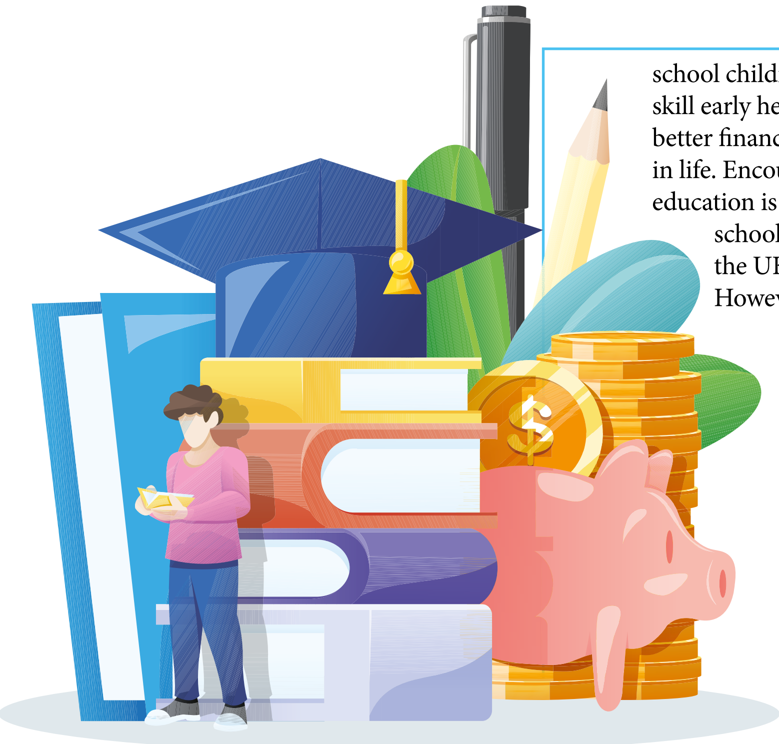
Empowering financial futures

As part of our year-long focus on financial literacy, *Pensions Age* asks industry experts what key elements of financial education they believe should be integrated into school curriculums

Financial education
• Financial education was added to the National Curriculum in September 2014 as part of citizenship education for students aged 11-16 in secondary school. It is mandatory in local authority-maintained schools. Additionally, the mathematics curriculum was designed to help students understand essential personal finance skills.
• In England, this requires teaching topics like budgeting, credit, and debt, insurance, savings, and pensions.
• Wales introduced a new curriculum in 2022 in primary and secondary schools that incorporates financial education across subjects like maths and health and wellbeing.
• In Scotland, financial capability is covered in the curriculum for students aged 3 to 14, while in Northern Ireland it is taught to students aged 4 to 14.
• A 2022 survey of 401 UK primary and secondary teachers by the All-Party Parliamentary Group on Financial Education for Young People found that over two-fifths of secondary school teachers were unaware that financial education was a curriculum requirement.

Case study: RedSTART
Redington's RedSTART, founded in 2012, is a charity focused on providing financial education for primary-school children. Initially launched as a corporate social responsibility initiative, it aimed to teach financial basics at school, at home and in the community. By August 2021, RedSTART had reached over 40,000 children across the UK through interactive workshops, both online and in person.

Despite the many challenges they face, I've yet to meet a teacher who doesn't think that teaching financial education is a good idea. Getting teachers onboard is not the issue. Delivering financial education consistently across all primary schools is the real stumbling block. As it stands, the inconsistency in how financial education is delivered means where it has been taught it hasn't always produced the right outcomes. And if you live in an area of greater deprivation, you are much less likely to receive any kind of financial education at primary school full stop. In the UK, to our shame, we've been squandering the potential of millions of children year after year because we don't equip them with the everyday life skills around money that they need in adulthood. In doing so we perpetuate a pernicious cycle of disadvantage right through to retirement. That cycle has to be broken. And it has to be broken now. That means starting early, the earlier the better because children's attitudes and habits about money are shown to have developed by the age of seven. It also means ensuring that it is impactful and sustainable by being delivered through a structured ladder of consistent, repeated learning.
RedSTART Educate CEO, Sarah Marks



We urge the government to consider steps to improve financial literacy, particularly around pensions, which is a blind spot for many, especially younger generations. This move would help pensions savers get the most value from their consolidated retirement savings and reduce poverty for future generations. Saving for retirement is often viewed by consumers as an older person's issue, but money saved early on has more time to grow if it's invested wisely. Many people don't consider how much they will have to live on in retirement until it is too late to make adequate provision. Better financial education early in life, through a government backed financial literacy programme in schools, would help people make the right choices earlier in life to secure a more comfortable retirement.

RSM UK head of pensions, Ian Bell

Financial literacy is an essential life skill for all of us that helps build our financial resilience and allows us to look after those we love. We know that supporting school children to develop that skill early helps them to make better financial decisions later in life. Encouragingly, financial education is now part of the school curriculum across the UK's four nations. However, financial literacy is about much more than just numbers and we would like to see it move beyond the maths classroom. It's about helping children and young people visualise ambition and lifestyle goals throughout their lives. That's why we are keen that children are introduced to some of the basic concepts of pensions and long-term savings, in a relatable way – it will make it feel much more accessible when the time comes to make decisions about them in adult life.

Royal London customer life stage director, Rory Marsh

Our recent *Retirement Report* found 47 per cent of young people (aged 22-29) are on track for a less than minimum lifestyle in retirement. We need to massively ramp up the provision of financial education in schools, especially on key topics like pension awareness. Today's students need to understand the importance of long-term financial planning. Pensions are critical for ensuring a stable retirement, yet they're often misunderstood. Teaching students how workplace pensions work, including the benefits of auto-enrolment and employer contributions, would provide practical knowledge they can carry through into their future careers.

Scottish Widows pensions expert, Robert Cochran

The Money and Pensions Service (Maps) firmly believes that the better financial education young people receive, the more this will set them up for their adult life. From pocket money to pensions, Maps would like to see savings habits being taught early on in life, ensuring young people can save to afford everyday wants and needs, as well as saving and looking ahead to their futures. As a way to start thinking about pensions early, when young people move into employment, they should ask their employer about enrolling in their pension scheme, even if they don't quality for auto-enrolment. Maps has endorsed the Financial Education Planning Framework, developed by Young Enterprise, which sets out key areas of money knowledge, skills, and attitudes. As part of this, Maps hopes to encourage long-term financial planning for 11-19-year-olds. This includes ensuring that young adults can not only start creating good habits early, but also ensures that they recognise the potential consequences of not making long-term financial decisions.

Money and Pensions Service senior policy and propositions manager, Lisa Davis

Written by Paige Perrin