



THE CENTRE FOR FINANCIAL CAPABILITY

The Centre for Financial Capability is a charity with a mission to ensure every child in the UK develops the skills and behaviours necessary to navigate critical financial decisions in their life – starting from primary school.

The need for intervention is urgent

Prior to the impacts of the pandemic:

- Less than half (43%) of young people (aged 12 to 17) felt confident in managing money.ⁱ
- 52% of teenagers were set to be in debt by the time they were 17.ⁱⁱ
- 96% of British teenagers said they worry about money daily.ⁱⁱⁱ
- 10.7 million adults rarely or never saved and 11.5 million (or 22%) had less than £100 in savings.^{iv}
- An estimated nine million adults were borrowing money to buy food or pay their bills and nearly nine million people were in serious debt.^v

COVID-19 has had a devastating impact on the UK's financial wellbeing, with:

- The number of adults with low financial resilience increasing by 3.5 million between March and October 2020.^{vi}
- 8.1 million adults expecting to take on debt in the near future.^{vii}
- 59% of young people (aged 15-18) saying COVID-19 has made them feel more anxious about money.^{viii}

The Money and Pensions Service (MaPs) revealed, in ground-breaking research, that money habits are formed as early as the age of 7. It is therefore the CFC's beliefs that primary-school financial education is an important part of helping the next generation gain key skills and knowledge to be more financially resilient and have high financial wellbeing in later life.

The Centre for Financial Capability

[The Centre for Financial Capability](#) (CFC) brings together key stakeholders across the primary financial education space to achieve shared aims and effect change to ensure all children receive a high-quality and effective financial education starting at a primary level. CFC's intention is to be at the centre of the financial education space, helping bring together organisations and people working in this area, with the aim of improving access and quality of financial education through investment in its delivery. It also intends to promote further innovation, building evidence of what works and campaigning for greater investment in this critical area.

In July 2021, CFC sponsored a report by the All-Party Parliamentary Group on Financial Education for Young People, backed by its 150 parliamentary members. This report called for high-quality and effective financial education for every primary child by 2030.

The Centre has already raised £1.2 million to fund expert-led financial education to over 20,000 primary school children. 2 out of 3 primary aged children who received this funded financial

education, as part of the [KickStart Money programme](#), were working towards a savings goal after receiving lessons. This is nearly double the national average.

The Centre works 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. It will **continue to work with MaPs and DfE to fund and develop the first financial education longitudinal studies** to explore links between financial education at primary level and future financial capability, and is aiming to work with Government to conduct a UK-wide assessment of financial capability of young people, undertaken on an annual basis.

"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 sectors 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."

- John Glen MP, Economic Secretary to the Treasury and City Minister

Supporting firms:



Official Parliamentary supporters of KickStart Money and the Centre



Dr Alan Whitehead MP



Alex Cunningham MP



Alex Sobel MP



Allan Dorans MP



Andrew Selous MP



Bob Blackman MP



Bob Neill MP



Chris Grayling MP



Christian Wakeford MP



Claudia Webbe MP



Andy Slaughter MP



Anne Marie Morris MP



Anthony Mangnall MP



Bambos Charalambous MP



Baroness Altmann



David Linden MP



David Simmonds MP



Dr Lisa Cameron MP



Emma Hardy MP



Fleur Anderson MP



Baroness Morgan



Bell Ribeiro-Addy MP



Ben Lake MP



Bim Afolami MP



Bishop of Birmingham



Jeremy Quin MP



Jerome Mayhew MP



Jonathan Gullis MP



Katherine Fletcher MP



Lord Blunkett



Lord Flight



Lord Knight of Weymouth and Portland MP



Lord Watson of Invergowrie MP



Marco Longhi MP



Marion Fellows MP



Stephen Morgan MP



Stephen Timms MP



Steve Brine MP



Steve Double MP



Steve McCabe MP



Peter Gibson MP



Richard Thomson MP



Robert Halfon MP



Rob Roberts MP



Rosie Cooper MP



Stewart Hosie MP



Virendra Sharma MP



Viscount Brookeborough



Rt Hon Caroline Nokes MP



Sammy Wilson MP



Sarah Olney MP



Stephen Crabb MP



Stephen Hammond MP

-
- ⁱ Money and Pensions Service (2019) *CYP Financial Capability 2019*. p.5. Available at: <https://moneyandpensionservice.org.uk/wp-content/uploads/2020/01/Money-and-Pensions-Service-Children-and-Young-People-Financial-Capability-Wellbeing-Financial-Education-in-Schools-Financial-Foundations.pdf>
- ⁱⁱ OECD INFE (2012), *Financial Education in Schools*. p.7. Available at: https://www.oecd.org/daf/fin/financial-education/FinEdSchool_web.pdf.
- ⁱⁱⁱ *ibid* p.4
- ^{iv} Money and Pensions Service (2018) *Building the financial capability of UK adults*. p.2. Available at: <https://maps.org.uk/wp-content/uploads/2021/03/adult-financial-capability-survey.pdf>
- ^v *ibid* p.5.
- ^{vi} FCA (2021) *Financial Lives 2020 survey: the impact of coronavirus*. p.20. Available: <https://www.fca.org.uk/publication/research/financial-lives-survey-2020.pdf>
- ^{vii} *ibid* p.79
- ^{viii} The London Institute of Banking and Finance (2021) *Young Persons' Money Index 2020-21* p.8. Available at: https://www.libf.ac.uk/docs/default-source/financial-capability/young-persons-money-index/young-persons-money-index-2020-21.pdf?sfvrsn=a3bc278d_2