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# Introduction

## What is the purpose of the guidance?

This guidance aims to help school staff and others supporting and working with secondary schools understand financial capability and plan and implement personal finance education as part of the new secondary curriculum. Personal finance education is a programme of learning designed to increase financial capability. Financial capability contributes to the five national outcomes for children, particularly *achieve economic wellbeing* and to the *Children's Plan*<sup>1</sup> that sets out plans for the next ten years to provide integrated support for children, parents and schools. It is now included in the secondary curriculum programmes of study for economic wellbeing and financial capability within personal social, health and economic education (PSHE education) as well as in the programmes of study for mathematics and citizenship.

## Who is it for?

The guidance is for school senior leaders, subject coordinators, local authority staff and other adults who work with schools who need to understand what financial capability is and how it can be built into planned and coherent programmes of personal finance education across the curriculum. It is also for teachers who need to plan units of work, events and activities that contribute to the school's overall planned programme and to deliver these both within and outside the classroom.

## What is the role of schools in contributing to Government strategies?

Work on developing financial capability in young people whilst they are at school is part of wider strategies on financial capability being pursued by the Government and by the Financial Services Authority (FSA). The Government outlined its long term approach to financial capability in a consultative document in January 2007<sup>2</sup>. It included the aspiration that: 'all children and

1 *The Children's Plan, Building brighter futures* DCSF, December 2007  
See [www.everychildmatters.gov.uk](http://www.everychildmatters.gov.uk)

2 *Financial Capability: the Government's long-term approach* HM Treasury, January 2007

young people have access to a planned and coherent programme of personal finance education so that they leave school with the skills and confidence to manage their money well'

In July 2008, HM Treasury and the FSA published a joint action plan for financial capability<sup>3</sup>, bringing together the FSA-led National Strategy for Financial Capability and the programmes described in the consultative document. In addition to curriculum change in secondary schools, this outlined an extra £11.5m support for personal finance education in schools with a particular emphasis on primary schools. The major part of this – *My Money* – will be delivered by **pfeg**<sup>4</sup> between 2008 and 2011. This is in addition to the FSA's £16 million Learning Money Matters in secondary schools that is also being delivered by **pfeg** between 2006 and 2011.

The funding also supports an extension to the National Personal, Social and Health Education Continuing Professional Development programme<sup>5</sup>. A new module on economic wellbeing and financial capability has been added to the programme to provide accredited training for those contributing to economic wellbeing and financial capability in both primary and secondary schools.

As a component of PSHE education, the provision of a programme of personal finance education is a requirement of the National Healthy Schools Programme<sup>6</sup>.

Thus, when curriculum leaders and teachers plan for and deliver improved personal finance education in their schools, they can be confident that they are doing so in line with Government policy and in the context of a wider movement to contribute to the economic wellbeing of the population as a whole.

3 *Helping you make the most of your money: a joint action plan for financial capability*, HM Treasury and FSA, July 2008

4 **pfeg (Personal Finance Education Group)** is an independent charity whose mission is to ensure that all young people leaving school are equipped with the confidence, skills and knowledge they need in financial matters to take part fully in society.

5 The national PSHE CPD programme, funded by DCSF (Department for Children Schools & Families) aims to improve confidence and effectiveness in the delivery of PSHE. For further information visit: [www.pshe-cpd.com/](http://www.pshe-cpd.com/)

6 The Government has set a target that all schools will be participating in the National Healthy Schools Programme by 2009 and that 75% of schools will have achieved National Healthy School Status. For further information visit: [www.healthyschools.gov.uk](http://www.healthyschools.gov.uk)

# Section 1: What are we trying to achieve?

## What is financial capability and why does it matter?

Financial capability is the ability to manage one's finances and to become a confident, questioning and informed consumer of financial services.

The development of financial capability is lifelong – a continuum along which we need to move as we develop not only an awareness and understanding of money matters, but also the skills, critical judgement and resolve to manage them.

In the 21st century people are faced with increasingly complex financial decisions, more and more responsibility for their own financial affairs and also struggle to meet their aspirations. For example, the ability to meet university costs or live comfortably in retirement is now more dependent on individual financial decisions than when state grants or a basic pension could be relied upon.

A Financial Services Authority (FSA) survey published in 2006<sup>7</sup> outlined five components of financial capability:

- making ends meet
- keeping track of your finances
- planning ahead
- choosing financial products

- staying informed about financial matters.

When these were applied to an extensive survey<sup>8</sup> of the population over 18, this showed that:

- when over-indebtedness strikes it is often severe and that numbers affected may increase in an economic downturn
- large numbers of people, from all sections of society, are failing to save enough for retirement or put money aside for emergencies
- many people take financial risks without realising, because they lack the ability to choose financial products that meet their needs
- the under-40s are less financially capable than their elders even allowing for the latter's generally lower levels of income and experience in dealing with financial institutions.

Young people face particular challenges. The pressures of consumer opportunity and choice compete with the need to plan ahead. A longer working life with less security brings with it the need to plan for periods of learning to improve or adapt knowledge and skills. It may be difficult to recognise, as a young adult, that financial decisions made early in life can have significant consequences for future economic wellbeing.

<sup>7</sup> *Consumer Research Paper 47 – Levels of Financial Capability in the UK: Results of a Baseline Survey, 2006* (available at <http://www.fsa.gov.uk/>).

<sup>8</sup> *Financial capability in the UK: Establishing a baseline*, FSA, 2006.

Financial capability is therefore important for everyone if they are to make the best of the opportunities and challenges presented throughout life.

### What is personal finance education?

Personal finance education is a planned programme of learning opportunities and experiences designed to increase the financial capability of all pupils from every social and cultural background.

Its aims are to enable young people to develop:

- knowledge and understanding to inform judgments and decisions about managing money in their present and future lives
- appropriate attitudes that are reflected in taking personal responsibility for money management, questioning the claims of some financial products and evaluating available information before taking financial decisions
- financial skills that are demonstrated through day-to-day money management and planning for future financial needs, such as budgeting for weekly household items, monitoring bank accounts and credit cards and checking whether savings and investments are meeting financial goals.

### How does personal finance education contribute to the school curriculum?

The secondary curriculum<sup>9</sup> has three statutory aims. They reflect the Every Child Matters (ECM) outcomes, including achieving economic wellbeing, and require schools to plan a curriculum to enable all young people to become:

- successful learners who enjoy learning, make progress and achieve
- confident individuals who are able to live safe, healthy and fulfilling lives
- responsible citizens who make a positive contribution to society.

Personal finance education contributes to all three aims.

The whole school curriculum includes all the planned learning experiences in the school and beyond so that learning outside the classroom takes on a new importance. This is particularly significant for personal finance education in which real life experiences both in and outside school enrich and provide relevance for learning.

Personal finance education in the context of the whole curriculum should ensure that learning experiences are coherent as well as relevant. Personal finance education should link learning to life outside school and make connections between subjects and whole curriculum dimensions<sup>10</sup>.

9 See <http://curriculum.qca.org.uk/key-stages-3-and-4/index.aspx>

10 The whole curriculum dimensions have been identified to reflect some of the major ideas and challenges that face society and have significance for individuals in the 21st century. All of them would benefit from including elements of personal finance education. They are:

- identity and cultural diversity
- healthy lifestyles
- community participation
- enterprise
- global dimension and sustainable development
- technology and the media
- creativity and critical thinking.

## Developing financial capability for all pupils

The secondary curriculum is intended to be flexible, relevant and inclusive. At the start of the planning process the specific nature of the school community and the needs and backgrounds of its pupils should be identified. Local data on, for example, employment, levels of personal debt, housing and teenage pregnancy should inform curriculum planning and can be found at <http://www.neighbourhood.statistics.gov.uk/dissemination/> and <http://www.infohub.moneyadvicetrust.org/>.

Each school's curriculum, including that for financial capability, should provide an entitlement to high-quality teaching and learning experiences for all pupils irrespective of social background, culture, race, gender, differences in prior achievement and attainment and disabilities. The particular needs of pupils newly arrived from overseas and those who are in care must also be considered.

Clearly, differences in background and experience will affect pupils' experience of and attitudes towards money and finance and the circumstances in which they will develop their financial capability. By identifying pupils' needs it becomes easier to plan appropriate learning experiences that set suitable learning challenges for all pupils, respond to pupils' diverse needs and backgrounds and overcome potential barriers to learning.

The voice of the pupils themselves is important in this process. The planning process as well as the curriculum should provide opportunities for them to demonstrate existing knowledge and understanding, skills and attitudes and identify areas of specific interest and concern.

Teachers are encouraged to read the guidance on inclusion on the QCA website and the National Curriculum statutory inclusion statement on the website <http://curriculum.qca.org.uk/>.

**Appendix 1** provides questions that can help schools to review pupil needs and current provision for financial capability before planning.

## Section 2: How do we organise learning for financial capability?

Because the secondary curriculum encourages each school to design its own curriculum, including its personal finance education, to take account of local opportunities, the ethos of the school and the views and needs of its students, provision for personal finance education will vary from school to school. It may take place in lessons, events, the routines of the school, activities during the extended school day and those that take place out of school.

The Office for Standards in Education (Ofsted) published a survey on personal finance education in schools and colleges in March 2008.<sup>11</sup> As part of this, the survey identified six key factors that underpinned the successful development of personal finance education:

- senior managers demonstrated a strong commitment to personal finance education for all students
- a member of staff, often at a senior level, had responsibility for the development of personal finance education across the school or college
- dedicated curriculum time was provided, often supplemented by work through other subjects and 'off timetable' days. The better schools managed this through units of work within the

personal, social and health education or life skills programmes. Aspects were also covered through mathematics, citizenship, information and communication technology and in optional subjects, such as business studies. When personal finance education was taught across several areas of the curriculum, the result was often a lack of coherence in provision

- teachers were confident in their knowledge of personal finance and used contexts that were relevant to students
- lessons engaged students in relevant and meaningful tasks and involved them in discussion and debate
- effective use was made of resources, including the expertise of external agencies.

These findings help set a context for what follows and the survey will be referred to again later.

<sup>11</sup> *Developing financial capable young people: A survey of good practice in personal finance education for 11-18 year-olds in schools and colleges*, Ofsted, March 2008 (available through [www.ofsted.gov.uk](http://www.ofsted.gov.uk))



As part of its planned programme of personal finance education, a school in Barnsley developed a personal finance day to enable students to apply mathematical skills to real-life situations and the world of work beyond the classroom. It provided compelling learning that even the least motivated students found irresistible and the day enhanced learning taking place in PSHE education, citizenship and mathematics.

A school-devised *Who Wants to be a Millionaire?* game with questions relating to financial matters provided information about students' current levels of financial understanding as well as generating lively discussion.

This was followed by discussion about how people earn money, what benefits are available to people who don't work and different methods of payment. Starting points were students' own experiences e.g. paper rounds, babysitting and Saturday jobs. The notion of deductions was new to many as was an appreciation that some people cannot work and that other people need to support them.

A budgeting exercise required groups of students to budget for the outgoings of an allocated fictitious person. Immediate priorities focusing on going out, buying mobile phone credit, bus fares and new clothes gradually gave way to a realization of the need to budget for housing and utilities. Real costs were compared with students' initial low estimates. Students began to relate potential earning to standard of living and the need to have high, but realistic, aspirations.

In the afternoon students played a trading game which simulated problems related to earning money in a developing country. Students took roles including family members working hard to make trainers, cost of living collectors (taking payments to simulate the cost of food, housing etc), market traders and money lenders. Increasing costs of living and interest rates and decreasing profits left students frustrated about the difficulty of making a profit whilst working incredibly hard. As well as giving the students the opportunity to use their mathematical skills in context it also allowed them to have an insight into the difficulties some people in other countries face.

## Which subjects contribute?

The programmes of study for each subject emphasise key concepts and key processes rather than content. Each programme of study includes:

- an **importance statement** that describes why the subject matters and how it can contribute to the aims
- **key concepts** that define the big ideas that underpin the study of the subject
- **key processes** – the essential skills of the subject
- **range and content** setting out the breadth of subject matter from which teachers should draw to develop the key concepts and key processes and
- **curriculum opportunities** that enhance and enrich learning, increasing its relevance and making links to the wider curriculum.

The economic wellbeing and financial capability programme of study within PSHE education and the programmes of study for citizenship and mathematics make explicit reference to financial capability.

### **PSHE (personal, social, health and economic) education**

PSHE education includes the majority of the curriculum's explicit financial capability content, located in the economic wellbeing and financial capability programmes of study. It is important, though, to explore and exploit the inter-relationship between the economic wellbeing and financial capability and personal wellbeing programmes of study so that the personal, social and emotional aspects of financial capability are made explicit in personal finance education. For

example, the economic effects of teenage pregnancy or the financial repercussions of a major illness or bereavement.

The programmes of study for economic wellbeing and financial capability bring together careers education, work-related learning, enterprise and financial capability. They support the fifth outcome of Every Child Matters but also contribute to other outcomes, in particular, 'enjoy and achieve' and 'make a positive contribution'.

The text box below shows where the economic wellbeing and financial capability programmes of study include financial capability. Exploration of other concepts and processes from both this and the personal wellbeing programme of study will also lead to consideration of financial issues.

### **Extracts from the economic wellbeing and financial capability programmes of study for key stages 3 and 4**

References in square brackets refer to content for key stage 4 only.

#### **Importance statement:**

Education for economic wellbeing and financial capability aims to (enable young people to) ... develop as questioning and informed consumers and learn to manage their money and finances effectively.

#### **Key concepts:**

Career:

- Understanding that everyone has a 'career' (and that this will affect personal finance)

Capability:

- Exploring what it means to be enterprising
- Learning how to manage money and personal finances
- Becoming critical consumers of goods and services.

Risk:

- Understanding risk in both positive and negative terms
- Understanding the need to manage risk in the context of financial and career choices
- Taking risks and learning from mistakes.

**Economic understanding:**

- Understanding the economic and business environment
- Understanding the functions and use of money.

**Key processes:**

**Exploration:**

- Identify, select and use a range of information sources to research, clarify and review options and choices in career and financial contexts relevant to their needs.

**Enterprise:**

- Assess undertake and manage risk
- Demonstrate and apply understanding of economic ideas.

**Financial capability:**

- Manage their money
- Understand financial risk and reward
- Explain financial terms and products
- Identify how finance will play an important part in their lives and in achieving their aspirations.

**Range and content:**

- Personal budgeting, wages, taxes, money management, [credit, debt] and a range of financial products and services
- Risk and reward, and how money can make money through savings
- Investment and trade
- How [and why] businesses use finance
- Social and moral dilemmas about the use of money.

**Curriculum opportunities:**

- Use case studies, simulations, scenarios, role play and drama
- Have direct and indirect contact with people from business
- Engage with ideas, challenges and application from the business world
- Make links between economic wellbeing and financial capability and other subjects and areas.

**Citizenship**

Citizenship helps young people make sense of the world today and equips them for the challenges and changes facing communities in the future. The programmes of study for citizenship require young people to learn the relationship between their own finances and financial decisions and those of local and national government. As they learn to play an active role in school, local, national and global

communities, young people consider the financial implications of their own and others' decisions.

## Extracts from the citizenship programmes of study for key stages 3 and 4

### Range and content:

#### Key stage 3

- How economic decisions are made, including where public money comes from and who decides how it is spent.

#### Key stage 4

- The economy in relation to citizenship, including decisions about the collection and allocation of public money.

### Curriculum opportunities:

#### Key stages 3 and 4

- Take into account legal, moral, economic, environmental, historical and social dimensions of different political problems and issues.

A school in Cornwall looked at how it could introduce personal finance education into either PSHE education or citizenship in each year group. In Year 7 PSHE education, some lessons on pocket money, saving and budgeting were introduced into existing work on fairness – which led to questions about why girls were more likely to receive pocket money (HBOS survey 2007), why people in different areas get different amounts and why some parents/guardians/carers tie the money to completing chores. In Year 8 citizenship the focus was on how the government gets its money and what it spends it on. Ideas covered included direct and indirect taxation, how individual tax is calculated and whether wars should be funded. A Year 9 citizenship topic of Fair Trade was extended through the Traidcraft banana game<sup>12</sup> to give it a

local focus. This led to a practical shopping task where how people make choices, the effects of advertising and ethical versus practical spending decisions all came into play.

In year 10 a PSHE education unit looked at young people's financial and personal goals. Students considered the kind of lifestyle they aspired to in the future and considered careers and potential earnings in relation to this. They also looked at more immediate decisions such as how to choose the best value mobile phone. In year 11 the PSHE education unit focused on independent living. Students were asked to calculate the cost of furnishing their own living space and then to look at what the typical running costs might be. They found it easy to focus on the electrical equipment they would like but most of them forget the necessities such as the regular costs of utilities.

## Mathematics

Personal finance provides a relevant and engaging context for the development and application of

many mathematical skills. By using and applying mathematical skills in real life situations young people may appreciate better their relevance.

12 See <http://www.cafod.org.uk/secondary/all-resource-packs/fairtrade/banana-split-game-ks2-ks3-ks4>

### Extracts from the programmes of study for mathematics at key stages 3 and 4

References in square brackets refer to key stage 4 only.

#### Importance statement:

Pupils who are functional in mathematics and financially capable are able to think independently in applied and abstract ways, and can reason, solve problems and assess risk.

#### Key concepts:

Competence:

Applying suitable mathematics accurately within the classroom and beyond – explanatory notes state – *...requires fluency and confidence in a range of mathematical techniques and processes that can be applied in a widening range of familiar and unfamiliar contexts, including managing money.*

#### Range and content:

Number and algebra:

Rules and arithmetic applied to calculations and manipulations..... – explanatory notes state – *includes using mental and written methods to make sense of everyday situations such as financial statements and transactions.*

Statistics:

Experimental and theoretical probabilities – explanatory notes state – *includes applying ideas of probability and risk to gambling and safety issues [and to the financial services sector].*

#### Curriculum Opportunities:

Work on problems that arise in other subjects and in contexts beyond the school – explanatory notes state – Other subjects: *for example, managing money in economic wellbeing and financial capability; Contexts beyond the school: conducting a survey into consumer habits, planning a holiday budget, designing a product and measuring for home improvements. Mathematical skills contribute to financial capability and to other aspects of preparation for adult life.*

A school in Hartlepool developed a key stage 3 unit of work linking mathematics with PSHE education. Learning took place in timetabled mathematics lessons and addressed real life issues identified by students. These included the use of catalogues to purchase branded fashion items, electrical goods and computer games, frequent updating of mobile phones, non-payment of utilities' bills and aspiration to car ownership.

The unit used mathematical skills to help with financial planning and decision making. Students began by estimating the cost of items in an activity similar to a *Price is Right* game show. They then calculated the costs, risks and benefits of payment by online auction, instalments and loan. A lesson on mobile phones looked at tariffs and methods of payment and an investigation into utility bills looked at the impact of tariff changes and costs associated with non-payment as well as being able to interpret a bill.

The use of real life prices and data increased relevance for students. They were engaged in making financial decisions that considered a range of finance options and could see how some sellers used finance deals to make extra money from uninformed customers. Students increased

their knowledge of ways that customers can be charged for using credit including the effect of extending the term of credit. Finally, they were able to meet and have discussions with visitors from financial services companies and organisations, including credit unions.

Other subjects can also provide a context for developing aspects of financial capability.

For example:

### **Design and technology**

There are opportunities to consider financial issues as students consider the economic dimension of designing and making.

### **English**

Most areas of English could provide opportunities for researching, exploring or discussing money and financial issues. This may include taking part in presentations and debates about money matters, reading texts that help pupils reflect on their own values, attitudes and assumptions in relation to poverty and wealth or writing about social and moral dilemmas in relation to money.

### **Geography**

Students may explore their own attitudes to money when considering the interdependence between people and places or appreciating how different people's values and attitudes may differ and may influence economic issues. For example, they may consider the costs and benefits of buying food that has been grown in Peru and brought to the UK by air.

### **ICT**

Financial capability can provide context and content for many aspects of the ICT programmes of study for example, how ICT allows people to work together in new ways such as how financial institutions communicate globally. They learn about the economic impact of ICT on individuals, communities and society for example the impact of on-line banking and shopping.

### **Religious Education (RE)**

In RE students explore their own attitudes and values in relation to global issues as well as learning what religions and beliefs say about wealth. Students may explore attitudes of different religions and beliefs to charitable giving including the concept of Zakat in Islam.

### **Science (key stage 4)**

Students consider how and why decisions about science and technology are made, including those that raise ethical issues about the social, economic and environmental effects of such decisions.

Planned and coordinated personal finance education provision may, therefore, include activities in all or most of the following:

- specific lessons with separate curriculum time as part of a PSHE education programme (the 2008 Ofsted report found that the most effective provision included dedicated curriculum time)
- explicit, planned content in other curriculum subjects, for example mathematics or citizenship
- learning opportunities across the curriculum, for example discussing money matters presented in literature, discussing foreign currency in modern foreign languages
- whole school and extended timetable activities, for example a 'money challenge' day or enterprise week to enrich (but not replace) the overall programme
- specific projects, for example a mini enterprise project (in order also to learn about how and why businesses operate)<sup>13</sup>
- learning through involvement in the life of the school and wider community, for example managing a budget for the student council, school play or a community initiative
- managing money during residential experiences, including overseas
- learning about finances through work experience and work shadowing (in order also to recognise, develop and apply their skills for enterprise and employability).
- Learn more about personal or business finance from contact with an external contributor (in order also to learn from contact with people who work).

### What could young people learn at each key stage?

This section expands the opportunities for financial capability in PSHE education, citizenship and mathematics to provide more detailed guidance. The following table groups together concepts, processes and range and content from the programmes of study as the starting point and aims to show how these can be used to develop learners' questions that then can lead to learning outcomes related to financial capability.

In the table:

- column 1 contains references to national curriculum programmes of study.
- column 2 provides examples of questions that could help young people to explore the key concepts and engage with key processes of the national curriculum (similar questions could be generated in partnership with young people)
- column 3 lists knowledge, skills and understanding for financial capability that might be developed as a result of addressing the questions.

Teachers and others involved in planning learning activities should also take note of the curriculum opportunities section of the programmes of study to ensure that approaches are varied, relevant and engaging.

13 Remaining references in brackets cross-refer to the new *Framework for Economic wellbeing 11–19: career, work-related learning and enterprise*, Qualifications and Curriculum Authority, 2008.

## What could young people learn at key stage 3?

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore the national curriculum concepts and processes:	Learning outcomes – pupils will:
<p><b>Exploring career and personal finance</b>  <b>Career</b> (PHSE-EWBFC 1.1)            understand that everyone has a ‘career’ that will affect personal finance</p> <p><b>Financial capability</b>            (PSHE-EWBFC 2.4)            identify how finance will play an important part in their lives and achieving their aspirations</p>	<ul style="list-style-type: none"> <li>● What do I want or need in the future and what is the difference between needs and wants?</li> <li>● What is the link between qualifications and earnings and what would I get paid in different jobs or careers?</li> <li>● Is it fair that some people get paid more than others?</li> <li>● What allowances or benefits are available to young people and how are these calculated?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>● how wages/salaries are calculated (hourly, weekly, annually, bonuses, overtime)</li> <li>● about different types of allowances and benefits available to me when I start independent life</li> </ul> <p>be able to</p> <ul style="list-style-type: none"> <li>● estimate and calculate take-home pay for different occupations and circumstances</li> </ul> <p>have explored attitudes to</p> <ul style="list-style-type: none"> <li>● priorities, needs and wants for the near future and later in life</li> </ul>
<p><b>Exploring capability and personal finance</b>  <b>Capability</b> (PSHE-EWBFC 1.2)</p> <ul style="list-style-type: none"> <li>● learn how to manage their money and personal finances</li> </ul> <p><b>Financial capability</b>            (PSHE-EWBFC 2.4)</p> <ul style="list-style-type: none"> <li>● explain financial terms and products</li> </ul>	<ul style="list-style-type: none"> <li>● Where does my income come from now and how do I spend it?</li> <li>● How can I pay for things I need or want now and save for future wants or needs?</li> <li>● Do I ever waste the things I spend money on?</li> <li>● In what different ways can goods and services be paid for?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>● different ways to pay for goods and services and different forms of credit or debit arrangement</li> <li>● how holiday currency is arranged and how to calculate conversion rates</li> <li>● ways of choosing, opening and using different forms of bank account</li> </ul>



<b>Relevant extracts from national curriculum programmes of study</b>	<b>Questions to help pupils to explore the national curriculum concepts and processes:</b>	<b>Learning outcomes – pupils will:</b>
<p><b>Range and content PSHE-EWBFC (3g)</b></p> <ul style="list-style-type: none"> <li>develop knowledge and understanding of: personal budgeting, money management and knowledge of a range of financial products and services</li> </ul> <p><b>Competence (Mathematics 1.1)</b></p> <ul style="list-style-type: none"> <li>apply suitable mathematics within the classroom and beyond</li> </ul> <p><b>Applications and implications of mathematics (Mathematics 1.3)</b></p> <ul style="list-style-type: none"> <li>understand that mathematics is used as a tool in a wide range of contexts</li> </ul> <p><b>Representing (mathematics 2.1)</b></p> <ul style="list-style-type: none"> <li>select mathematical information, methods and tools to use</li> </ul> <p><b>Communicating and reflecting (Mathematics 2.4)</b></p> <ul style="list-style-type: none"> <li>communicate findings to others</li> </ul>	<ul style="list-style-type: none"> <li>How is my foreign currency for a holiday calculated? What is commission?</li> <li>How can banks and other financial organisations help me manage my money?</li> <li>Where do I find accurate information about choosing/opening a bank account?</li> <li>How can I work out the difference between financial products I am interested in?</li> </ul>	<p>be able to</p> <ul style="list-style-type: none"> <li>plan budgets for current weekly finances as a consumer</li> <li>use different ways of recording spending and savings</li> <li>choose financial products in different circumstances.</li> </ul> <p>have explored attitudes to</p> <ul style="list-style-type: none"> <li>how ineffective use of money can result in wasted resources</li> </ul>

<b>Relevant extracts from national curriculum programmes of study</b>	<b>Questions to help pupils to explore the national curriculum concepts and processes:</b>	<b>Learning outcomes – pupils will:</b>
<p><b>Exploring risk and personal finance</b></p> <p><b>Risk</b> (PSHE-EWBFC 1.3)</p> <ul style="list-style-type: none"> <li>understand risk in both positive and negative terms</li> <li>understand the need to manage risk in the context of financial and career choices</li> </ul> <p><b>Financial capability</b> (PSHE-EWBFC 2.3)</p> <ul style="list-style-type: none"> <li>assess, undertake and manage risk</li> <li>understand financial risk and reward</li> </ul> <p><b>Range and content PSHE-EWBFC</b></p> <ul style="list-style-type: none"> <li>develop knowledge and understanding of: risk and reward and how money can make money through savings, investment and trade</li> </ul> <p><b>Range and content Mathematics</b></p> <ul style="list-style-type: none"> <li>applications of ratio and proportion (3.1c)</li> <li>experimental and theoretical probabilities, including those based on equally likely outcomes (3.3d)</li> </ul>	<ul style="list-style-type: none"> <li>What financial risks are associated with some career choices?</li> <li>What is insurance and when should I take out insurance?</li> <li>What is the probability of gaining money through:                             <ul style="list-style-type: none"> <li>playing the lottery?</li> <li>putting money in different forms of savings account?</li> <li>investing in the stock market?</li> </ul> </li> <li>How would I invest on the stock market and what would I need to know?</li> <li>What events can I plan for and what might take me by surprise?</li> <li>What is my attitude towards gambling?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>how risk can be positive as well as negative and what basic financial decisions contain risks</li> <li>how personal interest rates are calculated and how they vary according to the level of risk and length of commitment</li> <li>that financial decisions are more about circumstances and personal choices than right answers</li> <li>when typically insurance might be needed or not needed</li> <li>how the stock market works, including positive and negative risks associated with it</li> </ul> <p>be able to</p> <ul style="list-style-type: none"> <li>find accurate information about choosing savings accounts and other financial products (minimising risk)</li> <li>consider the likelihood or otherwise of key national or international events affecting personal money</li> </ul>

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore the national curriculum concepts and processes:	Learning outcomes – pupils will:
		have explored attitudes towards <ul style="list-style-type: none"> <li>● issues associated with gambling and how to avoid problems with it</li> </ul>
<p><b>Exploring economic understanding and personal finance</b></p> <p><b>Economic understanding</b> (PSHE-EWBFC 1.4)</p> <ul style="list-style-type: none"> <li>● understand the economic and business environment</li> <li>● understand the functions and uses of money</li> </ul> <p><b>Enterprise</b> (PSHE-EWBFC 2.3)</p> <ul style="list-style-type: none"> <li>● demonstrate and apply understanding of economic ideas</li> </ul> <p><b>Range and content PSHE-EWBFC</b></p> <ul style="list-style-type: none"> <li>● explore social and moral dilemmas about the use of money (3j)</li> <li>● learn how businesses use finance (3i)</li> </ul> <p><b>Democracy and justice</b> (Citizenship 1.1)</p> <ul style="list-style-type: none"> <li>● what is fair and unfair in different situations</li> </ul>	<ul style="list-style-type: none"> <li>● How do we all make money and prosper?</li> <li>● What do schools, hospitals and roads etc. cost and who pays for them?</li> <li>● Is it fair that some people have more money than others?</li> <li>● How do the choices I make as a consumer affect me, my community and the rest of the world?</li> <li>● Why would I give money to a charity?</li> <li>● How do national and global finances affect my personal money?</li> <li>● What alternatives are there to money?</li> <li>● Where can I get advice on my personal money management?</li> </ul>	understand <ul style="list-style-type: none"> <li>● the role of business in generating wealth – and what happens to it</li> <li>● how local services are paid for</li> <li>● the main forms of taxation</li> <li>● the role of charities and choices about giving to them</li> <li>● some effects of turbulence in the financial markets</li> </ul> be able to <ul style="list-style-type: none"> <li>● find and access advice about money</li> </ul> have explored attitudes to <ul style="list-style-type: none"> <li>● environmental and ethical issues related to consumer choices</li> </ul>

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore the national curriculum concepts and processes:	Learning outcomes – pupils will:
<p><b>Range and content</b></p> <p><b>Citizenship</b></p> <ul style="list-style-type: none"> <li>• how economic decisions are made, including where public money comes from and who decides how to spend it (3h)</li> </ul>		

### What could young people learn at key stage 4?

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore national curriculum concepts and processes:	Learning outcomes – students will:
<p><b>Exploring career and personal finance</b></p> <p><b>Career</b> (PSHE-EWBFC 1.1)</p> <ul style="list-style-type: none"> <li>• understand that everyone has a ‘career’</li> <li>• understanding the qualities, attitudes and skills needed for employability</li> </ul> <p><b>Financial capability</b> (PSHE-EWBFC 2.4)</p> <ul style="list-style-type: none"> <li>• identify how finance will play an important part in their lives and achieving their aspirations</li> </ul>	<ul style="list-style-type: none"> <li>• What will my future career or education cost and what are the likely benefits?</li> <li>• What do different lifestyles cost?</li> <li>• How does a student loan work and what other benefits are there for school leavers?</li> <li>• What financial attitudes, skills and understanding will employers expect of me?</li> <li>• How would being an employee, self employed, doing voluntary work or becoming unemployed affect me financially?</li> <li>• How will deductions affect my take home pay and what are they used for?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>• how wages and salaries are calculated</li> <li>• how deductions such as tax, national insurance and pension contributions affect take home pay and what they are used for</li> </ul> <p>be able to</p> <ul style="list-style-type: none"> <li>• identify financial qualities, attitudes and skills for employability</li> <li>• calculate young people’s earnings and benefits including Education Maintenance Allowance and student finance/loans</li> </ul>

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore national curriculum concepts and processes:	Learning outcomes – students will:
		have explored attitudes to <ul style="list-style-type: none"> <li>● financial implications of career and other personal life choices/priorities</li> </ul>
<p><b>Exploring capability and personal finance</b></p> <p><b>Capability</b> (PSHE-EWBFC 1.2)</p> <ul style="list-style-type: none"> <li>● learn how to manage their money and personal finances in a range of situations, both personal and beyond their control and experience</li> </ul> <p><b>Financial capability</b> (PSHE-EWBFC 2.4)</p> <ul style="list-style-type: none"> <li>● explain financial terms and products</li> </ul> <p><b>Range and content PSHE-EWBFC</b></p> <ul style="list-style-type: none"> <li>● develop knowledge and understanding of personal budgeting, wages, taxes, money management, credit, debt and knowledge of a range of financial products and services (3h)</li> </ul>	<ul style="list-style-type: none"> <li>● What is the best way to pay for things?</li> <li>● How do I make decisions about when to take on debt? How much is it likely to cost me?</li> <li>● How is compound interest on a loan or a savings account calculated?</li> <li>● How do I work out best value for purchases including financial products and services?</li> <li>● What financial products are designed specifically for young people?</li> <li>● How can I use the information on bills, bank statements and other financial documents to plan my personal budget?</li> <li>● How do I get information and advice about finance and how do I know it is unbiased?</li> <li>● How do social, emotional and cultural factors influence and affect attitudes to spending, borrowing and lending money?</li> </ul>	understand <ul style="list-style-type: none"> <li>● implications of credit and debt (loans, overdrafts, mortgages), how costs accumulate over time</li> </ul> be able to <ul style="list-style-type: none"> <li>● compare the advantages and disadvantages of different forms of payment</li> <li>● balance income and expenditure – weekly and longer term budgeting</li> <li>● interpret bills and personal finance statements, extracting key information</li> <li>● calculate compound interest including the significance of AER and APR</li> <li>● find, use and evaluate financial advice and information from Internet, product advertising, financial advisors, Citizens Advice Bureaux</li> </ul>

<b>Relevant extracts from national curriculum programmes of study</b>	<b>Questions to help pupils to explore national curriculum concepts and processes:</b>	<b>Learning outcomes – students will:</b>
<p><b>Competence</b> (mathematics 1.1)</p> <ul style="list-style-type: none"> <li>● apply suitable mathematics accurately within the classroom and beyond</li> </ul> <p><b>Applications and implications of mathematics</b> (mathematics 1.3)</p> <ul style="list-style-type: none"> <li>● understand that mathematics is used as a tool in a wide range of contexts</li> </ul> <p><b>Communicating and reflecting</b> (mathematics 2.4)</p> <ul style="list-style-type: none"> <li>● use a range of forms to communicate findings to different audiences</li> </ul>	<ul style="list-style-type: none"> <li>● What short, medium and long term commitments might I need to plan for?</li> <li>● What do I need to know about managing my money if I go abroad?</li> </ul>	<ul style="list-style-type: none"> <li>● use their knowledge of the market to work out the best deal in products and services</li> <li>● use understanding to calculate exchange rates</li> </ul> <p>have explored attitudes to</p> <ul style="list-style-type: none"> <li>● social, emotional and cultural factors influencing financial decisions</li> <li>● sacrificing current spending for long-term benefits (e.g. investments, pensions, further and higher education)</li> </ul>
<p><b>Exploring risk and personal finance</b> <b>Risk</b> (PSHE-PWB 1.3 and EWBFC 1.3)</p> <ul style="list-style-type: none"> <li>● understand risk in both positive and negative terms</li> <li>● understand the need to manage risk in the context of financial and career choices</li> </ul>	<ul style="list-style-type: none"> <li>● When do people insure against risk and how do I know what I need?</li> <li>● What’s the difference between a secured loan and an unsecured one?</li> <li>● How can I work out the relative risk and return on different savings accounts or investments?</li> <li>● Can I learn from my mistakes where money is concerned?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>● how insurance works and the types of insurance relevant to young people</li> <li>● how and why interest rates vary over time, according to the level of risk associated with them (including length of commitment) and how this can affect people</li> <li>● the differences between secured and unsecured loans and purchase agreements</li> </ul>

<b>Relevant extracts from national curriculum programmes of study</b>	<b>Questions to help pupils to explore national curriculum concepts and processes:</b>	<b>Learning outcomes – students will:</b>
<p><b>Enterprise</b> (PSHE-EWBFC 2.3)</p> <ul style="list-style-type: none"> <li>● assess, undertake and manage risk</li> </ul> <p><b>Financial capability</b> (PSHE-EWBFC 2.4)</p> <ul style="list-style-type: none"> <li>● understand financial risk and reward</li> </ul> <p><b>Range and content PSHE-EWBFC</b></p> <ul style="list-style-type: none"> <li>● develop knowledge and understanding of: risk and reward and how money can make money through savings, investment and trade (3i)</li> </ul> <p><b>Competence (Mathematics 3.3)</b></p> <ul style="list-style-type: none"> <li>● apply ideas of probability and risk to gambling, safety issues and the financial services</li> </ul>	<ul style="list-style-type: none"> <li>● How does money make money?</li> <li>● Would setting up my own business be worth the risks involved?</li> <li>● How do people make and lose money in business?</li> <li>● Could I make money through investments or share trading?</li> <li>● How could I start a business? How would I manage the financial side?</li> <li>● How likely is it that I could make money through gambling?</li> </ul>	<ul style="list-style-type: none"> <li>● the differences in risk and return between saving and investment products</li> <li>● the financial skills needed and risks involved in setting up and running a business</li> </ul> <p>be able to</p> <ul style="list-style-type: none"> <li>● make a basic risk/reward assessment in relation to saving and borrowing (and quantify the risk on the basis of past data)</li> <li>● develop a sense of financial risk and recognise and learn from mistakes in financial decisions</li> </ul> <p>have explored attitudes to</p> <ul style="list-style-type: none"> <li>● the risks and rewards related to gambling</li> </ul>

Relevant extracts from national curriculum programmes of study	Questions to help pupils to explore national curriculum concepts and processes:	Learning outcomes – students will:
<p><b>Exploring economic understanding and personal finance</b></p> <p><b>Economic understanding</b></p> <ul style="list-style-type: none"> <li>understand the economic and business environment (PSHE-EWBFC 1.4)</li> <li>understand the functions and uses of money (PSHE-EWBFC 1.4)</li> </ul> <p><b>Enterprise</b></p> <ul style="list-style-type: none"> <li>demonstrate and apply understanding of economic ideas (PSHE-EWBFC 2.3)</li> </ul> <p><b>Range and content PSHE-EWBFC</b></p> <ul style="list-style-type: none"> <li>explore social and moral dilemmas about the use of money (3k)</li> <li>learn how and why businesses use finance (3j)</li> </ul> <p><b>Democracy and Justice</b> (Citizenship 1.1)</p> <ul style="list-style-type: none"> <li>weigh up what is fair and unfair in different situations</li> </ul> <p><b>Range and content Citizenship</b></p> <ul style="list-style-type: none"> <li>understand the economy in relation to citizenship including decisions about the collection and allocation of public money (3j)</li> </ul>	<ul style="list-style-type: none"> <li>How are businesses financed and how do they affect the economy?</li> <li>What is the difference between the private, public and third sectors of the economy?</li> <li>How do financial institutions make money?</li> <li>How do local and national governments get money? How are spending decisions made?</li> <li>What do I think about spending decisions that benefit some people but not others, for example health treatments?</li> <li>What financial services and support is there for setting up a business?</li> <li>What are my rights and responsibilities where financial products are concerned and what are those of the providers?</li> <li>How can local, national and global decisions and finances affect my life?</li> <li>How do decisions I make about money affect other people? What do fair trade, ethical trade and ethical investment mean to me and my choices?</li> </ul>	<p>understand</p> <ul style="list-style-type: none"> <li>that private sector financial institutions make money through charging a higher rate of interest to borrowers than savers and by selling other financial services</li> <li>how companies and other organisations are financed</li> <li>how and why foreign exchange rates fluctuate</li> <li>the main areas of national and local government finance and spending</li> <li>rights and responsibilities re: financial products</li> </ul> <p>be able to</p> <ul style="list-style-type: none"> <li>identify services and support available to a person setting up their own business</li> </ul> <p>have explored attitudes to</p> <ul style="list-style-type: none"> <li>local, national and global decisions that affect finances and impact on personal lives</li> <li>personal spending in relation to fair trade, ethical trading, ethical investment</li> </ul>



## What teaching and learning approaches could be used?

Each programme of study includes a list of curriculum opportunities that identify ways of engaging pupils and enriching and enhancing their learning. The examples below are extracted from the programmes of study for PSHE education with examples related to personal finance education:

- make real choices and decisions about money based on accurate information obtained through their own research using a range of sources [for example, the internet and other media sources]
- use case studies, simulations, scenarios, role play and drama
- recognise, develop and apply their skills for enterprise and employability
- have direct and indirect contact with people from business and the world of finance
- engage with ideas, challenges and applications from the finance and business world
- discuss contemporary issues related to money and finance, using contexts from personal life and the world of work
- take part in individual and group discussion to consider social and moral dilemmas about money and the choices and decisions relating to them
- identify sources of help and advice about money and financial products.

The role of the teacher is often that of facilitator, supporting students as they learn to research information, assess its relevance, explore scenarios,

make decisions, solve problems, work independently and in groups and learn from each other.

### Group agreement or ground rules

Matters relating to money and finance are often sensitive. It is helpful if students are supported in developing ground rules for discussion. Ground rules help to minimise embarrassment, inappropriate disclosures and comments that may cause offence to others whether intentional or not. Ground rules enable students to:

- discuss money and finance in ways that do not demand personal disclosure about family circumstances
- be helpful and constructive when challenging another's viewpoint
- promote appreciation, courtesy, concern, respect, responsibility and understanding.

### Child Trust Funds

To support saving and investment from an early age – and to raise awareness in adults – the government has introduced Child Trust Funds. Child Trust Funds provide an ideal context for teaching children and young people about saving.

## The Child Trust Fund

The Child Trust Fund (CTF) is a long-term savings and investment account designed to strengthen the saving habit of future generations, promote financial education and ensure that at age 18 every child will have access to a financial asset. Children born on or after 1 September 2002 are eligible if Child Benefit has been awarded for them, they live in the UK and are not subject to immigration restrictions. A CTF voucher for £250 is sent to parents automatically. Children in lower-income families receiving maximum Child Tax Credit receive an additional £250. The money is owned by the child and is locked in until they reach age 18, but at 16 children take control of the accounts, allowing them to invest the money as they wish. The Government makes an other payment into all Child Trust Fund Accounts at age 7, again providing an additional £250 to children in lower-income families.

It is the parent or other responsible adult's role to invest their payments into one of three different types of account: Shareholder, Stakeholder or Savings. If the voucher expires and is not paid in, HM Revenue and Customs will select a provider and deposit the voucher on behalf of the parents and notify them.

Parents or carers can move the account to a different provider or change the type of account at any time. However, they cannot withdraw money from it. Additional contributions can be made to Child Trust Funds by parents, family or friends; the annual limit for each account is £1200 per year.

The Child Trust Fund is a useful tool for teaching financial capability. Personal finance education can help children develop the knowledge, skills and confidence to understand how savings and investment fits into their plan for personal money management and develop ideas on how to put their Child Trust Fund to best use when the time comes.

Materials for using Child Trust Funds as a context for learning about saving and spending will be developed as part of the Government's 3 year programme of support for financial capability commencing in summer 2008 and referred to above in the Introduction.<sup>14</sup>

## How should financial capability be assessed?

Whatever curriculum opportunities and approaches are used and wherever they are employed, it is important that the financial learning objectives and outcomes are clearly defined and assessment is built into the programme from the start.<sup>15</sup> Use of the tables in section 2 above (**What could young people learn at each key stage?**) should assist the planning of learning objectives for both units of work and individual lessons.

An integral part of teaching, learning and assessment is the opportunity for students to reflect with the teacher, with their peers and individually upon what they have learned and how it could be applied to real life now and in the future. Because such reflection will inevitably

<sup>14</sup> The initiative is known as *My Money*. Information about it can be found on [www.pfeg.org](http://www.pfeg.org) and on the DCSF website, *SchoolsWeb* (when live).

<sup>15</sup> The 2008 Ofsted survey reported lack of clear learning objectives to be a weakness in many schools

include aspects of students' own behaviour, the part that relationships play in their decisions and aspects of family life, sensitivity is needed when planning assessment. Assessment should focus on the achievement of planned learning objectives and never judge the worth or value of an individual student or their family.

**Day to day assessment** of personal finance education should be planned to:

- provide timely and effective feedback to pupils on their progress
- actively involve pupils in their own learning
- enable teaching to be adjusted to take account of the insights gained into learners' strengths and needs
- enable pupils to assess their own progress and understand how to improve.<sup>16</sup>

Pupils should be involved actively as partners in the assessment process by:

- discussing the purposes of learning activities
- giving and receiving feedback on their learning and identifying what they should do next
- generating evidence of their achievement including learning outside the classroom
- helping to inform future learning and teaching.

**Periodic assessment** provides an holistic view of a learner's achievements and draws on evidence from a wide range of activities and tasks. It allows the identification of progress in terms of learners' skills and values as well as their understanding and

the acquisition of facts (for example, the ability to make informed choices and consider social and moral dilemmas about the use of money as well as developing knowledge about financial institutions and services).

The evidence from personal finance education can contribute to periodic assessment in other curriculum areas and learners can play an active role in identifying evidence that they believe is relevant to informing periodic assessment.<sup>17</sup>

## Resources for personal finance education

There is a wide variety of resources available to support personal finance education. The best of these encourage learning activities that are relevant, active and engaging. The **pfeg** (Personal Finance Education Group) website includes those that have been awarded the **pfeg** Quality Mark<sup>18</sup>. These resources have been assessed by educational and financial experts to ensure that they:

- are up-to-date
- match curriculum requirements
- cover an appropriate range of financial topics accurately
- have been developed in partnership with teachers and tested in schools
- do not promote particular businesses or financial products and services.

When selecting resources, whether they are in the form of lesson plans, scenarios, websites, games or

<sup>16</sup> *Assessment for learning: beyond the black box*, Education Reform Group, 1999

<sup>17</sup> see [www.qca.org.uk](http://www.qca.org.uk) for further information about day to day and periodic assessment.

<sup>18</sup> see [www.pfeg.org](http://www.pfeg.org)

drama it is important that they are appropriate to the particular needs and circumstances of the pupils and fit the values and ethos of the school.

Year 7 pupils at a school in Grantham used spreadsheets and other mathematical applications for a holiday planning project that enabled them to engage with the complexities of the world around them and increase their financial capability.

An extract from a CD *Adding up to a Lifetime* (a **pfeg** 'Quality Marked' resource) was used as a stimulus. It showed fictional students, Holly and Daniel's part-time jobs, savings and expenditure on holidays. Pupils then planned their own holidays and explored the actual and hidden costs of the holiday. They worked through spreadsheet exercises that simulated loan repayment scenarios and learnt how to construct and use a spreadsheet formula to model and complete calculations. Studying the costs of paying for a holiday by taking out a loan provided the opportunity for discussion about the need for responsible borrowing.

Discussion also included managing risk and safer choices about health, lifestyle and travel, how decisions can impact on other people and wider global society and the cost of life in the UK compared with that elsewhere.

### Using external contributors to support learning

External contributors are an important resource for schools to consider when developing personal finance education. Visitors from the finance and wider business communities can add value to

learning about finance both in and outside the classroom. Those from financial services bring with them direct knowledge of financial products and procedures, wider experience of how adults manage, or fail to manage, their finances and awareness of the role of local companies and organisations providing financial services including credit unions.

An essential ground rule is that there should be no promotion in school of particular financial products or services, no claims that certain products or services are superior to others (unless this is based upon a critical assessment such as those conducted by Which? and referenced accordingly) and no attempt to recommend products or suppliers as the only ones available to the class or group.

Many potential contributors do not have detailed knowledge of the school curriculum or the way in which schools are organised. It is important, therefore, to ensure that they are contacted well in advance of the proposed activity, provided with contact details for the teacher in charge and supported throughout their visit to the school.

How to make the most of an external contributor.<sup>19</sup>

External contributors **should**:

- meet with the teacher in advance to plan how they will add value to lessons planned by the teacher by providing expertise gained from working in the financial services sector or from advising clients with financial needs

- make clear how much time is available – many have a limited amount of time to offer so that schools need to use it to best advantage
- be able to negotiate how they will contribute to the learning activities (for example by contributing to small groups ‘as themselves’ by giving simulated advice to pupils who are either seeking more information about a financial product or service or who are trying to understand and resolve a financial problem or by evaluating pupils’ skills as financial advisers)
- be given brief information about the learning needs of the pupils, including any specific needs so that they understand how best their expertise can be used to enrich and support their learning
- have the opportunity to evaluate the experience with the teacher in the context of evaluating the unit of personal finance education as a whole so that both school and visitor can further develop the effective use of such expertise in the school context.

External contributors **should not:**

- replace the teacher or address groups of students for sustained periods, particularly larger groups
- be left alone with a class or be in any situation where they are expected to manage pupil behaviour
- usually go into school with an off-the-shelf package to deliver, although they may have useful material to contribute to the session.

Schools interested in receiving help from volunteers in the financial sector to add value

to their personal finance education provision and financial sector employees wanting to volunteer their services to assist schools can contact **pfeg** via [www.pfeg.org](http://www.pfeg.org) (or 020 7330 9470 or 0845 241 0925).

### Organising learning for financial capability – an example of whole school provision

A business and enterprise college in Norfolk has identified priorities for its pupils at each key stage, clarified learning outcomes and designed activities to meet the needs. Personal finance education learning activities are provided through regular lessons in PSHE education, mathematics, citizenship and design and technology. The timetable is arranged so that prolonged sessions allow for special project work and complete days on finance-related themes. Year 7 and 8 learning is organised flexibly following the principles of the RSA *Opening Minds* initiative.

Using a wide range of curriculum opportunities throughout the year, pupils in both key stages 3 and 4 are able to contribute to student council activities via form and year groups – this involves completing challenges based on the five Every Child Matters outcomes. All activities involve either budget management or social enterprise (fund raising) activities. Examples include organising talent shows and drama productions. All years are involved in running healthy eating projects linked to business challenges with specific budgets. Most students also take part in ‘Young Chamber of Commerce’ enterprise initiatives involving start-up funding.

The school is careful to ensure that, where students are engaged in business and enterprise initiatives, **personal** finance opportunities are developed and made explicit and that all students are able to develop relevant financial knowledge, skills and understanding where they have opportunities to choose within and between activities.

Assessment is built into curriculum activities as a normal part of teaching and learning.

Monitoring of provision across the curriculum is led by the assistant head teacher. Young people are involved in evaluation.

**Appendix 4** shows how the school organises learning for each year group.

- these schools and colleges nearly always had a member of staff, often at a senior level, with overall responsibility for the development of personal finance education across the institution
- the lack of an overall coordinator frequently led to fragmentation or duplication and a lack of progression in provision
- a minority of the institutions visited had identified the learning objectives they expected students to achieve by the end of Key Stage 4
- three quarters of the schools did not have robust systems in place to monitor students' progress in developing financial capability so they were often unaware of where the gaps were in their understanding
- about half of the schools had carried out audits to identify what aspects of personal finance education were being taught across the curriculum. These provided useful information but there was often a lack of evidence for the quality and effectiveness of the provision
- only a third of the institutions visited had comprehensive training programmes to develop the effectiveness of teachers involved in personal finance education. The best programmes involved a combination of in-house training and support from external agencies.<sup>20</sup>

## Leading and managing the provision of personal finance education

The Ofsted survey referenced on page 7 included the leadership and management of personal finance education. Key points that emerged were:

- there was a strong commitment to personal finance education by senior managers in all the schools and colleges surveyed where it was being developed successfully
- this commitment was reflected in the priority given to personal finance education in the curriculum and the level of resources attached to it

## Section 3: How well are we achieving our aims?

### Reviewing provision

It is important to review provision for financial capability at regular, planned intervals to ensure that it is meeting the identified needs. Evidence of the quality, quantity and impact of the programme should be collected to inform the review process.

Monitoring and evaluation of personal finance education helps schools assess how well provision is developing in order to help improve it or adjust it to changing circumstances. Whilst assessment is principally part of teaching and learning, analysis of assessment outcomes and qualifications will contribute to any review of provision.

### Qualifications

There are many accredited courses that include elements of financial capability which lead to an external award or qualification that provides evidence to the learner – and others – of their achievement. The Qualifications and Curriculum Authority, with its partner organisations in Wales and Northern Ireland, host the national qualifications framework website<sup>21</sup> which includes courses and units that accredit aspects of personal finance education. Qualifications that are centred upon developing knowledge, skills and attitudes

related to personal finance are also listed on [www.pfeg.org](http://www.pfeg.org) with direct links to the providers.

A pupil referral unit (PRU) in Newcastle upon Tyne wanted to provide relevant and motivating personal finance education for its year 11 students. Predominantly boys from areas of multiple deprivation and excluded from mainstream schools, their spending was easily influenced by advertising and peer pressure. Time was limited and it was decided to link the personal finance education to an accredited mathematics award that would improve future education or employment prospects.

Staff wanted a qualification that was achievable by the students with below average levels of prior attainment that included an externally assessed component rather than being entirely assessed by final examination. The AQA Level 1 Free Standing Mathematics Qualification was selected because it includes a module on money management and was assessed by portfolio as well as final examination.

Students learned through practical activities becoming more aware consumers by comparing costs of branded products familiar to them packaged as, for example, single items of different size, in multi-buys or two for one special offers. They increased their awareness of how people earn money by legitimate means, researching jobs and wages and calculating take home pay, deductions and the impact of pay rises. They acted as a garage owner: ordering goods, pricing services and invoicing for work – thereby learning about profit and loss and about VAT and what it is used for.

Students successfully completing the course leave the unit with a mathematics qualification recognised by Further Education Colleges and employers.

- if pupils were to consider social and moral dilemmas about money through different activities during a finance week, did all pupils have this opportunity whatever their choice of activity?
- if an external contributor was providing an input into the personal finance education programme were the messages consistent with what was arranged?

All schools should keep records and notes, and discuss what they are doing. This simple checking becomes monitoring when information is collected routinely and systematically against a plan. It may involve classroom observation, checks of teachers' records or pupils' work, interviews with staff, pupils or visitors. Some schools have used the student council to help with monitoring.

## Monitoring

Monitoring of personal finance education is as important as the monitoring of other subjects. Data should be collected systematically and records should be maintained. The resulting information will help to answer questions about personal finance education provision.

The purpose of monitoring is to check what is actually happening against what was planned.

For example:

- if the plan was for pupils to consider how different careers may affect personal finance, monitoring will establish whether this aspect of the work actually happened

## Evaluation

Evaluation uses the monitoring and other information (including the results of assessment) to make judgements about the value or worth of the provision. Evaluation aims to answer agreed questions such as:

- what were the purposes and the intended learning outcomes of the personal finance education programme? Were they met?
- what and how were methods used to measure responses and results? Were there any learning outcomes which were not intended?
- did the learning opportunities provided lead to progress?
- were there any differences between the achievements of boys and girls?



- were the needs of specific groups of pupils met, for example, looked after children, pupils with special educational needs, those who are gifted and talented?
- what were the pupils' thoughts and perceptions?
- what range of teaching methods was used? How were they varied for individual pupils?
- did pupil groupings encourage interaction between members of the group?
- did the use of staff support pupils as planned and encourage independent learning?
- were resources suitable and helpful? (Including the use of external contributors to the programme)
- did the physical environment help?

With the evaluation questions in mind, monitoring will routinely collect the right information on which to make judgements. Importantly, however monitoring and evaluation take place, the pupils themselves must be involved from the outset and their views included and acted upon.

# Appendix 1: Questions to help schools review and develop financial capability provision

## 1. What are the financial learning needs and priorities of pupils in this school?

- What does local data tell us about the context for developing financial capability in our school, for example on housing, employment, debt etc?
- How does this data affect our pupils' and their families' needs in developing financial capability (including pupils from different social, cultural or religious backgrounds, those with special educational needs and looked after children)?
- Who has been consulted about pupils' needs and priorities – young people; parents/guardians/carers; school staff; the wider community including careers advisers and employers; faith groups or advice organisations such as Citizens Advice?

## 2. What opportunities are already provided to promote pupils' financial capability?

- How do we identify and build on what children have learnt during earlier key stages?
- What aspects of personal finance are already addressed through:
  - timetabled lessons in PSHE education, citizenship, mathematics, business education etc?

- any accredited courses on personal finance being offered including Diplomas?
- opportunities in other subjects such as English, Design and Technology, Modern Foreign Languages etc?
- events and specialist days such as careers fairs, enterprise weeks, environmental projects and residential experiences?
- pupils' active participation in the life of the school, for example through school councils, school banks, managing budgets for productions or visits, involvement in community initiatives?

- Which statutory and voluntary organisations and individuals support learning for financial capability in the school?
- How and when do we provide opportunities for individual pupils to reflect on their financial learning through their involvement with out-of-school activities such as youth clubs, sports activities etc?

## 3. What already works well and meets our priorities?

- What do pupils, and staff, believe works well? How do they think it could be improved? What are the views of parents/guardians/carers and governors? What do community partners think?

- Does it meet the identified needs of pupils and the priorities of the community? Are there any gaps?
- Is provision differentiated to meet different needs and interests of individuals and groups?
- Are learning approaches active, engaging, challenging, varied, relevant?

#### 4. How can we build on what we are already doing?

Can we:

- consult pupils more frequently about their needs and priorities?
- involve them more fully in financial decisions in the school and beyond?
- make more effective use of local data?
- identify where personal finance education is taking place across and beyond the curriculum and use this to ensure opportunities to develop financial capability are available to **all** pupils?
- make explicit some of the implicit opportunities for personal finance education in subjects?
- develop discrete modules or individual sessions to complement other provision?
- make learning more active, engaging, challenging and relevant?
- increase pupils' involvement in and responsibility for off-timetable events and extra-curricular activities by enabling them to cost, organise and run the events?
- make more effective links with local financial services and businesses?

#### 5. What else do we need to do?

- What timetabling and staffing issues are created?
- How will training needs for both adults and young people be identified and met?
- What resources can we assemble to help us (physical, financial human) and where would we find these?
- How will opportunities for pupils to reflect on what they have learnt, assess their progress and celebrate their achievement be built into provision?
- What monitoring, review and self-evaluation systems do we have?
- How will we know we have been successful?

#### 6. Who can help?

How can we draw support from organisations outside the school, for example **pfeg**; Information, Advice and Guidance (IAG) providers; local authority PSHE leads and other local authority staff; business and enterprise networks; youth service; employers; financial services companies; and local voluntary organisations such as Citizens Advice and the National Children's Bureau.

## Appendix 2: Sources of help and support including useful websites

Department for Children, Schools and Families  
[www.dcsf.gov.uk](http://www.dcsf.gov.uk)

Personal Finance Education Group  
[www.pfeg.org](http://www.pfeg.org)

Financial Services Authority  
[www.fsa.gov.uk](http://www.fsa.gov.uk)

HM Treasury  
[www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)

HM Revenue and Customs  
[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

Qualifications and Curriculum Authority  
[www.qca.org.uk](http://www.qca.org.uk)

PSHE Association  
[www.pshe-association.org.uk](http://www.pshe-association.org.uk)

The Economics and Business Education Association  
[www.ebea.org.uk](http://www.ebea.org.uk)

The Association for Careers Education and Guidance  
[www.aceg.org.uk/](http://www.aceg.org.uk/)

Enterprise Education for Schools  
[www.teachernet.gov.uk](http://www.teachernet.gov.uk)

Association of British Credit Unions  
[www.abcul.coop/](http://www.abcul.coop/)

Child Trust Funds  
[www.childtrustfund.gov.uk/](http://www.childtrustfund.gov.uk/)

Citizens Advice  
[www.nacab.org.uk/](http://www.nacab.org.uk/)

Consumers Association *Which?*  
[www.which.co.uk/reviews/money](http://www.which.co.uk/reviews/money)

Moneyfacts  
[www.moneyfacts.co.uk](http://www.moneyfacts.co.uk)

National Consumer Council  
[www.ncc.org.uk](http://www.ncc.org.uk)

Teachers TV  
[www.teachers.tv/finance](http://www.teachers.tv/finance)

National PSHE CPD programme  
[www.pshe-cpd.com](http://www.pshe-cpd.com)

National Healthy Schools Programme  
[www.healthyschools.gov.uk](http://www.healthyschools.gov.uk)

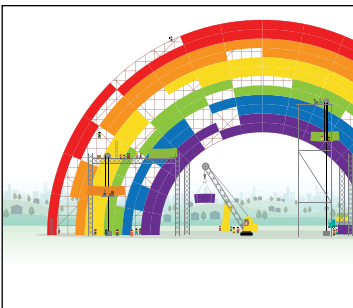
## Appendix 3: A Norfolk Business and Enterprise College's provision for personal finance education

This is merely an example of one school's provision. Young peoples' entitlement to personal finance education can be met in a variety of ways and through a wide range of different provision.

Year	Year 7	Year 8	Year 9	Years 10 and 11		
Autumn	<p>Effective learning project: cost, develop and publish a leaflet</p> <p>PSHE session: how do I afford things I want/need?</p> <p>Mathematics: discounts</p>	<p>Project: planning new buildings on a plot of land near school</p> <p>Fair trade day – a fair trade market challenge</p> <p>Mathematics: VAT</p> <p>simple interest</p>	<p>TIE day: focus on dilemmas about debt</p> <p>PSHE session: planning my future – expectations – jobs/salaries</p> <p>cost of education</p> <p>Mathematics: VAT, compound interest (higher tier)</p>	<p>Choice of accredited courses for some students e.g.</p> <p>ASDAN (B &amp; F Unit) – accreditation of school grounds project</p> <p><i>ifs School of Finance</i> qualification – Foundation Certificate in Personal Finance</p> <p>Catering group – catering for local council</p> <p>OCN – Enterprise qualification</p>	<p>PSHE session: costs/funding continuing education</p> <p>Mathematics: review of financial capability learning</p>	<ul style="list-style-type: none"> <li>● Peer supporters (managing “Friendly Faces” team budget)</li> <li>● Run school bank</li> <li>● <i>Adding up to a Lifetime</i> interactive DVD (SSAT)</li> <li>● Mathematics: all students cover – VAT, simple interest, higher tier cover, compound interest</li> </ul>

Year	Year 7	Year 8	Year 9	Years 10 and 11	
Spring	Full day of enterprise learning game/s (insurance and managing risk) PSHE session: gambling (links with mathematics – probability) Mathematics: price increases	Be Real Game – Units: making a company & making a community Food shopping project linked to local supermarket- designing and making a cold dessert Mathematics: compound interest, discounts, price increases	D&T food technology project: improving the school canteen (links with school food council – student council) D&T RM project: making garden furniture to sell Mathematics: simple interest, price increases (higher/middle)	<ul style="list-style-type: none"> <li>● Citizenship: council chamber debate – funding local facilities</li> <li>● PSHE session: the cost of pregnancy</li> <li>● School grounds – designing eco friendly garden</li> <li>● Sending books to Africa – costing and budgeting, effects on global economy</li> <li>● Young Entrepreneur project – making money, taking risks</li> <li>● Stock Market Challenge</li> <li>● Fantasy shares league</li> <li>● Mathematics – price increases (all tiers) profit/loss (top/ middle tier) discounts (all)</li> </ul>	PSHE session: module – review of financial rights and responsibilities, benefits and services, cost of leaving home, financial implications of leaving home Citizenship Foundation – managing your money

Year	Year 7	Year 8	Year 9	Years 10 and 11	
Summer	<p>Personal finance whole day event</p> <p>Shopping for food and presents across the world and global effects of local and national government finances</p> <p>Social and moral dilemmas involving money</p> <p>Mathematics: profit &amp; loss</p>	<p>Travel to school project (e.g. design a 'cool' helmet)</p> <p>PSHE session: pressures and influences on spending</p> <p>Mathematics: profit &amp; loss (top/middle tier)</p> <p>Comparisons of credit agreements</p>	<p>School bank training – preparation for running in Y10</p> <p>Citizenship: consumer rights and responsibilities</p> <p>Mathematics: profit &amp; loss</p> <p>Comparisons of credit agreements</p>	<ul style="list-style-type: none"> <li>● Work experience – Cost of going to work using work experience as a guide</li> <li>● Employers/ employees rights</li> <li>● How business finance works (work experience folders include a booklet on focusing on finances and enterprise)</li> <li>● Healthy food challenge (with local supermarket) – design a new product using local produce – cost production/ promotions etc.</li> <li>● Mathematics: comparisons of credit agreements (top tier)</li> </ul>	<p>Review of financial capability learning as part of revision</p> <p>Assessing the risk project: returns from savings and investments</p> <p>Mathematics: revision of all financial capability learning</p>
	Activities week – costing and planning residential/day experiences				



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