

christians
against
poverty

CAP

Inquiry into the barriers facing schools as they deliver financial education

CAP's written response to the All-Party Parliamentary Group on Financial Education for Young People inquiry

June 2022

always hope.



Official response to the APPG on Financial Education for Young People's inquiry

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Summary

Christians Against Poverty (CAP) is the UK's largest provider of free, face-to-face adult financial education. CAP delivers its financial education through the CAP Money Course and Life Skills, providing teaching on areas such as budgeting, attitudes towards money management and navigating credit. Between 2008-2021, CAP delivered over 15,000 CAP Money Courses and reached 75,382 delegates.

CAP welcomes research into financial literacy and capability, and strongly agrees with the need to improve the delivery of financial education across the UK for individuals of all ages. CAP believes that the Government has a key role to play in encouraging comprehensive delivery of financial education across the UK, and in addressing inequalities in financial wellbeing across the population.

Key points:

- Schools can help to tackle inequalities in financial capability through offering pupils the opportunity for hands-on money management.
- Teachers, parents and carers also need to be equipped with suitable financial education, both for the benefit of themselves and for supporting their children.
- There is a need for more comprehensive financial education resources within both primary and secondary schools.
- Schools in areas of high deprivation face particular challenges that stem from the interaction of many social, economic, political and personal factors.
- Lifelong teaching in financial education is also important in maintaining financial wellbeing for children as they leave school and progress into adulthood.

Questions

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

A critical starting point for boosting financial capability amongst young people is improving delivery of literacy and numeracy skills within schools. In 2018, almost 20% of secondary school leavers left without substantive qualifications (i.e. five GCSEs grade A* to C, or equivalent technical qualifications).¹ Rates were significantly higher (37%) amongst children receiving free school meals. Poor attainment impacts financial capability by lowering the likelihood of securing a job, and limiting understanding of financial communications. Boosting basic literacy and numeracy skills is crucial to tackling low attainment, and building the basis for strong financial capability.²

Alongside textbook learning, there is a crucial need for practical hands-on opportunities for money management within schools. Given that some children do not receive pocket money, schools should find creative ways to allow children to consolidate knowledge, and to gain experience and responsibility in handling money on a regular basis. For instance, children could gain real-world experience with money through being included in planning and budgeting for class parties or trips, running tuck shops, or setting up small business projects or charity fundraisers. Particular investment could be placed into deprived areas to ensure that as many children as possible have the opportunity to practically handle money.

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

Research shows that children's financial capability is significantly shaped within the home and schools, especially during early years. The opportunity for children to learn and practise money management at home can play a significant role in shaping later financial capability. The opportunity to equip children with such knowledge and skills, however, varies across households. Within low-income households, it can be difficult to involve children in financial decision-making due to difficult financial situations and decisions that households may incur, such as needing to choose between heating the home or paying the weekly food bill. Perhaps most significantly, there is often less capacity within low-income households to give children hands-on experience in managing money, for example in giving regular pocket money. This means children can miss out on consolidating their learning and developing practical skills. Having the opportunity to develop these skills within schools, therefore, can help to bridge inequality in financial capability borne out of differing home environments.

¹ [Children's Commissioner, 2018](#). Briefing: the children leaving school with nothing

² [Douglas, 2018](#) - Too Many School Leavers Still Don't Have the Literacy Skills Needed to Thrive

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

The significant role of the home in shaping children's financial capability points to the importance of equipping parents and carers with the relevant skills, knowledge and confidence to pass onto their children. This highlights the need for holistic financial education, rather than a sole focus on schools and young people. CAP Life Skills, for example, helps to provide parents with the skills needed to communicate effectively with their children on issues such as money management. In order for more parents and carers to take up such opportunities, there is a need for the Government to play a role in shifting narratives towards financial education being a lifelong endeavour.

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

There is a need for more comprehensive financial resources within both primary and secondary schools. Currently, two main sources of information exist. The first comes in the form of sessions and online resources provided by financial service providers. While these resources may provide valuable financial knowledge and skills, questions should be raised around vested interests and brand image. The second resource comes from The Money and Pensions Services, who partnered with Martin Lewis to circulate the first ever curriculum-mapped financial education textbooks into secondary schools across England, Wales, and Scotland from June 2021.³ While this is a positive move, there is a need for more comprehensive resources to support both secondary and primary schools.

Consistency in the delivery of financial education across UK schools needs to be improved. Current reports suggest that many schools are hindered by busy timetables and a lack of financial knowledge, skills, resources and confidence amongst teachers.⁴ Discrepancies in delivery of financial education also stem from the growing number of free schools and academies in England (currently making up 35% of schools) that have the freedom to shape their own curriculum. This points to the need for more comprehensive training for education providers, and to the importance of improving adult financial education alongside school-aged children.

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

No answer provided.

³ [MSE, 2021](#). New FREE guide on what to teach kids about spending money safely online launched

⁴ [MaPS, 2022](#). Financial Education in Schools

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

No answer provided.

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

Schools in areas of high deprivation face particular challenges that stem from the interaction of many social, economic, political and personal factors.

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

Children and families in areas of high deprivation are likely to face particular challenges in relation to financial capability. This can impact on children's ability to put financial education into practice at home. Households in areas of high deprivation may face the challenge of having fewer opportunities to practice money management when growing up. Low income families may have less capacity to: give their children pocket money; involve their children in financial decision-making due to the stress incumbent in managing household finances on low incomes; and model use of financial services, such as mortgages. As a result, individuals from low income families may have less knowledge, practical skills, and opportunities to practice money management.

Amongst CAP clients there is a strong correlation between individuals with low incomes, and digital exclusion. Digital exclusion is defined as unequal access and capability to use digital and online resources essential to participate in wider society. Being digitally excluded can negatively impact an individual's financial capability in numerous ways, such as by limiting: exposure to useful financial information; access to essential online services; ability to apply for jobs; and retail savings.⁵ An increased likelihood of digital exclusion means that individuals, including children, in areas of high deprivation may have less access to financial information and less opportunity to apply the information that they do have.

10. Please share any other policy mechanisms that would better support schools to deliver high quality financial education among both primary and secondary aged children? / 11. Please share any other support/interventions that would better support schools to deliver high quality financial education among both primary and secondary aged children?

Improving life-long financial education will support higher financial education within schools by equipping teachers and parents with the skills, knowledge, and confidence to support children well. Ongoing teaching in financial education is also

⁵ [CAP 2021](#). Digital Divide

important in maintaining financial wellbeing for children as they leave school and progress into adulthood. For example, it is difficult to equip a school-aged child with the knowledge, skills and confidence to select and purchase a mortgage. This points to the importance of a holistic approach to financial education that spans across the lifetime of a population.

About Christians Against Poverty (CAP)

Christians Against Poverty (CAP) is a Christian charity tackling poverty in communities across the UK through free debt help and local community groups. CAP provides award-winning free debt help through local churches. Each church's CAP Debt Centre offers emotional and practical support, while our head office team in Bradford provides bespoke debt advice and a plan to help people get out of debt.

CAP also offers community groups dedicated to tackling poverty at the root. These are run through local churches, and cover topics such as interview skills, applying for a job and writing a CV, how to budget, making money go further and key life skills.

CAP Money Course

The CAP Money Course is a free financial education course which provides attendees with the opportunity to develop financial knowledge, skills and confidence. The course includes group teaching on attitudes towards money, building and balancing a budget, navigating credit and saving. Since its formation in 2008, 15,000 courses have been delivered, reaching 75,382 individuals.

CAP Life Skills

CAP Life Skills is a free financial education course which provides accessible and holistic teaching on essential life and money management skills. The course provides group teaching on how to eat well on a budget, relationship management and how to make your money go further. Alongside community learning, the course offers attendees the opportunity to receive personalised 1-2-1 support in building a budget. CAP currently runs 137 Life Skills courses, and has reached 4,934 individuals since its launch in 2017.

Requests for further information

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