

The Centre for Financial Capability

1 Year On
July 2021 – July 2022



Foreword

When the Centre for Financial Capability was launched a year ago today, on 6 July 2021, it was clear there was a gap in provision for financial education for children and young people.

Despite being compulsory on the secondary school curriculum, there is currently no requirement for financial education to be taught in primary schools. The Centre's own research has found that only one-fifth of primary children are taught how to look after their money at school. This is despite ground-breaking research showing that money forming habits and behaviours begin at the age of 7.

The past couple of years have been a challenging time for financial wellbeing and resilience in this country. Covid-19, and the huge economic consequences that followed, have resulted in more and more families and households facing financial pressures, falls in income and unemployment. The cost-of-living crisis and the rising UK inflation rate are also having a significant impact on British people and their financial situation.

Now, more than ever, it is vitally important that people are given the skills and confidence to combat financial pitfalls. Of course, debt and poverty are not just an individual's responsibility, it is important to remember that wider societal and economic factors have huge effects on people's ability to save and earn. However, financial anxieties have soared and many of the issues reported to debt charities relate to money confidence. This is not a problem that only affects adults. Shockingly, 96% of British teenagers said they worry about money daily.

That is why we launched the Centre for Financial Capability, to ensure that every child in the UK develops the skills, confidence and behaviours necessary to navigate critical financial decisions in their life, starting from primary school. Over the past year as a charity, we have delivered financial education lessons in collaboration with MyBnk, a specialist financial education charity, to over 100 schools and over 3,500 children. We have raised the importance of financial education in Parliament, have met with MPs and Ministers, have produced leading research on financial issues such as Buy Now, Pay Later, and continued to meet with a range of stakeholders and organisations. The Centre has grown substantially in its aims and reach, and I am delighted to share our successes with you from our first year.

Thank you to all who has supported us and thank you to all who are campaigning and working to increase financial education for all ages and all backgrounds. The Centre is always looking for new members to help support our vision of ensuring all primary school children having access to high-quality financial education.

Financial capability is an important and vital skill and I look forward to seeing the continued growth over the next year and beyond!



Jane Goodland
Chair of the Centre for Financial Capability



The journey so far

Last year on the 6 July 2021, the Centre for Financial Capability was publicly launched by the backers of KickStart Money, 19 leading saving and investment firms, in response to the lack of financial education available for primary school children. As part of our launch we sponsored a report by the All-Party Parliamentary Group on Financial Education for Young People, backed by its 150 parliamentary members. The report called for high-quality and effective financial education for every primary child by 2030.

Our Vision

“To ensure every primary school aged child receives a high-quality, effective, financial education”

Our Mission

“To identify innovative mechanisms for the delivery of effective financial education to primary school aged children across the UK”

The launch was accompanied by an official video, which featured Jane Goodland and Carol Knight, Trustees of the charity, and John Glen MP, Economic Secretary to the Treasury, who endorsed the Centre, saying:

“Over the last year we've learned many things, but one of them is how important it is for people to have the information, the skills and the confidence to engage with their finances. The Centre for Financial Capability is a testament to the difference that can be made when financial services and the voluntary sector join forces to improve financial education for children and young people, and I'm really looking forward to seeing what the Centre can achieve in the months ahead.”



Delivery

The Centre is proud to be funding the award-winning financial education programme delivered by MyBnk. In our first year we have funded the KickStart Money programme, delivered by our charity partner My Bnk, in over 100 primary schools, reaching over 3,500 primary-aged children.

one-fifth

of primary school children have access to financial education at primary school

3500

primary school children had financial education funded by the Centre in it's first year

two-thirds

of primary aged children who took part in the KickStart Money programme were working towards a savings goal after receiving lessons. This is nearly double the national average.

A number of parliamentarians, including the Chancellor Rt Hon Rishi Sunak MP, have visited primary schools in their own constituencies to see the financial education sessions in action.



**September 2021:
Caroline Nokes MP**



**January 2022:
Department for Education**



**March 2022:
Chancellor Rishi
Sunak MP**



**February 2022:
Peter Dowd MP**



**June 2022:
Felicity Buchan MP**

Research

The Centre is working to promote further innovation and evaluation in primary financial education to provide a variety of delivery models, and evaluate new digital and virtual delivery models that have been developed in response to the pandemic.

High quality, longitudinal research is a significant gap in the financial education sector, and is a key element of TCFC's research aims. Therefore, the Centre will be working on a longitudinal evaluation of primary school financial education and a separate piece of research concerning digital currency.



Polling and Surveys

The Centre has conducted a variety of polls and surveys to further understand the current state of financial education in the UK, and new financial services, such as Buy Now, Pay Later schemes, which have been growing in popularity.

In December, the Centre conducted polling research on the rise in use of Buy Now, Pay later Schemes. We found:

- 23% of over 65s and 18% of 24-year-olds have used BNPL schemes.
- Over a third of Londoners who have used a payment scheme that spreads the cost of buying have been hit with late payment fees.

We conducted a survey, in collaboration with MyBnk and Substance, with over 4000 children from 50 schools nationwide and found:

- Children with low financial literacy scores tend to come from poorer areas, with those most in need of financial education more likely to attend school located in areas that are high on the Income Deprivation Affecting Children Index and on Indices of Multiple Deprivation.
 - 86% of schools with children most in need of financial education were located in areas with a higher IDACI rating.
 - 67% of schools with children most in need of financial education had above the national average of pupils eligible to receive free school meals.
 - 76% of schools with children most in need of financial education were located in more deprived areas.
- These children benefit the most from expert-led financial education interventions as their financial knowledge, skills and savings rose by 56% as opposed to an average of 7% nationwide

We conducted a survey on 6-10-year olds and found:

- 23% were concerned about personal finances
- 85% believed that if you look after money, it makes you feel better.
- One-fifth of primary children have been taught how to look after their money at school

Parliamentary and Government engagement



In our first year, 53 MPs and Peers are listed as official supporters of KickStart Money and The Centre.



MPs have submitted Written Parliamentary Questions, asking the Government about financial education provision for primary school children and Dormant Asset funding



The Centre sponsored and worked alongside Bean research and Young Money to organise, research, launch and promote an enquiry with the APPG on Financial Education for Young People. This APPG called for high-quality and effective financial education for every primary child by 2030, and was accompanied by a virtual parliamentary event with Centre trustee Carol Knight presenting the report's findings.



The Centre has had letter correspondence with Secretary of State Rt Hon Nadhim Zahawi MP, Robin Walker MP, John Glen MP and Chancellor Rishi Sunak MP.



The Centre has held regular meetings with Government Departments including Department for Digital, Culture, Media and Sport, the Treasury and the Department for Education to discuss financial education and the Dormant Assets funding.



The Centre contributed evidence to the APPG for Financial Resilience's inquiry and the APPG for Financial Education for Young People's inquiry.

Financial Education Summit

We hosted our first major parliamentary event, the Financial Education Summit, in partnership with John Penrose MP. The event focused on the connection between financial education for children and young people, social mobility and levelling up.

The event was chaired by Carol Knight, Trustee of the Centre for Financial Capability and CEO of TISA, with panel speakers John Penrose MP, Stewart Perry, Head of Responsible Business at Quilter and John Craven, Chief Executive at UpReach.



The Summit was attended by over 50 representatives from the Department for Digital, Culture, Media and Sport, the Department for Education, the Treasury, Parliamentarians, financial education charities and financial services firms.

Following the event, representatives from the Centre delivered a letter to No.10 and No.11, signed by key stakeholders across the financial education and services industry, urging for a substantial proportion of the unclaimed money from dormant accounts to be used to fund financial education for primary aged children. We received a letter back from the Chancellor expressing his support for financial education.



Media

July 2021:

Following the Centre's initial launch, there was coverage across trade and national press: the [Daily Express](#) (print), [the Mirror](#) and consumer and trade coverage from [YourMoney](#), [Money Saving Expert](#) and [FE News](#).

October 2021

We gained media coverage of the KickStart Money/MyBnk YR3 evaluation report in consumer and trade press from [IFA Magazine](#), [FE News](#) and [QA Education Magazine](#), focusing specifically on levels of deprivation and the connection with lower financial literacy rates.

November 2021

We gained media coverage during Talk Money Week, in trade and consumer press from [FE News](#), [QA Education](#) and [IFA Magazine](#). We were also featured in print in [Education Today](#).

December 2021 - January 2022

Secured mention of financial education on Radio 5 Live via Bobby Seagull. Featured in a piece in the [Independent](#) on the high numbers of young people borrowing from credit cards, loans and debt services, who in turn seek help to manage the debt.

January-April 2022

Extensive Buy Now, Pay Later coverage with the Centres polling featured in: [The Telegraph](#) (print), [the Evening Standard](#), [City A.M.](#), [Financial Times](#) and [Investors Chronicle](#).

March-April 2022

Extensive media coverage around the Chancellor visit in the [Northern Echo](#), [the Yorkshire Post](#) and the [Darlington and Stockton Times](#).

April 2022

Extensive media coverage around the Financial Education Summit in [FE News](#) and the [Fintech Times](#).

The Centre for Financial Capability heads to Downing Street to call for sustainable funding for financial education

Martin Lewis calls for money and finance to be taught to primary school pupils

The money saving expert has also funded a free book for youngsters called 'Your Money Matters' which has been made available in many schools

Rishi Sunak offers money management advice to Northallerton schoolchildren

Why wait till adulthood? Research shows significant benefits of delivering financial education early

MSE News

Give all primary school children a financial education, MPs urge

Money

Complaints from youngest borrowers soar amid calls for greater financial education

Gen Z inundates financial watchdog with thousands of requests for help as gaps in money know-how emerge

Children least financially literate are from more deprived areas, recent charity study shows

'Buy now pay later' boom fuels consumer debt concerns as transactions soar

Regulators scrutinise fast-growing sector that allows customers to delay payments

A quarter of primary school children worry about money

Buy now, pay later used more by older customers

Older people are more likely to use buy now, pay later (BNPL) schemes to purchase items they cannot afford than young people, research has found.

A survey of 2,100 people by the financial literacy charity, the Centre for Financial Capability, found that 23 per cent of over 65s who have used BNPL did so as they were not able to afford the full price at the time. This compared to just 18 per cent of 18 to 24-year-olds who used BNPL.

The charity warned that many people using BNPL, which often appears as an option on online checkouts, did not realise they are a form of credit that can incur penalty charges and damage credit ratings if payments are missed.

Dormant Assets

Earlier this year, the Dormant Assets Act passed through Parliament, gaining royal assent, and unlocking £880 million in funding from dormant assets in the insurance and pensions, investment, wealth management and securities sectors for good causes.

The Centre, and its membership of 19 leading saving and investment firms, believe a substantial proportion of the unclaimed money from dormant accounts should be used to fund sustainable and high-quality financial education for primary aged children.

The Centre has been working with key stakeholders to make the case for Dormant Assets to be used for financial education. This includes:

- Contributing to the Dormant Assets Bill in both Houses, including submitting formal written evidence to the Public Bill Committee.
- Regular meetings with the Department for Digital, Culture, Media and Sport, the sponsoring Department for the Bill.
- Support from wide range of financial education charities and financial services firms, leading to a number of supportive firms and charities presenting a letter to No.11 and No.10 calling for Dormant Assets to fund sustainable financial education at primary school.



Stakeholder engagement

In our first year, the Centre has had the opportunity to meet with a wide range of people, charities, civil servants and businesses to discuss the importance of primary school financial education and the best way to ensure all children can have access to it.



ABI



Bobby Seagull



British High Commission Nicosia



Campaign for Learning



Centre for Social Justice



City Pay it Forward



Cypriot Ad-Hoc Committee on Financial Literacy



Debt Advice Foundation



Department for Digital, Culture, Media and Sport



Department for Education



FT's Financial Literacy and Inclusion Campaign



Girls Are Investors



HM Treasury



Interactive Investor



Just Finance Foundation



Low income tax reform group



Money and Pensions Service



Money Advice Scotland



My Pocket Skill



National Numeracy



Natwest



Ola Majekodunmi



PSHE Association



Quaker Social Action



The Money Awareness and Inclusion Awards



The Money Charity



True Potential



UKSIF



UK Money Bloggers



Young Enterprise Northern Ireland



Young Money



Young Enterprise Scotland



Attended Ring the Bell for Financial Literacy 2021 at the London Stock Exchange

Virtual presentation to the Financial Inclusion Commission

 A screenshot of a virtual presentation slide. At the top, there is a video conference interface with several participants. The slide content includes:

- Launch and Mission**
- THE CENTRE FOR FINANCIAL CAPABILITY** (with logo)
- Having proven the positive impact of financial education at an early intervention, KickStart Money has now expanded into The Centre for Financial Capability (TCFC).
- TCFC was recently formed in 2021 from the same backers behind KickStart Money.
- The launch of the charity was accompanied by a website and launch video, national and trade media coverage, and an APPG inquiry report and virtual event.
- TCFC has a longer-term commitment to combat the challenges which prevent an effective financial education for all, including primary level children.
- This new charity will continue to invest in financial education delivery, but will also champion innovation, research on further evidence for what works and campaign for greater investment and attention into this important area.

 There is also a small inset image of a man speaking, with a caption: "Martin Lewis calls for money and finance to be taught in primary school".


Presented at the Financial Education Forum at the Bank of England

Centre for Social Justice's report "On the Money: A roadmap for lifelong financial learning"

Since January 2022, the Centre for Financial Capability has been involved in the Centre for Social Justice's report on financial education. We provided written and oral evidence to senior researchers at the Centre for Social Justice, and we were delighted to see many of our suggestions, policy asks, recommendations and the Centre itself feature extensively throughout.

TCFC is one of a few financial education charities featured, and one of the few that focuses specifically on primary education. The Centre was featured throughout the report as a case study and was quoted as being an example of "good practice within the sector" in relation to financial institutions investing in financial education.

The report references Dormant Assets throughout, with many other organisations, charities and financial services firms, echoing the Centre's call that Dormant Assets should be used to deliver financial education.

Many of the reports key recommendations are directly aligned with the Centre. These are either ones which are directly proposed by the Centre, or ones which fall more broadly into the Centre's wider asks, including:

- *"The Department for Education should place financial education on the national curriculum for primary schools and taught within PSHE (Personal, Social, Health and Economic Education) or the equivalent as a minimum."*
- *"The Department for Education and Money and Pensions Service should cost-estimate the new requirement (see Recommendation 5) and leverage funds from dormant assets, the Financial Service Levy and ESG investment to support its delivery where external specialist providers are used."*
- *"The Money and Pensions Service should commission research into how best to deliver financial education to disadvantaged students, as part of ongoing work to improve quality in alternative provision, so that all pupils can access high-quality financial education."*
- *"The Department of Education should develop Benchmarks for what good financial education in schools and colleges looks like, modelled on the Gatsby Benchmarks for careers advice. Schools' achievement of these financial education benchmarks should be assessed by Ofsted."*
- *"Dormant assets set to be unlocked from the savings and investment sector should be used to fund financial education in schools at scale, with an emphasis on ensuring it is delivered to all pupils of primary years."*
- *"The Government should conduct a UK wide, longitudinal assessment of the financial capability of young people undertaken on an annual basis to assess the effectiveness of interventions, improve interventions and achieve the best value for money."*
- *"The Money and Pensions Service should commission further research evaluating interventions that seek to improve financial capability for primary years children, across a variety of delivery models available to teachers, parents, carers and charities."*

Looking to the future

With the economic consequences that followed Covid-19, and the cost-of-living crisis continuing, it is more important than ever to ensure we teach our children the key skills and tools to help them build financial capability. The Centre believes that, as revealed by the groundbreaking research by the Money and Pensions Service (MaPs) showing money forming habits are formed as early as the age of 7, primary-school financial education is an important part of helping the next generation gain the key skills and knowledge to make good financial decisions in later life.

The Centre for Financial Capability looks forward to continuing to promote financial education for primary school children through our work with financial education charities, financial service firms and Government, and through our future work to produce evidence on which delivery models work best.

By 2030, we would like to see a UK where all primary children receive some form of high-quality and effective financial education.

Get in touch

To learn more about TCFC and the work we do, please visit our [website](#). If you are interested in becoming a member and help support crucial financial education for primary school children, you can find out more [here](#) or contact the Centre directly at partnerships@tcfc.org.uk

