

Penny wise

SO, FINANCIAL LITERACY IS ON THE CURRICULUM AT LAST, SAYS SAL MCKEOWN – BUT AS EVER, IT'S THE DELIVERY THAT WILL MAKE ALL THE DIFFERENCE...

From September 2014, following extensive campaigning by MPs, parents and Martin Lewis, creator of the popular website MoneySavingExpert.com, financial literacy finally becomes a compulsory subject in secondary schools. The curriculum at KS3 includes the functions and uses of money, personal budgeting, money management and a range of financial products and services. At KS4 it will cover the world of work with wages, taxes, credit, debt, financial risk and more financial products and services. This may well be good news for the likes of Barclays and Santander, who are building up a potential customer base among school leavers by providing services to schools – but is it a similarly positive development for learners?

Hard times

It is an unfortunate fact that many young people will find themselves in poverty when they leave school. Many families now spend half of their monthly income on utility bills and food, and one in four households has seen a fall in income in the last year. Yet financial education will often be delivered by people who have no County Court Judgments (CCJs) and who are in no danger of finding themselves homeless.

What is needed is sensible and relevant advice to keep young people safe. Birmingham City Council has produced videos and resource packs developed by teachers to warn young people about loan sharks, for example, which include video interviews with victims. This has been funded through the Proceeds of Crime Act where loan sharks have had their profits seized. One pupil said: "I do think these lessons are useful at this age because we can teach other people about the dangers of loan sharks and tell people to go to the Illegal Money Lending Team. I don't think anyone has been scared, it's for their well being and to protect them and they get that. I know how to get past a loan shark now."

MyBnk (mybnk.org) is a charity that develops resources for schools. It offers a number of programmes including MyBnk-in-a-Box, which teaches KS4 pupils to run their own online and onsite school bank where they can save regularly and borrow interest free loans to set up enterprises. Money Twist



is a series of workshops for KS3 and KS4 to cover three broad topics: My Money, My Choices and My Future. The sessions feature case studies, games and videos and are very active so participants will find themselves drawing, presenting, writing, working on maths and problem solving. Money Twist aligns with a range of AQA Unit awards including Budgeting & Debt Management and Introduction to Managing own Money. There is also a really useful jargon buster on the site.

MyBnk works with schools, care leavers, housing associations and unaccompanied asylum seekers, and employs youth workers, former teachers and financial experts who can go into school and run sessions. The organisation is concerned that there will be no statutory money lessons for academies and free schools, nor for over 16s, who are on the cusp of leaving home, getting a job or going to university – the very time financial advice is likely to be needed.

"Our responsibilities regarding financial education became very clear to us in the wake of the credit crunch," comments James Faul, a humanities teacher at St Martins-in-the-Field High School for Girls, London. "We needed to prepare our students for the financial choices they will have to make. As a school we have introduced many initiatives such as a weekly school bank in partnership with MyBnk, which emphasises the importance of saving. Together we also provide workshops throughout the year providing practical skills and knowledge. As a school we believe this is of huge importance. It's our job to ensure our students make sensible choices."

Need to know

The Money Charity has information on its website (themoneycharity.org.uk) that could prove to be

especially useful for would-be university students, although it needs some filtering – the suggestions for 'Alternative Ways to Make Money' include 'reviewing music' or 'setting up a Youtube channel', which may well appeal to many sixth formers but are a little naive. The site also suggests bidding for work on sites such as elance, but does not mention that many of the successful bids go to young people in Asia working for very low wages. More useful is The Great Money Make-Under (themoneycharity.org.uk/advice-information/great-money-make), which suggests strategies for spending as little as possible and logging every outgoing on its Spendometer app.

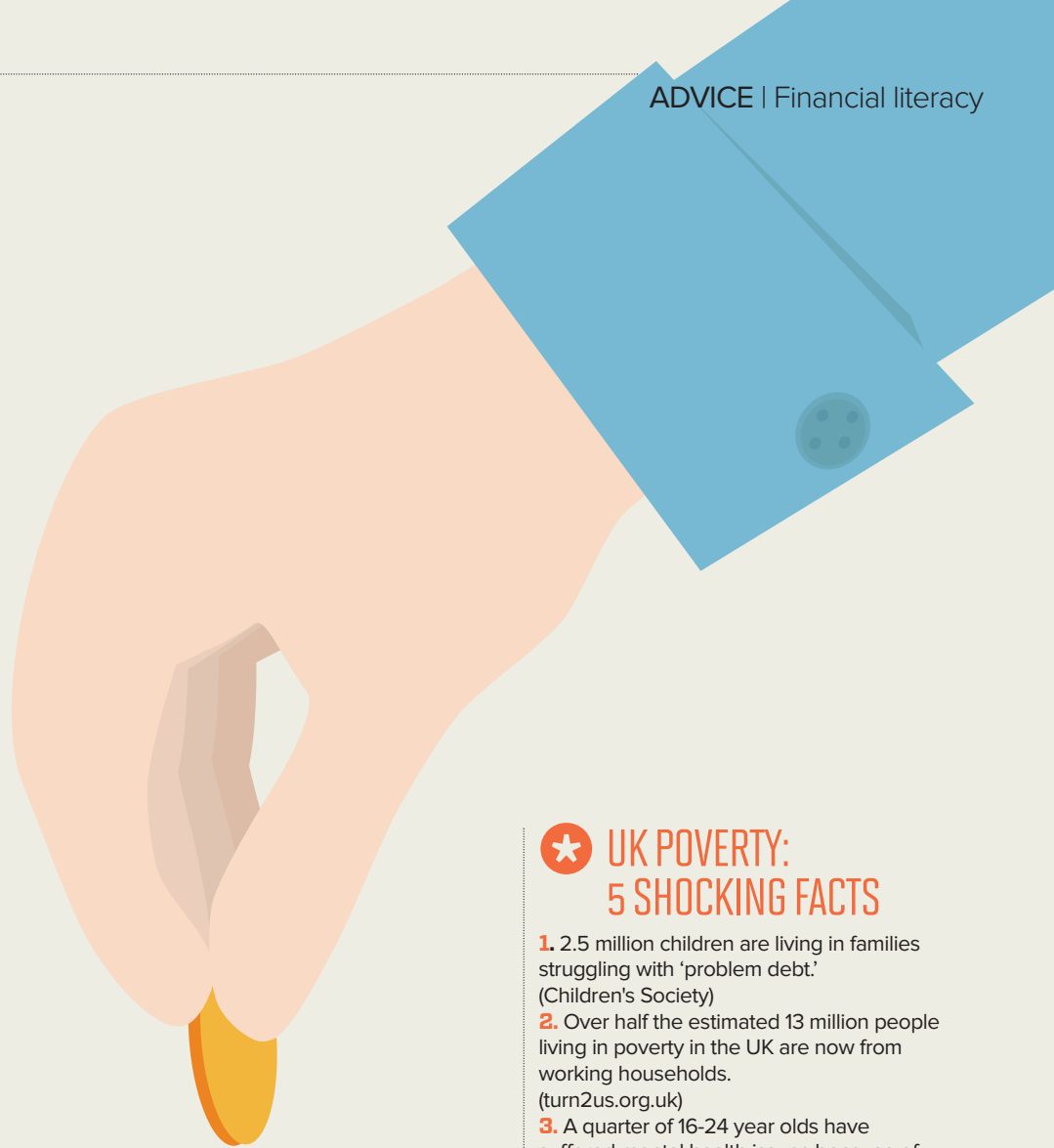
For ongoing support, pfeg (Personal Finance Education Group pfeg.org), which organises the annual My Money Week, has partnered with Capital One to launch ASKpfeg, a free advisory service for anyone teaching young people about money. It will offer telephone and email-based advice as well as social media and webinars. The organisation also offers Max Your Money – a new online tool that lets young people work through a series of questions to identify their 'money personality' and provides them with an individual action plan. "Young people are encountering money earlier and earlier in life," says pfeg's chief executive Tracey Bleakley, "from mobile phone bills to online shopping and everything in between. Yet until now, there has been no way for younger Britons to go online to receive a free personalised action plan to help them get started with managing their money."

David Connolly is head of business education at Dixons City Academy, which is working



towards becoming a pfege Centre of Excellence, an initiative in conjunction with Santander. "We are located in Bradford and the area has pockets of financial deprivation with families struggling to make ends meet," he explains. "Lots of our learners are first generation university undergraduates, so it is important to equip them with the basic knowledge and understanding of how to budget and manage personal finances. Regardless of income, who amongst us can say we are great at managing our money? I would like to get the students to start thinking as early as possible about what they can do to make best use of their own money and maybe even pass on some useful tips to parents and facilitate better decision-making.

"We teach the IFS (Institute of Financial Services ifslearning.ac.uk) suite of qualifications in Post-16 at Level 3, ie the certificate and the diploma in financial studies. There are plans to introduce the Level 2 equivalent next year. It typically covers stages of the personal life cycle, budgeting, debt, financial services providers and their products, ethical finance, sustainability, needs and wants, attitudes, risk and technology."



★ UK POVERTY: 5 SHOCKING FACTS

- 1.** 2.5 million children are living in families struggling with 'problem debt.' (Children's Society)
- 2.** Over half the estimated 13 million people living in poverty in the UK are now from working households. (turn2us.org.uk)
- 3.** A quarter of 16-24 year olds have suffered mental health issues because of their finances. (youthnet.org)
- 4.** A property is repossessed every 18 min 11 seconds. (themoneycharity.org.uk)
- 5.** In 2013-14, 913,138 people were given three days' emergency food and support and the Trussell Trust reports that people are having to choose between heating and eating. (trusselltrust.org/)

TEACHING FINANCIAL LITERACY – 3 RULES FOR SCHOOLS TO REMEMBER:

- **Stay up to date.** Personal finance moves and changes every day with new products, new businesses, new laws and policies and new media revelations about the state of our financial services industry.
- **Make links.** There are plenty of good contacts out there but they need working at, so be patient.
- **Use the students' own experiences to guide you.** Be sensitive when discussing all things finance-related in the classroom; it would be really easy to embarrass learners or make them feel uncomfortable.