



Personal Finance Education

Effective practice guide for schools



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‘ Providing personal finance education in schools is the best opportunity to embed basic understanding of financial matters. Over the past four years we have funded pfeg’s Learning Money Matters programme, as part of our National Strategy for Financial Capability, to support secondary school teachers in giving pupils skills, knowledge and confidence in money matters so they understand what a bank account is or the difference between credit and debit. Our recent research showed us the link between financial wellbeing and psychological health. If people feel in control of their money they feel better in themselves and can handle the challenges life throws at them. Giving young people the confidence to talk about money issues, through lessons and activities at school, provides the bedrock to our vision of ensuring educated, informed consumers who are confident about money matters.’

Tony Hobman

Chief Executive

Consumer Financial Education Body (CFEB)

(CFEB was created by the FSA in April 2010 to deliver the National Strategy for Financial Capability and the national money guidance service)

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Introduction

This document provides guidance on effective practice in delivering personal finance education in secondary schools. It is based on the findings from research carried out by NFER (the National Foundation for Educational Research) on behalf of **pfeg** (Personal Finance Education Group) as part of an evaluation of Learning Money Matters (LMM).

This guidance is aimed at those responsible for planning, co-ordinating and teaching personal finance education in their schools, but is useful to all those involved in supporting and delivering financial capability. It sets out:

The meaning of personal finance education and why it is important for young people to learn about it.	6
Two case studies of schools, which show how personal finance education can be delivered in two contrasting ways that lead to successful outcomes.	7
Effective practice suggestions regarding what to think about when planning the delivery of personal finance education lessons.	9
Effective practice in relation to deciding how personal finance education should be delivered within schools.	11
Effective practice in adopting the most appropriate teaching approaches which will keep students engaged in lessons and help them to achieve successful learning outcomes.	12
Effective practice in choosing, developing and adapting resources to use when teaching personal finance education.	14
Effective practice in relation to assessing the learning outcomes of personal finance education lessons.	15
The key principles of planning and delivering successful and effective personal finance education lessons.	17



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 students from every social and cultural background.

The DCSF defines financial capability as ‘the ability to manage one's finances and to become a confident, questioning and informed consumer of financial services.’ (DCSF, 2008).

Why is personal finance education important?

Developing young people's financial capability from an early age helps them to gain an understanding of money and to be better prepared to meet some of the risks they will encounter when they leave school. In particular, it can help them understand the advantages of saving and the risks of borrowing, as well as the costs they will face when studying or living on their own.

Personal finance education is particularly important in the current economic climate. Many of the young people interviewed as part of this research said that they are worried about the credit crunch and its impact on their lives, now and in the future. Many of them expressed concern about loans and credit cards and do not feel they can trust financial institutions, particularly banks. Personal finance education can help ease such fears. It can also enable students to develop not only an understanding and awareness of money, but also the skills, critical judgement and resolve to manage money more effectively.

‘Too many people are unsure about key financial issues in their lives and I want to see this change. It's important in the ever-changing economic world that we live in that people understand how to make the most of their money and this works best when financial education starts in schools.’

Ed Balls MP, Secretary of State for Children, Schools and Families (2009)

What impact can personal finance education lessons have on students?

The study of LMM has shown that personal finance education lessons can have very positive impacts on students' attitudes towards finance and knowledge of financial matters. In particular, interviews conducted with students before and after receiving personal finance education lessons showed that such lessons can make a significant difference to their attitudes towards saving and borrowing and can make them feel more confident about managing their own money. The research also suggests that having such lessons makes students more positive about being taught about personal finance at school and not just relying on what they pick up from their parents, friends or relatives, or get told by the media.

School case studies

The following case studies provide examples of two different ways in which schools can deliver personal finance education in contrasting yet successful ways.

Delivering personal finance education via PSHE education

In School A, the delivery of personal finance education is coordinated by an Assistant Head who teaches Business Studies and also has responsibility for student guidance, mainly via PSHE education and Citizenship. She is coordinating the delivery of personal finance education via PSHE education for Year 9 students, but also encourages teachers in other subjects to focus on financial topics. In addition, she runs two whole-school life skills days in July on finance, organises school assemblies using **pfeg** resources for each year group, and plans to hold a sixth-form day on personal finance linked to a careers fair, to raise their awareness of personal finance.

With the help of **pfeg**, she has developed between eight and 12 lessons focusing on a variety of topics, including budgeting, salaries for different careers, different types of bank accounts and the cost of mobile phones. She praised **pfeg** for providing lots of interactive resources to support the lessons, which also allowed for differentiation across the ability range:

‘The pfeg resources contain ‘real life’ examples. They provide links to videos; in one of them there are pupils from a local school talking, so they feel it is really relevant to them.’

The school has used a variety of teaching approaches including group work, class discussions and independent research. As part of one lesson focusing on mobile phones, students worked in groups and then had to present to other students which mobile phone they would choose and why:

‘It was interesting that most of them chose a phone because of what it looked like and that again led to a discussion about value for money.’

Eight students in the school were interviewed and all said they had found the personal finance education lessons interesting and had learnt a lot from them.

Delivering personal finance education via mathematics

School B delivers six lessons of personal finance education in mathematics lessons over a two-week period for Year 11 students using the resource pack 'Adding up to a lifetime' from SSAT/Prudential. Personal finance education is also built into schemes of work for other year groups: 'So that when they're doing percentages it's all tied in'.

The lessons have been delivered by the same mathematics teachers over the last two years, which has enabled them to adapt the resources and their teaching approaches. Delivery is coordinated by the head of department (who is an Assistant Headteacher in the school), but the preparation and development of resources is delegated to another teacher in his department. She adapted and piloted the resources with her class and then passed on tips and ideas to the other teachers, who delivered the lessons after her. This meant they could learn from her experiences. This has seen the development of differentiated materials for students in the top, middle and bottom set – 'the top set involved much more number crunching than the middle or bottom sets'. They have also learned to relate the teaching to real life situations, including linking it to the current economic climate.

A group discussion with eight Year 11 students before and after the lessons revealed that they had valued and learnt a lot from the lessons. This was demonstrated via a series of ten questions related to their lessons, and administered by NFER, before and after the lessons. Prior to the lessons, the students answered, on average, 4.125 of the ten questions correctly – after the lessons this had risen to 6.5 correct questions on average (an improvement of almost 50 per cent). Students said that the lessons had raised their awareness of the dangers of borrowing and made them more confident about money and budgeting:

'I now know how much everything would cost, whereas before we'd either over-estimate it or under-estimate it. So now I've got a better picture really.'

Effective practice

The following five sections set out effective practice identified in the 28 case-study schools in delivering personal finance education lessons, in relation to:

- planning the delivery of personal finance education lessons
- deciding what delivery approaches to adopt
- adopting the most effective teaching approaches
- choosing and developing resources to teach personal finance education
- assessing student learning outcomes.



Planning the delivery of personal finance education lessons

Our research suggests that in order to deliver successful personal finance education lessons schools need to:

Give one person ownership of planning and coordinating the delivery of lessons

It is important that schools designate at least one teacher in every school who has received some training in teaching financial capability and has responsibility for planning and coordinating the delivery of personal finance education. Further, it is vital that this person:

- is enthusiastic about and committed to teaching personal finance education
- has sufficient authority in the school in order to encourage and enthuse other staff to dedicate enough time and resources to teaching lessons
- is given enough time themselves to collect resources, plan lessons and support other staff members.

‘First thing is you need to have an understanding of its importance – if the teachers don’t have that understanding, then it’s not going to work. If the person delivering it doesn’t think it is important, then however good the resources are it won’t make a difference.’

Mathematics Head of Department

Ensure the school senior management team (SMT) is fully supportive

The study shows that personal finance education is taught most successfully, is most firmly embedded and has the greatest impact on students in those schools where the SMT see the importance of, and prioritise and support the delivery of personal finance education.

‘There needs to be support from senior management that this area is important, that it needs to be done – that you can take them off time-table and teach them about it.’

PSHE education coordinator



Choose knowledgeable and committed teachers to deliver the lessons

Whatever curriculum area is used to deliver personal finance education, it is vital for schools to choose teachers who are both enthusiastic about teaching such lessons and have sufficient knowledge of the subject area to answer students' questions and motivate them to learn more about the topic. The LMM research suggests that teaching is particularly effective in those schools in which all, or at least, most of the teachers delivering personal finance education:

- are committed to teaching their students about financial capability
- feel confident teaching the subject matter
- are aware of the current economic situation and its implications
- can contextualise learning to 'real life' situations.

Schools should also try to ensure continuity of staff teaching personal finance education from year to year. As one Personal Finance Education coordinator observed: 'It is good to have the same staff delivering it from year to year – because in the first year you can try it out and then develop your resources and approaches from year to year'.

Allow time for preparation and discussion between teachers

Schools need to allow sufficient time for teachers to prepare lessons, especially in the first year of delivering personal finance education, and to discuss their ideas and experiences with other members of staff.

One school teaching personal finance education via mathematics has used departmental meetings for this purpose. Another school has spent some time during an in-service training day to discuss teachers' experiences of delivering the lessons and how it could be improved in the following year.

Draw on support from external organisations

Rather than spending a lot of time identifying appropriate resources and planning lessons on their own, schools should consider how external organisations, such as **pfeg**, can support the teaching of personal finance education in their schools. This can involve providing materials or lesson plans as well as practical support in delivering lessons or personal finance education-related activities. Many of the schools visited as part of the research said that they would not have been able to deliver such successful programmes if they had not had the support from **pfeg** and other organisations. However, teachers emphasised that even if schools use resources or lesson plans provided by such organisations, it is important 'to tailor them to your own students' understanding, interests and needs'.

'There are a lot of agencies willing to help free of charge and you need to grab them because they are good. So I've used pfeg's Learning Money Matters, but I've also worked with NatWest/RBS Face2Face.'

PSHE education coordinator

Carry out an audit of existing delivery of personal finance education in the school

Teachers coordinating the delivery of personal finance education in their schools should consult with other teachers about what is already being done in relation to personal finance education in their school and what other opportunities there are for teaching it across the curriculum. This can be done by reviewing existing schemes of work or discussions with curriculum heads. It is important to conduct an audit in order to avoid any duplication of effort, to draw on existing subject knowledge and approaches, and to raise the profile of personal finance education in the school.

Deciding what delivery approaches to adopt

Teach personal finance education within one specific curriculum area

Case-study schools are delivering personal finance education via a variety of curriculum areas, including Personal, Social, Health and Economic education (PSHE), Citizenship and mathematics. Schools need to decide which of these areas is most suited to teach personal finance education within their own context. Much depends on the skills and experience of teachers and their motivation and willingness to teach personal finance education.

One of the case-study schools has chosen to deliver a series of financial capability lessons as part of their mathematics curriculum. This approach has worked particularly well because 'maths has status in the school as being important and it does involve numbers and we know how to talk to them about numbers. It is a good way to show the importance of being confident with numbers even if you don't like numbers very much – you're not going to be free of numbers when you leave school!' (Mathematics teacher)

Teach personal finance education as stand-alone lessons

Most of the LMM case-study schools contended that personal finance education is most effective when it is taught within stand-alone lessons, rather than just embedded across the curriculum. Even though personal finance education lessons should be taught within one specific curriculum area, it is possible and important for other subjects to make reference to financial topics 'so that everyone is doing something in their lessons about personal finance so it's seen as relevant in all different contexts'.

'Don't just embed it! Also support the teaching of it by writing it into schemes of work – so, for example, if they're doing some number work, they can start looking at budgets. Or compound interest – look at how if you stop to smoke, how much you can save from it. It fits nicely into functional maths.'

Personal Finance Education coordinator

Teach relevant personal finance education topics to all year groups

Many of the schools visited as part of this research often started by delivering personal finance education to one or two year groups as a pilot. However, they frequently realised the need to 'roll-out' such lessons to all year groups, but with a focus on specific topics of relevance to the different age groups. Thus, while students in Years 7 or 8 are often interested in learning about savings, pocket money and mobile phones, older students will be more motivated to study topics of relevance to them when they leave school, such as budgeting, housing costs or insurance.

Dedicate sufficient curriculum time to teach personal finance education

The amount of time spent on delivering personal finance education varies considerably between schools. The minimum amount of time in one school is just three hours via a 30-minute lesson to cover each of six financial subjects. At the other end of the scale, one school dedicates around 25 lesson periods to finance-related lessons. On average, the research suggests that schools should dedicate at least six to eight lessons per year group to the teaching of personal finance education each year.

Adopting the most effective teaching approaches

Make it as real as possible

In order to engage students, teachers need to choose topics and approaches that relate directly to students' current lives and experiences. As one teacher put it: 'Relate it to what they can do now at home – don't just talk about what they can do in the future'. This can involve, for example, getting them to think about practical ways they could help their parents to save money on their bills or what would be the best mobile phone deal.

One school has, for example, spent several lessons exploring the concept of 'value for money' and looking at practical ways of saving money. 'We had a session looking at sites like uSwitch, kelkoo and so on in order to explore: "How much money could you save for your parents?" And I had one boy who said: "I'll go away and see how much money I can save for them and then I'm going to ask for a commission!" And he did it and worked out he could save them hundreds of pounds. So it made it real to them – it was about real money, that they could do something about now, they responded to it. Not something they might do in 10, 20 years'. (Personal Finance Education coordinator)

Link it to the current economic climate

One way to make lessons real is to link the teaching of personal finance education to the current economic climate. The LMM study suggests that young people are more aware of financial issues as a result of recent media coverage

and are curious to find out more about how banks work and the dangers of borrowing. Schools need to exploit this curiosity as a way to prepare students for the future. Interviews with students confirmed that they liked it when teachers related lessons to their own personal experiences – ‘where it wasn’t just telling them the facts, but relating it to real experiences. Especially, when people in the class could say: “Oh yes, my mum and dad bought this or that” or “We’re not going on holiday this year because of this or that”’.



In one school, the teacher started a lesson by reading a recent news article about a massive drop in banking shares and a rapid rise in bankruptcies and repossessions. This was used as a starting point for a discussion about mortgages, loans and the dangers of borrowing. The lesson explored questions such as: ‘Can anyone go bankrupt? Was it their fault? Or was it the banks’ fault – did they lend too much?’

Use computers and online resources

Students like to use computers and online resources to explore financial topics in a hands-on and interactive way. At the same time, schools sometimes report technical problems using online applications and resources. This highlights the need for sufficient preparation and access to technical support to overcome any potential issues in advance.

A PSHE education teacher in one school has taught her students about budgeting and the cost of living independently through the use of an online application. ‘So we went into the computer room and looked at budget planners and they worked through these themselves. First, they had to estimate how much things would cost and it worked out the total for you. And they were surprised how much it came to. And then we talked about salaries and what you get after tax and the real cost of things. So after that we went back to the budget and adapted it with realistic amounts using, for example, rental prices for real properties. And they were really shocked that you couldn’t afford to do all you wanted to do even if you started on a good salary and were living on your own’. (PSHE education teacher)

Teach them in an interactive way

Students are more likely to be engaged in learning about personal finance education if they are taught in an interactive way, for example through group work and drawing on students’ own experiences and views. Other examples of interactive approaches include using ‘quizzes to raise awareness, competitions, making posters and organising debates’. Schools generally find that it is difficult to keep students engaged if they are taught a lot of knowledge and facts in a formal way – ‘the kind of “Sit there, write, there’s the information” lessons’. Instead, it is more effective ‘to provide input in small chunks – a little bit of teaching and then application’.



One school used different hypothetical scenarios to help students to distinguish between needs and wants. 'For example, we said to them, if you are stranded in the desert, what would you pick? What is the value of something – is it just how much it costs or what you can do with it? I used laminated cards with pictures and descriptions of what each item is; so, for example, there was a picture of Cristiano Ronaldo and one of a bottle of water! So they could sort out the cards into what they would take and then they could compare theirs with other groups – they love things where they are interacting with others'. (Personal Finance Education coordinator)

Use effective classroom management skills to make students feel safe

Even though interactive teaching approaches are an effective way of engaging students in personal finance education lessons, it is important for teachers to ensure that they manage activities and discussions well. This is important to enable students to feel safe and comfortable to talk about their own or their parents' experiences – '[it] can be a very sensitive topic'.

Allow teachers the flexibility to use their own skills to deliver lessons

In schools visited as part of the LMM evaluation, **pfeg** played an important role in advising teachers about what resources and teaching approaches to use to deliver particular lessons or topics. However, individual teachers need to be allowed the freedom to deliver the lessons in a way that suits them best. As one teacher put it: 'I'd say the curriculum needs to be there – what's going to be delivered – but under a general road-map, that allows you to be flexible in responding to pupils' concerns and any issues raised – rather than just going lesson 1, lesson 2, lesson 3'.

Choosing and developing resources to teach personal finance education

Use a variety of engaging resources and materials

Schools are able to draw on a variety of organisations and internet sites to provide useful and engaging resources (see page 15). Many schools are using **pfeg**'s support to help them develop lesson plans and materials tailored to their requirements and interests, which save them a lot of time and effort. These can be supplemented with other resources available online or from other organisations as well as topical newspaper articles to focus on specific topical issues. Schools highlighted the need, though, to make sure that resources are continually updated as 'they can become outdated very quickly. I used one which was all about stars and their lifestyle and it had something about Madonna and Guy Ritchie before they separated!'

One school, for example, uses the 'Adding up to a lifetime' text and DVD available from SSAT/Prudential to teach students about the cost of living. 'It contains an activity about getting paid and how the main character does not realise he's going to have to pay tax and NI. This is illustrated using a pay slip, and things like that. So they learn practical skills, but in an engaging way. But we found some of it a bit too teacher-led, so I added some other resources to make it more interactive'. (PSHE education teacher)

Adapt resources to the needs of students

When using resources provided by external organisations, it is important to ensure that these are suited to the interests and abilities of their students. In many cases, schools will need to adapt resources, including updating them and differentiating them for different ability groups. As one teacher commented: 'if you've got low ability students, you need to make sure there is something that they can do; if you've got high ability ones that you've got something to challenge them'

'It's like that with any resources – nothing is perfect when you get it, because every group of kids is different and every school is slightly different.'

PSHE education coordinator

Evaluate and update the resources

Schools need to ensure that any resources that are used are properly evaluated to make sure they meet the needs of the students in the school. In other words, developing good resources has to be regarded as an ongoing process.

In one school, the Personal Finance Education coordinator piloted the resources with her class and then passed on tips and ideas to the other teachers, who delivered the lessons after her. This meant they could learn from her experiences. In other schools, all staff are asked at the end of the lessons to give feedback on what they have done, what changes they have made and what they will do differently in the future. Their feedback is used to 'tweak the resources for the next year'.

Assessing student learning outcomes

Identify appropriate learning outcomes

Students' financial capability is most likely to develop where they are supported by effective assessment, which relies on the identification of clear personal finance education learning outcomes. Teachers need to be aware of these outcomes and tailor their delivery of lessons to developing these outcomes and adopting suitable and engaging ways of assessing them.

Use assessment approaches that help students develop their skills

The main emphasis of any approach adopted should be on developing students' skills. Assessment should, therefore, be largely formative in nature to help students see what they have learned and to identify any gaps in their knowledge or skills.

One of the case-study schools visited uses mini-assessments at the end of each session aimed at helping students to reflect on what they have learnt. 'Just dead simple boxes – because sometimes they don't want to do loads of writing. So, for one I asked them to put down three things they need and three things they want – so you can see whether they know the difference between needs and wants. For another one I asked them lots of true/false questions – getting them to think whether it's true or false.' (PSHE education coordinator)

Key success factors in planning and delivering effective personal finance education lessons

The LMM evaluation has identified the following eight success factors which are vital to ensure the successful and effective delivery of personal finance education lessons in schools.

- 1 Give one person ownership of planning and coordinating the delivery of personal finance education lessons**
Having one such enthusiastic teacher is important to ensure that personal finance education becomes embedded within the school curriculum.
- 2 Ensure the school senior management team (SMT) is fully supportive of personal finance education**
Personal finance education is taught most successfully and has the greatest impact on students in those schools where the SMT see the importance of and prioritise and support the delivery of personal finance education.
- 3 Teach personal finance education within one specific curriculum area as stand-alone lessons**
Personal finance education is most effective when sufficient curriculum time is made available for it to be taught as stand-alone lessons, rather than just embedded across the curriculum. However, it is important for other subjects to also make reference to financial topics.
- 4 Choose knowledgeable and committed teachers to deliver personal finance education lessons**
Whatever curriculum area is used to deliver lessons, it is vital for schools to choose teachers who are both enthusiastic about teaching such lessons and have sufficient knowledge and understanding of the subject area.
- 5 Draw on the support from external organisations in the teaching of personal finance education**
There are many external organisations, such as **pfeg**, that can help provide materials, resources and help in planning or delivering personal finance education lessons or activities.
- 6 Teach students in an interactive way using a variety of up-to-date resources**
Personal finance education lessons need to be taught in an interactive way using a variety of online and offline resources and relating to students' own experiences. Any resources should be tailored to students' interests and abilities and updated on a regular basis.
- 7 Use effective classroom management skills in lessons to make students feel safe**
Teachers need to ensure that they manage activities and discussions well so that students feel safe and comfortable to talk about their own or their parents' experiences in lessons.
- 8 Use assessment approaches that help students develop their knowledge and skills**
Students' financial capability is most likely to develop where they are supported by effective assessment, which relies on the identification of clear learning outcomes. Assessment should be largely formative in nature to help students see what they have learned and to identify any gaps in their knowledge or skills.



Useful links and further guidance

Associations

pfeg

pfeg National Office, Fifth Floor, 14 Bonhill Street, London, EC2A 4BX
General enquiries: 020 7330 9470 or 0845 241 0925 www.pfeg.org

Association for Citizenship Teaching

www.teachingcitizenship.org.uk/theme?t=2

QCDA

curriculum.qcda.gov.uk/key-stages-3-and-4/subjects/pshe/ewfc/index.aspx

PSHE Association

www.pshe-association.org.uk

Information

DCSF Guidance

publications.teachernet.gov.uk then search for 'financial capability'

CFEB site for schools

www.cfebuk.org.uk/our-work/schools.shtml

RBS Personal Finance Education Awards

www.pfe-awards.co.uk/site/

National PSHE CPD programme

www.pshe-cpd.com

LMM evaluation report

www.nfer.ac.uk/publications/lmm01

Teaching resources

pfeg teaching resources

www.pfeg.org/teaching_resources/resources/index.html

Teachernet

www.teachernet.gov.uk/teachingandlearning/library/personalfinance

HMRC Education Zone

www.hmrc.gov.uk/education-zone/index.htm

Nationwide Education

www.nationwideeducation.co.uk/pupils/?mc=fin

RBS Money Sense

www.rbsmoneysense.co.uk/rbs/docs/personal_finance_for_teachers.pdf

Number Partners

www.numberpartners.org/about-education/personal-finance-education.aspx

Money Maestro

www.money-maestro.co.uk/index.aspx

About the evidence base

This guidance document is based on the findings of an evaluation of **pfeg**'s Learning Money Matters (LMM) initiative carried out by the NFER between 2007 and 2009. LMM provides help, support and advice for secondary schools in delivering personal finance education to their students. Trained **pfeg** consultants deliver support free of charge to schools regionally, and offer guidance and support to individual teachers. The evaluation of LMM included telephone surveys with 133 schools in the first year, and 109 schools in the second year of the evaluation. In addition, NFER researchers carried out in-depth case-study visits to 28 schools, involving interviews with teachers and students before and after the delivery of personal finance education lessons in each of the schools. This allowed the research team to measure the impact of lessons and for staff and students to identify effective practice in the delivery of personal finance education.



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