Students are prepared for life at university

START THEM YOUNG

Emma Love *supports teaching financial education to seven year olds*

The question of teaching personal finance to children is a tricky one. Usually, though not always, it is part of a wellbeing PSHE programme, but how much is taught and the exact topics covered seems to differ from school to school. What there is no doubt about though, is just how important financial education is. In 2016, the Money Advice Service conducted the first nationally representative survey of nearly 5,000 children aged four to 17, which identified that overall, children have a reasonable grounding in money matters, but there are some significant gaps. Only 52 per cent of children save regularly, for instance; 21 per cent of 12 to 17 year olds don't understand a bank statement and 62 per cent of 14 to 17 year olds can't identify how much has been paid on a payslip.

'It is vital that we prepare our students for life at university and beyond, so naturally, finance needs to be part of those life skills,' says Sue Bruce, Head of PSE at Fettes College. 'The key is to give a no-nonsense, all-round introduction to personal finance, from saving, to student loans, to living on a budget. Just like teaching them cooking, which will stand them in good stead at university, it would be remiss of us not to include money management, too.'

At Dulwich College, financial literacy in Year 11 includes plenty of useful exercises – on everything from setting a budget for food shopping after leaving home to student finance. Pupils also watch a fascinating TEDx Talk titled 'Why 2.5 billion heartbeats might change the way you think about money'. 'Financial literacy is an important element of the Wellbeing programme, because embracing a sense of responsibility and independence is an element of the pupils' sense of identity,' explains Nathalie Coppin, Head of Wellbeing.

At Godolphin Senior School, financial literacy is taught for a term as part of the Elizabeth Godolphin Award for sixth formers. After two talks (the first on student loans, bursaries and scholarships, the second on personal finance), they break off into small groups. 'By this point the students will be choosing between two universities so we get them to research living costs in those areas and think really practically about how they spend their money,' says Bethan Ferguson their Head of Careers, who believes that the soft skills taught during these extra-curricular activities are vital. 'Such a significant number of students drop out of university because of the financial burden, so we also use the time to talk about the alarm bells you can set yourself to avoid that. Equally if students are planning for a gap year, we can help them work out how much they need to earn to cover costs.'

For the next financial literacy segment at Godolphin Senior School, one of the forthcoming talks will be given by Rathbone Investment Management, based in nearby Winchester. 'We're trying to fill a void and give something back to the community,' explains investment manager David Kneiss about the reason behind the firm's programme for 16 to 25 year olds, which he has been running in the south of England for the last four years (other regional Rathbone Investment Management offices also work with local schools).

The company isn't alone in offering financial education help to schools – either directly to students or via training advice for teachers. MyBnk is a UK charity that works with seven to 25 year olds in schools and youth organisations, with the aim of empowering a financially capable and enterprising generation. 'There's no avoiding money, everyone has to deal with it, so why wouldn't we teach our children about it,' reasons CEO Guy Rigden sensibly, citing workplace pension schemes and student finance as just a couple of the topics that should be thoroughly covered.

According to Rigden, there are two key stages for teaching financial literacy: as early as possible and at the point of relevance. 'There is evidence to show that behavioural habits developed at the age of seven can still be seen later in life, so in primary school we introduce money and the concepts of positive behaviours. Then in secondary school, when students start to make their own money

Dulwich College pupils receive lessons on managing household finances

PHOTO: GETTY IMAGES

At Godolphin School, financial literacy is taught for an entire term

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SUE BRUCE HEAD OF PSE AT FETTES SCHOOL

choices, we build on that knowledge,' he says. While the MyBnk model is all about making the subject fun for children by bringing in trained experts who are good at engaging with young people, at the Young Money charity, which is part of Young Enterprise, the focus is more on supporting teachers and anyone else who educates young people about money.

'Our philosophy as a charity is that we want to develop sustainable financial education in schools by training teachers and helping them to embed that into the curriculum,' says Russell Winnard, head of educator facing programmes and services. 'We live in a far more financially complex world than ever before, with an increasingly cashless society. What do children think is happening when parents go shopping and get cash back? That's not real; it's not just a case of a card being tapped and so we really need to teach young children that money has to be earned.'

Alongside teachers, Young Money also has plenty of advice on the website for parents, and runs occasional workshops. 'Parents can provide experiences in a more realistic environment, which teachers simply can't do in schools, such as allowing children to pay and receive change in a shop for instance. Also, just talking about money is important; in some households it is still a taboo.' He also believes that a small amount of regular pocket money can make a difference. 'An OECD [Organisation for Economic Cooperation and Development] report last year showed that a young person's money capability improved with pocket money because they are able to make their own financial decisions.' Good money habits, it seems, start young and last a lifetime. ■

young-money.org.uk