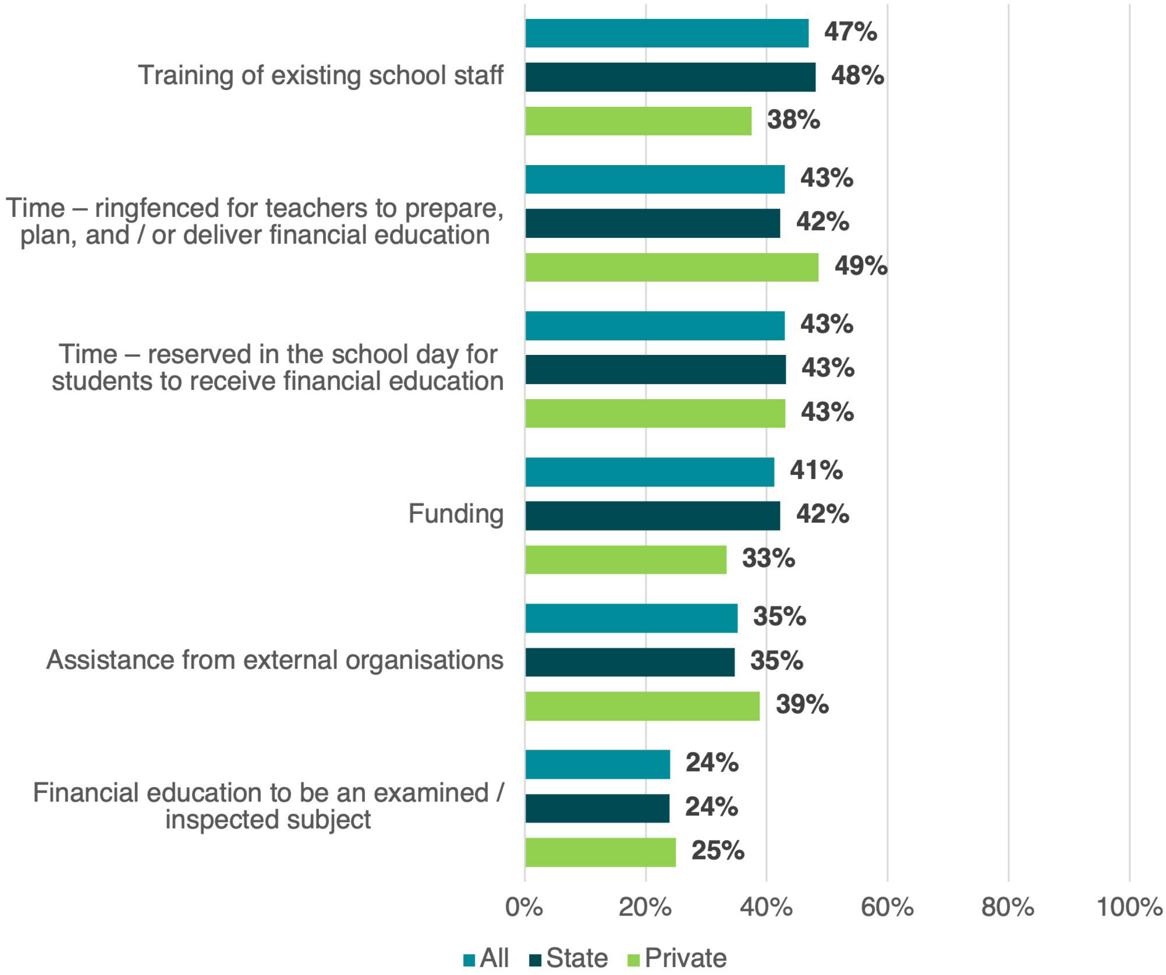
Source: Opinium survey, Cebr analysis

Our survey also enquired about the factors that teachers believed would be most beneficial to ensuring the appropriate provision of financial education at their respective institutions. Across all teachers who believed financial education should be delivered at schools, the most common response to this question was the training of existing school staff (47%). Other popular responses included ringfenced time for teachers to prepare, plan, and/or deliver financial education (43%), reserved time in the school day for students to receive financial education (43%) and funding (41%).

Segmenting for school type, private school teachers were more likely to choose time ringfenced for teachers to prepare, plan, and/or deliver financial education (49%) compared to the wider sample (43%). However, they were less likely to choose the training (38%) and funding (33%) options as factors that would be most beneficial to ensuring appropriate financial education delivery in their respective schools. This is likely due to the fact that private school teachers are much more likely to be involved in the delivery of financial education content, based on our findings from Figure 31, hence elevating concerns over time and reducing concerns over training and funding.

3.2 Perceptions of financial education in secondary schools

Figure 35: Share of teachers who think financial education should be delivered in schools on most beneficial factors for appropriate financial education delivery



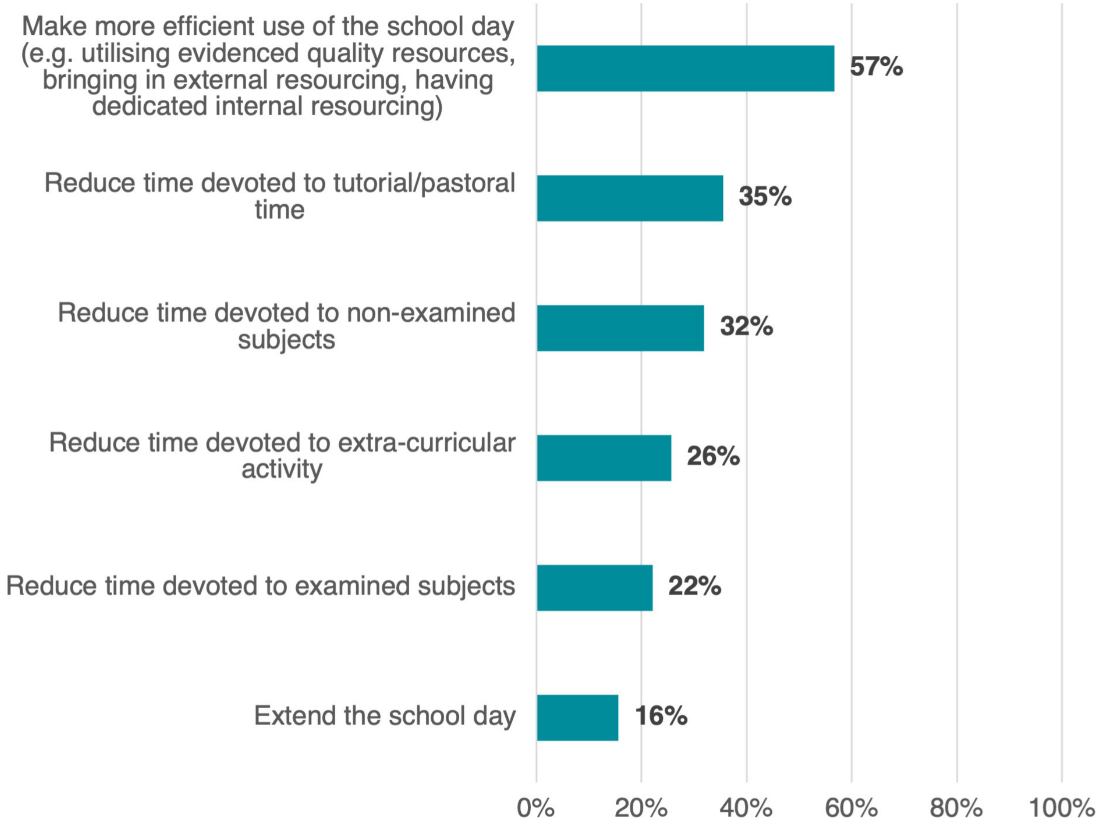
Source: Opinium survey, Cebr analysis

We delved deeper into this element by asking those respondents who selected either of the time options on what would be the best way to find additional time. Across this subgroup, a majority (57%) believed that making more efficient use of the school day would be the best way to find additional time. Examples of more efficient use of the school day included utilising evidenced quality resources, bringing in external resourcing, and having dedicated internal resourcing.

Meanwhile, more than a third (35%) declared that reducing time devoted to tutorial/pastoral time would allow for more time being devoted to financial education. At the other end of the scale, the least popular response was extending the school day (16%).

3.2 Perceptions of financial education in secondary schools

Figure 36: Share of all teachers who requested more time to deliver financial education, on the best way to find additional time



Source: Opinium survey, Cebr analysis

3.3 Minimum time requirements for financial education according to teachers

Key findings

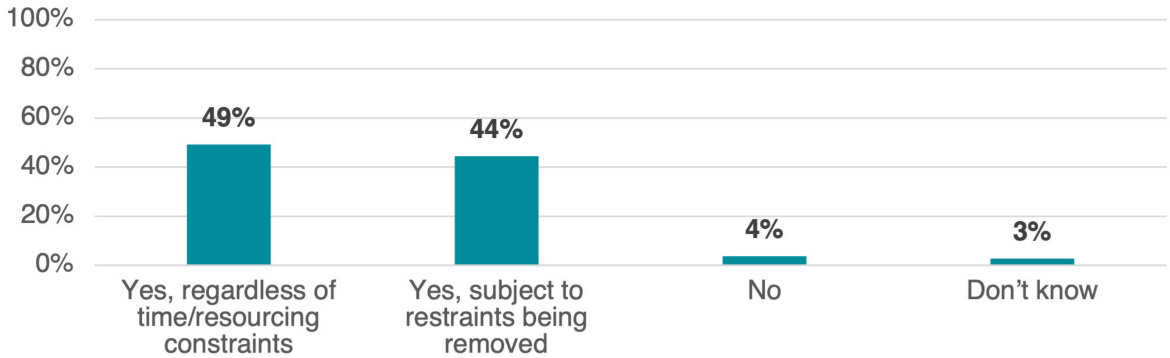
- Across all teachers who believe that financial education should be delivered in schools, 94% believed that a minimum time should be implemented in secondary schools.
- On average, across the sample, 30 lessons per year were deemed sufficient as part of a minimum time.
- Assuming an average duration of one hour suggests that the implied minimum time, according to teachers, is 30 hours per year, or 2.5 hours per month, close to the 2.6 hours per month obtained from the young adult survey.

Subsection 2.5 of this report explores setting a minimum time for financial education in secondary schools from the perspective of young adults.

Subsequently, we sought to explore the sentiment surrounding the implementation of a minimum time for financial education from the perspective of teachers.

Across all teachers who believe that financial education should be delivered in schools, 94% believed that a minimum time should be implemented in secondary schools. Four percent of teachers opposed the implementation of a set minimum time, however. Within the subset of teachers that supported the implemetation of a minimum time, more than half (53%) agreed that a minimum time should be put in place regardless of time/resourcing constraints, while the remainder (47%) believed that a minimum time should be set, subject to restraints being removed. Similar results were seen when segmenting for school type.

Figure 37: Share of all teachers who believe that financial education should be delivered in schools on whether a set minimum time for financial education should be implemented



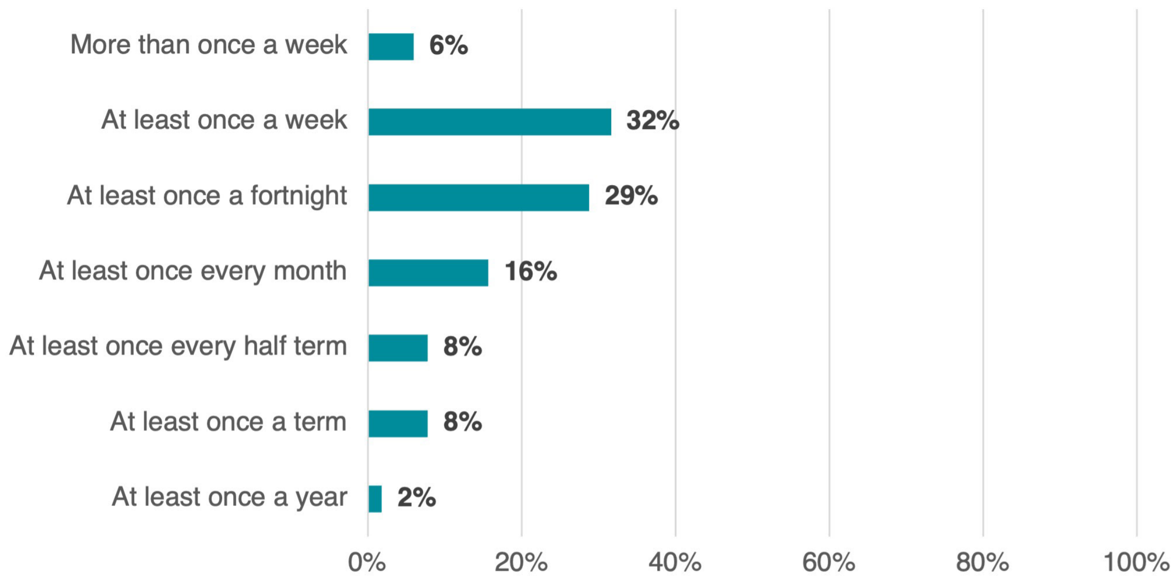
Source: Opinium survey, Cebr analysis

3.3 Minimum time requirements for financial education according to teachers

Our survey further asked teachers who stated that they would support the implementation of a minimum time for financial education at secondary schools on how regularly they think financial education lessons should be taught. The most popular response was at least once a week, with just under a third (32%) stating that this would be an appropriate frequency for financial education lessons, as part of a minimum time. This was followed by 29% of the sample believing that at least once a fortnight would be adequate. On average, across the sample, 30 lessons per year were deemed sufficient as part of a minimum time.

Our survey did not query teachers on the appropriate duration of financial education lessons as part of a minimum time. Yet, assuming an average duration of one hour suggests that the implied minimum time for teachers is 30 hours per year, or 2.5 hours per month. This is similar to our findings from subsection 2.5, where surveyed young adults believed that 2.6 hours per month would be an adequate frequency for financial education lessons.

Figure 38: Share of teachers who agreed with implementation of a set minimum time for financial education schools on the appropriate frequency of lessons as part of said minimum time



Source: Opinium survey, Cebr analysis

3.4 Wider sentiment and awareness surrounding financial education

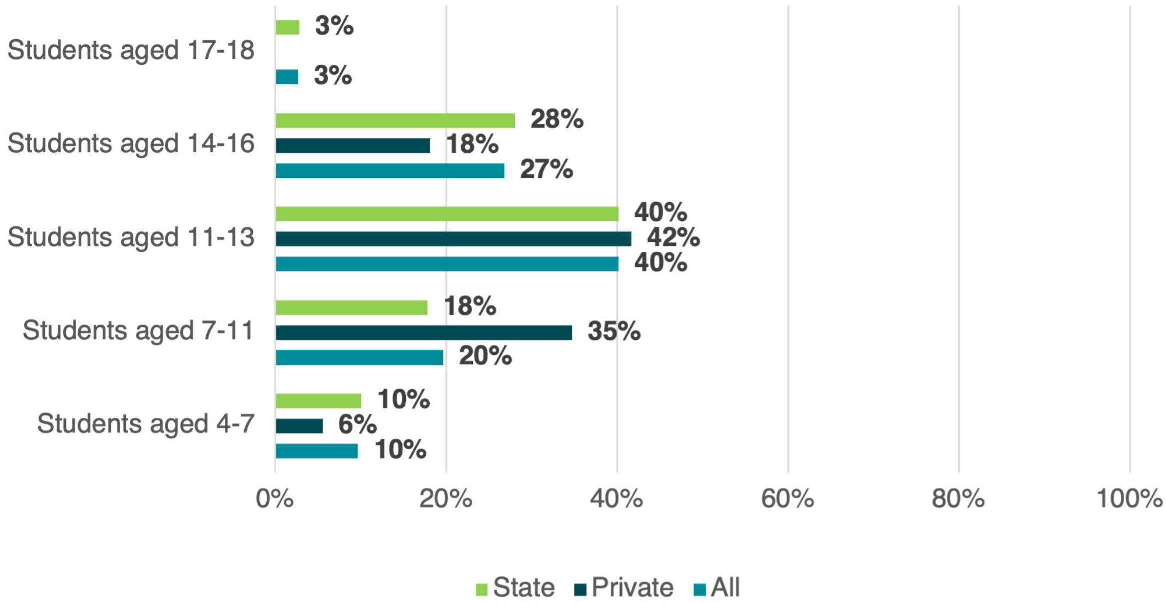
Key findings

- Two-fifths of teachers who believe financial education should be delivered in schools believe that financial education should begin between the ages of 11 and 13.
- Just over half (51%) believed that financial education has the largest impact on students aged 14 to 16 in terms of high levels of financial knowledge.[12]
- A similar share (51%) stated that they would concentrate time and resources on students aged 14 to 16, given existing constraints.
- 86%, 76% and 71% of surveyed teachers are at least somewhat aware of the outcomes expected from financial education at different ages based on guidance from the National Curriculum, the Financial Education Planning Frameworks, and the MaPS, respectively.

Finally, this subsection explores wider sentiment surrounding financial education, including teachers' opinions on the most effective age group to deliver financial education to, the age at which such education should start, and teachers' awareness on the expected outcomes associated with financial education from different authoritative institutions.

Across the 642 teachers who believe that financial education should be delivered in schools, two-fifths believe that students should begin financial education between the ages of 11 and 13. This was followed by 27% of teachers stating that financial education should start later in a student's school life, between the ages of 14 and 16. Meanwhile, a fifth believed that this should start earlier, when students are between 7 and 11.

Figure 39: Share of all teachers who believe financial education should be delivered in schools on what age they think financial education should start



Source: Opinium survey, Cebr analysis

12 High levels of financial knowledge in the context of financial education refer to a comprehensive understanding of financial concepts and terminology, as well as the ability to apply this knowledge to real-world financial decisions.

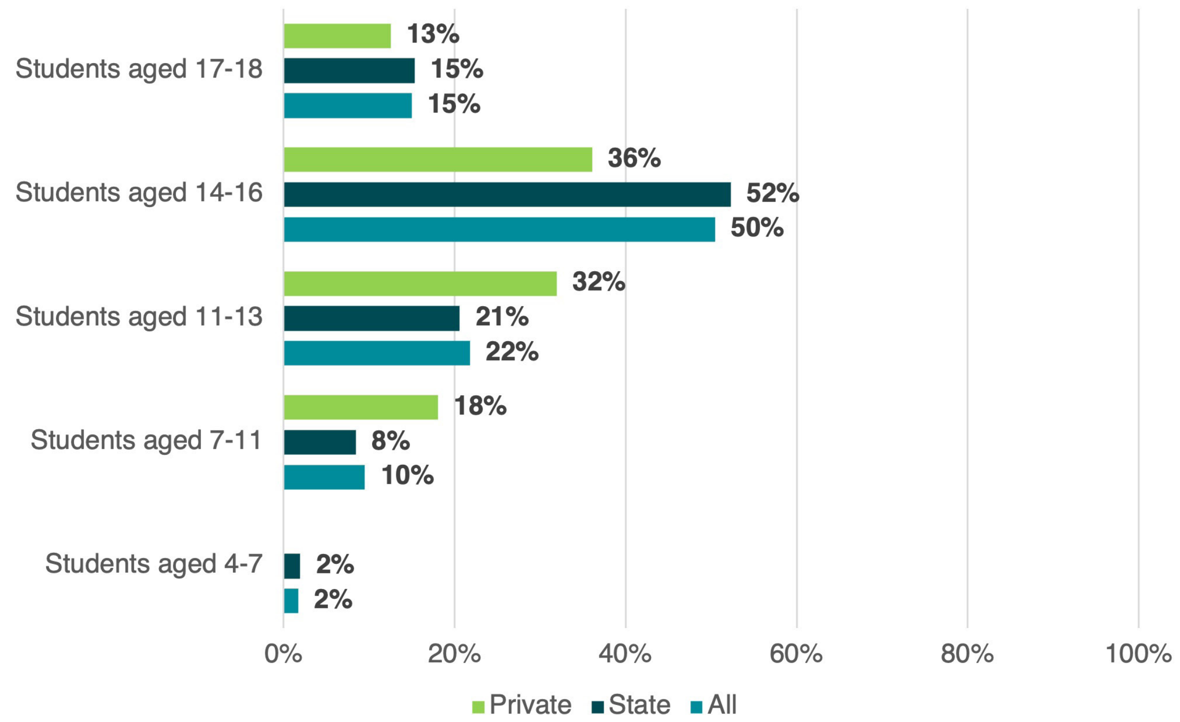
3.4 Wider sentiment and awareness surrounding financial education

We further asked teachers about when financial education has the largest impact on high levels of financial knowledge. Across the entire sample of teachers who believed that financial education should be delivered in schools, just over half (51%) believed that financial education has the largest impact on students aged 14 to 16 in terms of high levels of financial knowledge.

The survey also asked teachers to consider existing constraints at their respective institutions and, based on such considerations, enquired about teachers' opinions on where they would concentrate time and resources on financial education.

A majority of teachers (51%) stated that they would concentrate time and resources on students aged 14 to 16, given existing constraints. Similar shares were attained when segmenting by school type, though private school teachers were slightly more inclined to concentrate resources on students aged 14 to 16 (56%). Across the full sample, all other responses yielded similar shares. Notably, 16% of teachers stated that they would be more inclined to spread resources equally among age groups. This shot up to 18% when considering only private school teachers.

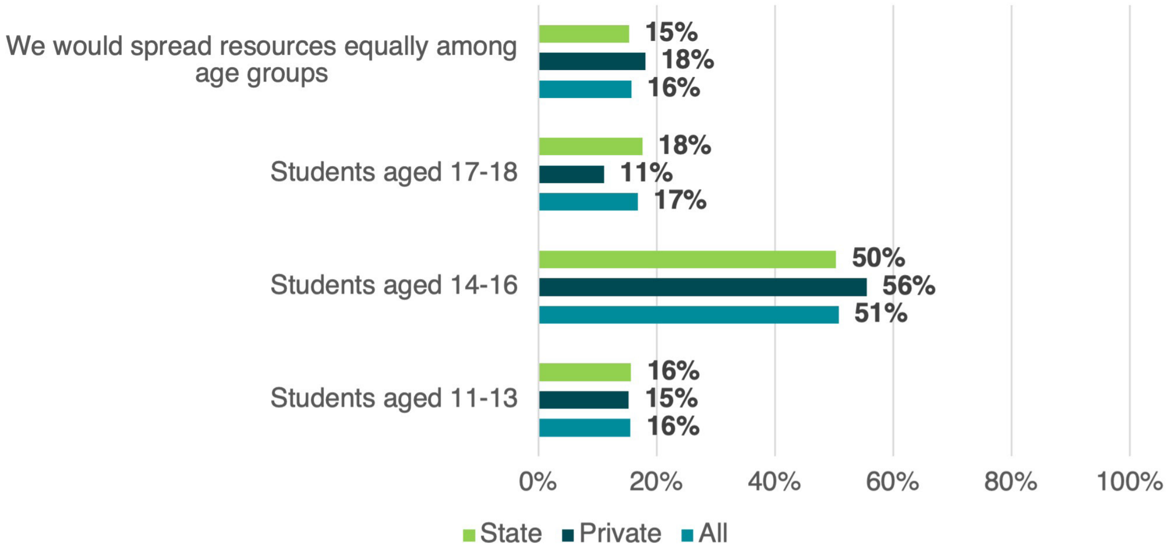
Figure 40: Share of all teachers who think financial education should be delivered in schools on what age they believe financial education has the largest impact on high levels of financial knowledge



Source: Opinium survey, Cebr analysis

3.4 Wider sentiment and awareness surrounding financial education

Figure 41: Share of all teachers who believe financial education should be delivered in their schools on where they would concentrate time and resources on financial education, given existing constraints within their secondary school



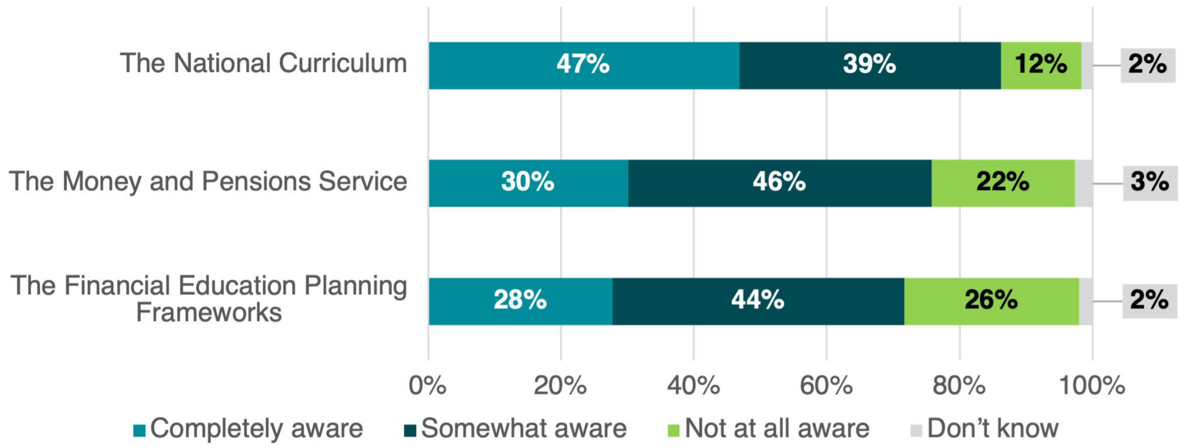
Source: Opinium survey, Cebr analysis

The final element of our survey enquired about general awareness of outcomes expected from financial education at different ages from the National Curriculum, the Financial Education Planning Frameworks, and the MaPS. Such a question enabled us to gauge whether teachers are aware of the mandated outcomes proposed by such institutions and acts as a rudimentary check on whether teachers have utilised or will utilise such guidance as part of any financial education content planning.

Overall, a majority of teachers are at least somewhat aware of the expected outcomes from financial education at different ages from each of the aforementioned institutions. This is highest for the National Curriculum, with 86% of teachers at least somewhat aware of the expected outcomes published by this institution. Meanwhile, expected outcomes published as part of the Financial Education Planning Frameworks garnered the least awareness, with only 72% of teachers somewhat aware of the expected outcomes associated with the framework.

3.4 Wider sentiment and awareness surrounding financial education

Figure 42: Share of all teachers on their awareness of the outcomes expected from financial education at different ages from the following institutions



Source: Opinium survey, Cebr analysis

4. A minimum time for financial education

Subsections 2.5 and 3.3 of our study delved into the establishment of a minimum duration for financial education lessons in secondary schools, as seen from the viewpoints of young adults aged 18 to 24 and current secondary school teachers, respectively. According to the survey results, young adults deemed 2.6 hours per month as an appropriate duration, while teachers opined that 2.5 hours per month would suffice. Based on the insights gleaned from the young adult survey, particularly the correlation between the quantity of financial education and financial literacy, we can utilise the findings to establish a suitable minimum time for financial education lessons.

We have also considered the broader benefits of establishing a minimum time for financial education in secondary schools, expressed in the number of hours required to improve financial literacy. To do so, we investigated the association between financial literacy and other economic variables, including GDP per capita, inequality, and unemployment. By doing so, we aim to consider general economic benefits associated with greater financial literacy, albeit from a correlation rather than a causation perspective.

Following this, using such correlations and the yielded minimum time, our research models how the introduction of a minimum requirement of financial education in schools could positively impact various economic variables, via the boost to financial literacy levels in the UK workforce.

4.1 Setting a minimum time

Results

For the FinEd measure of financial literacy, the analysis finds a statistically significant positive association between the average hours of financial education per week and financial literacy.

- The results suggest that a **10% increase in a weekly provision of financial education is associated with, on average, a 0.4 percentage point increase in financial literacy on the FinEd measure**. This is statistically significant at the 10% confidence level, highlighting the robustness of this relationship.
- Similarly, for the S&P FinLit measure of financial literacy, the analysis also finds a statistically significant positive association between weekly hours of financial education and financial literacy. For the S&P FinLit measure, a **10% increase in weekly provision of financial education is associated with, on average, a 0.5 percentage point increase in financial literacy on the S&P FinLit measure**, with this relationship being statistically significant at the 10% confidence level as well.

Consequently, to increase the share of individuals who are financially literate by a single percentage point, equivalent to approximately 55,000 young adults, our findings suggest that this requires, on average, a 24% and 22% increase in the average hours per week, for the FinEd and S&P FinLit measures of financial literacy, respectively. This translates to an additional 12 minutes per month.

Determining an adequate minimum time

Based on the results presented, it is possible to now determine an adequate minimum time. With financial literacy on both measures observed to rise in a statistically significant manner with the average number of hours week of financial education received, our consideration for the implied minimum time involves choosing a figure for the weekly provision of financial education for which a majority of respondents are revealed to be financially literate as the implied minimum time.

Our choice has to take into account the characteristics of the sample employed in the regression, namely the current level of financial literacy, for both measures, of respondents who received financial education in schools.

Figure 20 reveals that 35% of respondents who received financial education in school can be considered financially literate under the FinEd measure of financial literacy. In order for a majority of respondents within this subset to be deemed financially literate, the share of respondents needs to jump by at least 15 percentage points.

In turn, our calculated relationship between the average hours per week and the FinEd measure of financial literacy posits that a 15-percentage point, or 43%, increase, in the FinEd measure of financial literacy, on average, is associated with a 362% increase in average hours per week of financial education provision.

Based on our previous calculations in subsection 2.1, we found that, for respondents who received financial education in school during the ages between 11 and 18, respondents received, on average, 11 minutes per week of financial education. Accordingly, a 362% increase suggests that, on the FinEd measure of financial literacy, **51 minutes per week** of financial education is sufficient to ensure that a majority of students are financially literate. On a monthly basis, this translates to **3.7 hours per month**.

The above analysis was replicated for the S&P FinLit measure. 35% of respondents who received financial education in school can be considered financially literate under the S&P FinLit measure, suggesting that a 15-percentage point boost is required to ensure that a majority are financially literate. A 15-percentage point, or 44%, increase in the S&P FinLit measure of financial literacy, on average, is associated with a 328% increase in the average hours per week of financial education provision. Such an increase implies that **47 minutes per week**, or **3.4 hours per month**, of financial education represents our implied minimum time, under the S&P FinLit measure.

As such, our analysis suggests that in order to bring the majority of students to a level that is considered 'financially literate', hours should rise to **at least 3.4 hours per month**.

Table 3: Implied minimum time, in hours per week and hours per month, by financial literacy measure

Financial Literacy Measure	Hours per month (hrs)	Minutes per month (min)	Hours per week (hrs)	Minutes per week (min)
FinEd	0.85	51	3.7	220
S&P FinLit	0.79	47	3.4	204

Source: Opinium survey, Cebr analysis

4.2 Economic benefits of greater financial literacy

This section provides a comparative analysis of financial literacy levels across countries and how financial literacy compares to official economic data. Various studies, including the S&P FinLit paper from 2014 and the International Monetary Fund (IMF)'s World Economic Outlook, suggest that more developed economies witness higher prevalence of financial literacy.

A series of correlation analyses can determine the extent to which relationships between financial literacy and economic performance hold true.

The subsequent analysis considers average performance across economic indicators between 2014 and 2019. 2014 was chosen to align with the fieldwork period for the S&P FinLit survey, while 2019 was selected as the cut-off date to avoid any distortions to the result that could stem from the Covid-19 pandemic and its impact on economic indicators.

The relationship between financial literacy and...
Gross domestic product (GDP) per capita in purchasing power parity (PPP) terms:
• Clear positive correlation coefficient of +0.67

• This corroborates the general observation that more developed economies perform better on the S&P measure of financial literacy.

• The correlation is weaker when solely considering high income countries, yielding a coefficient of +0.36.

Unemployment
• Correlation coefficient of -0.31, suggesting that financial literacy is higher when unemployment is lower, and vice versa.

• When only considering high income countries, the correlation is weaker in magnitude, at -0.2.
Inequality

• The Gini coefficient is a measure of inequality. Value of the Gini coefficient lie between 0 and 1, with the former representing perfect equality and the latter perfect inequality. Higher values signal more unequal societies.

• Analysing the Gini coefficient with financial literacy shows a negative correlation coefficient of -0.26. This suggests that higher levels of financial literacy are found in more equal societies.

• A similar coefficient results when solely considering high income countries.

Implications for the UK
Using these results and the findings of the survey, we can assess the potential consequences of the UK improving its rate of financial literacy.

As outlined in subsection 4.1, there is a positive and statistically significant relationship between the logarithm of hours of financial education received and the score on the S&P FinLit test, suggesting that receiving more hours of financial education causes greater financial literacy.
Based on this result, an additional **2.6 hours of financial education per month would be required on average to make the majority of the sample financially literate, for those who did receive financial education in secondary school**.

Drawing upon the relationship found between GDP per capita and financial literacy scores on the S&P FinLit measure, we can estimate the economic benefit that could be associated with the majority of the sample being classed as financially literate, by imposing a minimum time on the number of hours of financial education per week.

A regression analysis of country-level GDP per capita figures against financial literacy levels for developed economies suggests that **a 15-percentage point uplift in financial literacy levels is associated with a boost in GDP per capita as high as £10,600, for equivalent economies**. For the UK in particular, if this full uplift is realised via an increase in hours of financial education lessons, this is equivalent to a 29% increase on 2022 GDP per capita levels.

4.2 Economic benefits of greater financial literacy

The above figure assumes that the current statistical relationship observed among a sample of countries between GDP per capita and financial literacy scores remains constant. Given that this is based on a correlation analysis, we are not claiming that better financial education will necessarily cause higher GDP per capita, though in general we do see a positive relationship between the two variables.

5. Conclusion and Recommendations

Conclusions:

Based on our research, we find that financial education is not being adequately provided in UK schools. Nearly two-thirds of young people cannot recall receiving any financial education at all, while those who did receive financial education were taught for an average of only 48 minutes, per month. This amount of time is significantly less than the average time spent studying academic subjects or developing non-academic skills outside of school. Additionally, those who did not receive financial education in school appeared to be more financially literate than those who did, further emphasising the need to improve the adequacy of financial education provision in schools.

Our findings suggest that the scarcity of financial literacy among those who received financial education in school is linked to an infrequency of financial education lessons. A majority of young adults who recalled receiving financial education in school found that the financial education provision in their schools was relevant, well-taught, and of good quality. Taken in conjunction with our findings on the average hours young adults received financial education in schools, alongside comparisons to time spent on other skills/subjects, it is evident that quantity, is a core issue behind the lack of financial literacy in young adults.

However, there are existing constraints on secondary school teachers due to competing demands on their time and a potential lack of financial education teaching expertise. Increasing the quantity of financial education provision without impacting other aspects of pupils' development is therefore challenging.

Furthermore, our research shows that providing the necessary training and resources for teachers to deliver quality financial education is a time-consuming and costly process. Thus, external resources, such as financial education charities, could be utilised to supplement in-school financial education. Below we outline three policy recommendations which believe could help meet these challenges.

If implemented, these recommendations would go a long way in ensuring that school-going children receive an adequate amount of financial education. By guaranteeing a minimum provision of financial education and encouraging schools to work with external stakeholders to help them deliver this, we can establish high standards of teaching and improve the quality of financial education being delivered. The benefits of these recommendations go beyond just improving financial literacy in young adults and can have a significant positive impact on the wider economy and society.

Recommendations:

1. **Guarantee 30 hours a year of financial education for every 11–18-year-old regardless of which education pathway they are on**

Based on our findings and to address the aforementioned issues, we recommend the introduction of a minimum time requirement for financial education.

The Prime Minister recently highlighted the importance of numeracy skills. MyBnk supports this but urges for a focus on money management and practical maths skills linked to this. This research suggests that only 41% of young people can be classified as financially literate. Therefore, this report is calling for all 11- to 18-year-olds to receive 30 hours a year of financial education - calculated as the minimum amount for the majority of young adults to be financially literate.

MyBnk stands ready to help educational establishments and employers meet this minimum standard through our expert-led financial education sessions and quality evidenced resources. MyBnk recommends reviewing how time could be created to accommodate these minimum required hours of financial education, for example by reducing time spent on other subjects, including it in the curriculum for other subjects, or making more efficient use of the school day.

The research also suggests that 63% of children not receiving financial education in schools but considered financially literate were taught by

5. Conclusion and Recommendations

their guardian. This shows the critical importance of continuing financial education outside of schools to maximise its impact. MyBnk therefore recommends schools disseminate dedicated "guides" or "toolkits" for young people and guardians to use in financially educating their child as part of the 30 hours.

2. Include financial education in regulatory frameworks to establish high standards of teaching

Alongside having a minimum provision of financial education, there is also a need to help ensure that it is delivered. This can be achieved by schools and teachers working with the devolved education departments and regulators across the UK to factor in a minimum provision of financial education as part of their grading systems.

Along with minimum hours, this would also look at the quality of the financial education being delivered. This would draw greater attention to the importance of having a minimum provision.

Although financial education is currently on the curriculum for state secondary schools, not all schools are required to follow this, including academies and private schools. Therefore, having teachers and schools partnering with both devolved education departments and their regulators and having financial education monitored and assessed will help to ensure that it is delivered more consistently across the UK.

Certainly, it is important to consider the broader context of existing constraints for teachers when implementing a minimum time requirement for financial education. Our findings suggest that external stakeholders play a significant role in promoting financial education. Therefore, we recommend that schools and wider education-related public bodies collaborate with external businesses and charities to promote financial education in schools. This approach fulfils a dual mandate of ensuring adequate financial education provision in schools while also ensuring that teachers are not overburdened.

3. Establish an awards programme to celebrate students, teachers, parents and carers, charities and others who excel in financial education

We believe that it is important to offer incentives for schools, individuals and institutions, such as businesses and charities, that actively promote financial education.

Similar to the 'Points of Light' programme where outstanding members of communities are recognised for their contributions, we believe that individuals and organisations going above and beyond to promote financial education should be rewarded for their efforts.

The Points of Light programme could be a blueprint for a financial education award for those who have made outstanding progress. This could give individuals and organisations a huge morale boost and bring closer attention to the importance of financial education. It would also help to ensure that financial education is a joint effort by policymakers, businesses, households, and schools.

MyBnk recommends that this awards programme is run by the Money and Pensions Service or the Department for Education or equivalents in the devolved nations.

Appendix A: Limitations of Methodology

While the report provides valuable insights into the current state of financial education, there are limitations to the methodology that should be considered when interpreting the results. These limitations include:

1. sampling and structural differences across the young adult and teacher surveys;
2. the use of a measure of financial literacy based on basic conceptual questions, and;
3. the lack of assessments on the quality of financial education.

These limitations could affect the conclusions drawn from the report, highlighting the need for further research and exploration of financial education in the UK. We elaborate on these limitations, and how they could potentially affect our findings, below.

Sampling and structural differences across the young adult and teacher surveys

Our report is based on the results of two surveys - one of 4,000 young adults aged 18 to 24, and the other of 645 secondary school teachers.

Regarding the young adult survey, the sample size of 4,000 was substantial and aimed to be nationally representative in terms of gender, region, and social grade. However, there is a possibility that it may not accurately represent the entire young adult population of the UK. Additionally, as young adults aged 18 to 24 are between two to eight years past their secondary school years, the findings on financial education may be dated. The time gap may also affect young adults' ability to recall their financial education, thereby potentially impacting our headline findings.

The teacher survey included only 645 current secondary school teachers, which may limit the generalisability of the findings. Moreover, the time gap between financial education provision and the survey's vintage may affect its accuracy. For these reasons, direct comparison between the two surveys cannot be made, which restricts the overall conclusions of the study.

The use of a measure of financial literacy based on basic conceptual questions

The report utilises the Compare the Market and MyBnk FinEd measure, which is partly based on conceptual questions from the S&P FinLit survey, as well as additional questions added by Compare the Market and MyBnk. While this measure serves as a useful tool for assessing financial literacy, it may not encompass the entirety of financial literacy skills that are crucial for informed financial decision-making. As a result, this could impact the accuracy of the reported financial literacy levels among young individuals.

The lack of assessments on the quality of financial education

Although the report delves into the extent and volume of financial education provided in schools, it lacks an evaluation of the quality of financial education. This omission could potentially impede the study's overall conclusions since the quality of financial education can significantly impact its efficacy.

Overall, these limitations could affect the findings of the report and should be taken into consideration when interpreting the results. In addition, these limitations could also be considered in future work in this space, which in turn could contribute to more robust findings.

Appendix B: Compare the Market & MyBnk FinEd measure questions

This appendix lists the questions employed as part of the Compare the Market & MyBnk FinEd measure, with the correct answers bolded. The first four topics, and the five questions inside these topics, were adapted from the S&P FinLit survey. Conversely, the last three topics were based on insights from Compare the Market & MyBnk. For each topic to be deemed correct, respondents must select the right answer for all the questions within a topic. To be classified financially literate under the FinEd measure, respondents must obtain at least five correct topics, out of the total seven.

Topic 1: Risk Diversification
Suppose you have some money. Is it safer to put your money into one business or investment, or to put your money into multiple businesses or investments? [one business or investment; **multiple businesses or investments**; don't know]

Topic 2: Inflation
Suppose over the next 10 years the prices of the things you buy double. Further suppose that you spend all of your income each month. If your income also doubles, in 10 years, will you be able to buy less than you can buy today, the same as you can buy today, or more than you can buy today? [less; **the same**; more; don't know; refused to answer]

Topic 3: Numeracy (Interest)
Suppose you need to borrow £100. Which is the lower amount to pay back: £105 or £100 plus three percent? [£105; **£100 plus three percent**; don't know]

Topic 4: Compound Interest
Suppose you put money in the bank for two years and the bank agrees to add 15 percent per year to your account. Will the bank add more money to your account the second year than it did the first year, or will it add the same amount of money both years? [more; the same; don't know; refused to answer]

Suppose you had £100 in a savings account and the bank adds 10 percent per year to the account. How much money would you have in the account after five years if you did not remove any money from the account? [**more than £150**; exactly £150; less than £150; don't know]

Topic 5: Budgeting
How regularly do you keep track of your income and spending? [**always; often; sometimes**; rarely; never]

Topic 6: Perceptions on Spending
To what extent do you agree with the following statement: 'when it comes to money, I prefer to live for today rather than plan for tomorrow?' [strongly agree; tend to agree; neither agree nor disagree; tend to disagree; strongly disagree; don't know]

Topic 7: Financial Confidence
Respondents must select the right option for at least four of the six options to get this topic correct.

How confident are you in your ability to do the following:
1. Make decisions on financial products and services
2. Check that I am paying the correct amount of tax
3. Check that I receive any benefits I'm entitled to
4. Avoid potential money scams / fraud
5. Seek specialist advice if I have money problems
6. Plan sufficiently for retirement

[**very confident; fairly confident**; not very confident; not at all confident; don't know]