

An investigation into financial education across the UK

September 2018

Summary of Children and Young People
& Financial Capability: Provision Analysis report



the Money
Advice Service

1 The Money Advice Service: our role in financial education

The Money Advice Service is a UK-wide, independent service set up by the government to help people manage their money.

One of our statutory aims is “to enhance the understanding of members of the public about financial matters”. This includes financial education for children and young people.

In 2015, we launched the 10-year Financial Capability Strategy for the UK. One of its key themes is improving the ability of children and young people to manage money well and make good financial decisions. Ultimately we want to ensure all children and young people get a meaningful financial education.

We aim to improve and widen financial education by generating evidence about what works; improving strategic coordination of activity across the UK; and sharing insights to influence funding, commissioning, delivery, and policy.

2 Mapping financial education

Financial education develops the skills, knowledge, attitudes and behaviours that children need to become financially capable adults.

To ensure that all children and young people receive meaningful financial education, we need to find out what financial education is currently being provided where, how and for whom.

In late 2017, we began a mapping exercise to capture the details of financial education interventions for children and young people across the UK. We looked at:

- where financial education is taking place;
- how many children and young people are reached;
- what ages and different groups are targeted;
- who delivers the education;
- what methods are used; and
- what subjects are covered.

The mapping exercise looked at financial education interventions that:

- aim to have a **preventative, preparatory education role for any child or young person in helping them develop financial capability**
- are **offered to children and young people up to 25 years old**, or those people who support them (for example, parents or educators).

It does not include real-time money advice or guidance to young adults who are economically active, nor teaching that takes place as part of day-to-day delivery of the school curriculum.

This summary draws out headline findings for the UK. The full report includes specific findings broken down by each nation of the UK and age groups throughout.

3 What types of financial education take place where?

We identified 131 financial education interventions in the UK. They range from local projects for 20 children, to UK-wide provision that reaches a million young people each year.

In **98 (75%) of the interventions, the primary focus was financial capability**. For the rest, financial capability was a secondary focus; the main focus ranged from life skills (11 interventions) to business/enterprise (six), employability and housing/tenancy skills (five each) and numeracy (four).

Financial education can be delivered in different ways. We found that the most common methods were:

- **Direct delivery:** face-to-face methods such as workshops, coaching, facilitated games or lessons (30%).
- **Learning resources:** for example, a book, website, or game (13%).
- A combination of **direct delivery** and **learning resources** (7.6%).

36 of the interventions are delivered **across the whole of the UK**. These mostly take the form of **learning resources** such as books, websites or games.

39 interventions take place in **England only**, 14 in **Wales only**, and 25 in **Scotland only**. These mostly use **direct delivery** methods such as lessons or workshops.

The three interventions taking place only in **Northern Ireland** all used a **combination of methods** – for example, direct delivery, financial product, learning resources, and qualifications.

Many interventions have the potential to be delivered in a wider area, according to demand.

4 Who receives financial education?

In total, financial education interventions reach more than 3.3 million children and young people.

The majority of this reach is through **education with a face-to-face element**, such as classes or workshops.

Online interventions reach around 1.2 million children and young people; 230,000 children and young people are reached by interventions that are learning resources only.

Most interventions are relatively small scale:

- **2** interventions reach **more than 750,000** children and young people.
- **44** interventions reach **500 children or fewer**.
- **17** reach **100 children or fewer**.

Financial education is **most commonly targeted at older children**. The age range targeted by the largest number of interventions is 16-18. The **largest reach is for the 14-16 age group**, followed by ages 11-14 and 16-18. Ages 0-5 are least often targeted, followed by 5-7 and 7-9.

Very few interventions target parents or carers as a means of developing children's financial capability.

Children and young people with specific needs

49 (37%) of the interventions focus on specific needs. However, the total reach of these projects is just 128,000 – less than 4% of the total reach of all interventions.

The most frequently targeted groups are young people who are:

- transitioning to **financial independence or independent living**
- excluded or at risk of exclusion
- homeless or at risk of homelessness; or
- not in education, employment or training (NEET)

The vast majority of **interventions that address specific needs** are provided and funded by not-for-profit organisations.

5 Who funds financial education?

We found that at least **£13 million is being spent on financial education per year**. However, we only received funding information from just over half the interventions, and **we estimate that the total annual funding is more than £18m**.

- **Financial services are the biggest funder**. They are the sole funders of almost £3.7m of financial education, and contribute to projects worth **£6.3m** overall.
- **Government agencies** are the sole funders of **almost £1.5m** of financial education, and contribute projects worth **almost £4m** in total.
- The **Money Advice Service** is also a major funder. It is the sole funder of **£1m** of financial education interventions, and also contributes to projects whose funding totals another **£980k**. A large proportion of Money Advice Service funding is from the **What Works Fund**.
- Other major funders include **(non-financial) corporates, businesses delivering financial education for profit, lottery, foundations, and large charities**.

As part of the Financial Capability Strategy for the UK, the Money Advice Service launched the £11 million **What Works Fund** in 2016. It funds 65 projects, including financial education interventions. By evaluating the impact of these projects, we will gather robust evidence about what works to improve financial capability.

6 Who delivers financial education?

More than 100 organisations are delivering the financial education we recorded in our mapping exercise.

Charities and social enterprises are the largest sector in terms of the numbers of interventions: they **deliver 79 interventions**, either alone or in partnership, with a **total reach of more than 570,000**.

Financial services, including credit unions, are involved in delivering **30 interventions**, but these have a **higher reach, at more than 1.4m**.

Other delivery organisations include housing associations, local authorities, education institutions, for-profit businesses, and government agencies in Scotland and Wales.

Interventions delivered by charities tend to target the older age ranges:

- **More than three-fifths** of interventions delivered by charities include a **focus on ages 16-18**.
- Less than a quarter focus on ages 5-7 and 7-9.
- Fewer than one in ten include a focus on ages 0-5.

The most common delivery setting was schools:

- **More than half** of the interventions were delivered in **secondary schools**.
- **More than two-fifths** took place in **primary schools**.
- Around a **fifth** took place in each of **youth and community groups**, and **further education colleges**.

7 What topics are covered?

We grouped the topics covered by financial education interventions into categories based on our Children and Young People's Outcomes Framework, as follows.

Ability (financial knowledge and skills)

- For primary school children, the top three areas of ability-related content were: **understanding ways to save**; **financial problem solving**; and **financial numeracy skills**.
- The most frequently covered topic for ages 11-16 was **what borrowing means**.
- At ages 16-18+, the most frequently covered topic in this area is **understanding ways to save**.

Mindset (values and attitudes towards money)

- The most frequently featured mindset-related content is **making spending and saving choices**. It is covered by **9 in 10 interventions** for primary school children.
- **Needs vs wants** is covered in about **8 in 10 interventions** for the primary-school age group.

- **Making spending and saving choices**; **needs vs wants**; **earning money/making choices about the future**; and **attitudes to borrowing** all feature in more than 7 in 10 interventions for ages 11-16, and in 8 in 10 of those for ages 16-18.

Behaviour (actions with money)

- **Budgeting, keeping track, and planning ahead** is the most common behaviour-related topic. It is included in **more than three-quarters of all interventions**, and in almost 9 in 10 of interventions that target children age 14+.
- The second most common topics are:
 - **talking about money** for interventions targeting primary school children;
 - **making choices about borrowing** for ages 11-16; and
 - **living independently** for interventions targeting ages 16-18.

Connection (engagement and access to financial products/services)

- **Choosing and using savings accounts** is the most frequently featured 'connection' topic in interventions that focus on age groups under 14.
- For ages 14-16, **Choosing and using credit** is the most frequently covered 'connection' topic.

Overall, the most frequently covered topics in financial education are:

1. Budgeting, keeping track, and planning ahead
 2. Making spending and saving choices
 3. Needs vs wants
 4. Understanding ways to save
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8 The use of evidence

Most interventions used some kind of evidence to inform their development.

- 48 responses used **feedback** from children and young people, or from teachers/practitioners.
- 34 used **evaluations**, for example of previous programmes or pilots.
- 24 mentioned **surveys**, either of children or practitioners.

Others mentioned the use of research; expert views; and focus groups.

Only five responses said they used evidence of existing programmes or evidence of unmet needs. This may be because there is not yet a single source of information about financial education – we are addressing this with our work towards the commissioning plan.

The Money Advice Service's **Financial Capability Evidence Hub** is a unique focal point for gathering and sharing evidence and insight about the best ways to improve financial capability. It contains more than 250 studies.

Only nine interventions, from five providers, reported that their evaluations were included in the Hub. This is likely to increase when evidence from the What Works Fund projects is added.

9 Evaluation of individual interventions

Almost nine in ten interventions conduct some sort of evaluation to measure their effectiveness.

- 68 use **informal feedback** from the target group
- 60 use **measurement of output**, for example numbers of sessions held or children reached
- 53 analyse **'before' and 'after' outcomes** using **quantitative** measures, such as surveys, with children and young people. 31 do so using **qualitative** measures, such as interviews.
- 38 use **quantitative** measures with parents or practitioners. 34 use **qualitative** measures with these groups.
- 38 use **process evaluation** (assessing what worked well and less well about delivery)
- 33 **monitor KPIs**.

Only 34 interventions use a **theory of change**. These interventions:

- were delivered by 20 organisations: 11 were signatories to the IMPACT principles, and 17 were not-for-profit organisations
- reached almost 1.56m children and young people in total
- received nearly £7.2m in funding (some funding information for large interventions was not available).

The **IMPACT principles**, introduced as part of the Financial Capability Strategy for the UK, encourage good evidence and evaluation practice.

The **Financial Education Quality Mark** is awarded to resources that meet independent quality checks, and which are provided by organisations that have committed to the IMPACT principles and to developing an evaluation plan with MAS support.

38 interventions in our mapping exercise were delivered by signatories to the IMPACT principles.

27 interventions said they had received the Financial Education Quality Mark.

- We intend to produce an annual update about interventions, and to put out a call for information every three years, ahead of new commissioning plans.
- We plan to add a map of financial education provision in the UK to the www.fincap.org.uk website by autumn 2018.
- Ultimately, we hope our work will help to ensure every child and young person receives a meaningful financial education.

10 The next steps

- Our provision mapping will be used to inform our Children and Young People's Commissioning Plan, to be produced by late autumn 2018.
 - Findings from provision mapping will be considered alongside our children and young people financial capability needs analysis, evidence analysis, and understanding of the policy landscape, to conclude what financial education is needed, where, for whom, and how best to support this to happen.
 - A gap analysis and draft commissioning intentions will be published in Sept/Oct 2018 and consultation events will follow in each nation of the UK.
- We will continue to update our mapping database and hone our data collection methods. The mapping form will remain online accessible through our **FinCap website**.

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