



Concern as financial education provision is removed from Children, Schools and Families Bill

London. April 9 2010: The government has dropped reforms to make PSHEE (Personal, Social, Health & Economic Education) statutory in schools after failing to win Conservative support. Compulsory financial education for young people in the UK now appears unlikely in the near future.

In a letter to the shadow schools secretary Michael Gove on the Children, Schools and Families Bill, Ed Balls the Secretary of State for Children, Schools and Families writes, *'There is now widespread agreement that statutory PSHE is essential to prepare young people for adult life. It is very disappointing that your refusal will set back our plans to ensure that all pupils receive high quality financial education from 2011.'*ⁱ

Financial education charity MyBnk expresses concern at this announcement at a time when the country's economic needs are so pertinent. Every 3.69 minutes someone will be declared bankrupt or insolventⁱⁱ, so it is essential that young people have a better understanding in order to navigate the financial maze of products and services.

According to polls;

- 94% of 16 year olds believe it is important to know how to manage money; only 53% have been taught how to.ⁱⁱⁱ
- 87% of people felt financial literacy should be introduced as a compulsory topic to the school curriculum.^{iv}
- 98% of teenagers consider it valuable for the future to learn about managing their money. Within this figure, 89 per cent would like these lessons carried out at school.^v

MyBnk has reached over 20,000 young people in just 3 years, working with 71 schools and youth clubs. Working on the frontline with teachers and students, it is clear both are crying out for more education on money management in the current economic climate, indeed 80% of young people who completed a MyBnk programme would like to receive further financial education. This is especially true when you consider those youngsters either moving onto university, or who are NEET (not in education, employment or training).

Lauren, a 13 year old student who took part in a MyBnk MoneyTwist workshop, said *"MyBnk was really useful. It will help me in my life ahead. It taught us a lot about how to manage our money, savings accounts and how banks work. Most the stuff I learned today I didn't know before, now we know more it will help us when we go to university."*

MyBnk fears that it will be only forward-looking schools that create time for such an essential agenda. Financial inertia amongst future generations and the UK economy as a whole will continue so long as young people do not receive the required finance education to make informed decisions as they progress through their lives.

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FOR MEDIA QUERIES PLEASE CONTACT

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NOTE TO THE EDITOR

MyBnk was founded by a group of young people responding to a need to equip today's youth to avoid debt and financial exclusion, and to make enterprising choices about their lives. MyBnk inspires students to become 'savvy savers' and informed financial consumers with its innovative hands-on and fun approach.

<http://www.mybnk.org>

MyBnk Quotes

This sort of program is really, really needed ... there are a lot of young people with a lot of debt issues and who need to know how to manage their money better... Money management is a very high priority ... it empowers the young people I work with so they can move on and become independent ... it's very, very important.

Fay Douglas, Irish Centre Housing

It is vital for young people to learn how to manage their money because debt is a reality. It is a reality that can cause extreme problems to them and their families. Especially looking at today's current climate, money management will become even more important to our future generations.

Victor, 18 years old, member of MyBnk's Youth Advisory Panel, University of Surrey

Young people have no preparation for dealing with money until they enter 'the real world' after university. Only when they start earning do they really learn about managing money, savings etc, and what we learn is often from our mistakes and past experience.

For this reason I think that it is important that they are taught about managing money whilst they are still at school so that we can make our mistakes with small sums of money rather than in later life when significant amounts of money are involved that could ruin lives.

Salim, 18 years old, member of MyBnk's Youth Advisory Panel

MyBnk Case Studies

<http://www.mybnk.org/case-studies>

MyBnk AudioVisual Material

<http://www.mybnk.org/free-resources>

ⁱ Letter to Michael Gove on the Children, Schools and Families Bill, 7/4/10 <http://www.edballs.co.uk/index.jsp?i=4812&s=1111>

ⁱⁱ Credit Action statistics, <http://www.creditaction.org.uk/debt-statistics/2010/april-2010.html>

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^{iv} [YouGov](http://today.yougov.co.uk/) poll for Insight Investment <http://today.yougov.co.uk/>

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