Background

KickStart Money is a coalition of 18 savings and investment firms with a vision to ensure every primary aged child receives a high-quality and effective financial education. They have contributed over £1 million to fund the delivery of financial education delivered by the charity MyBnk.

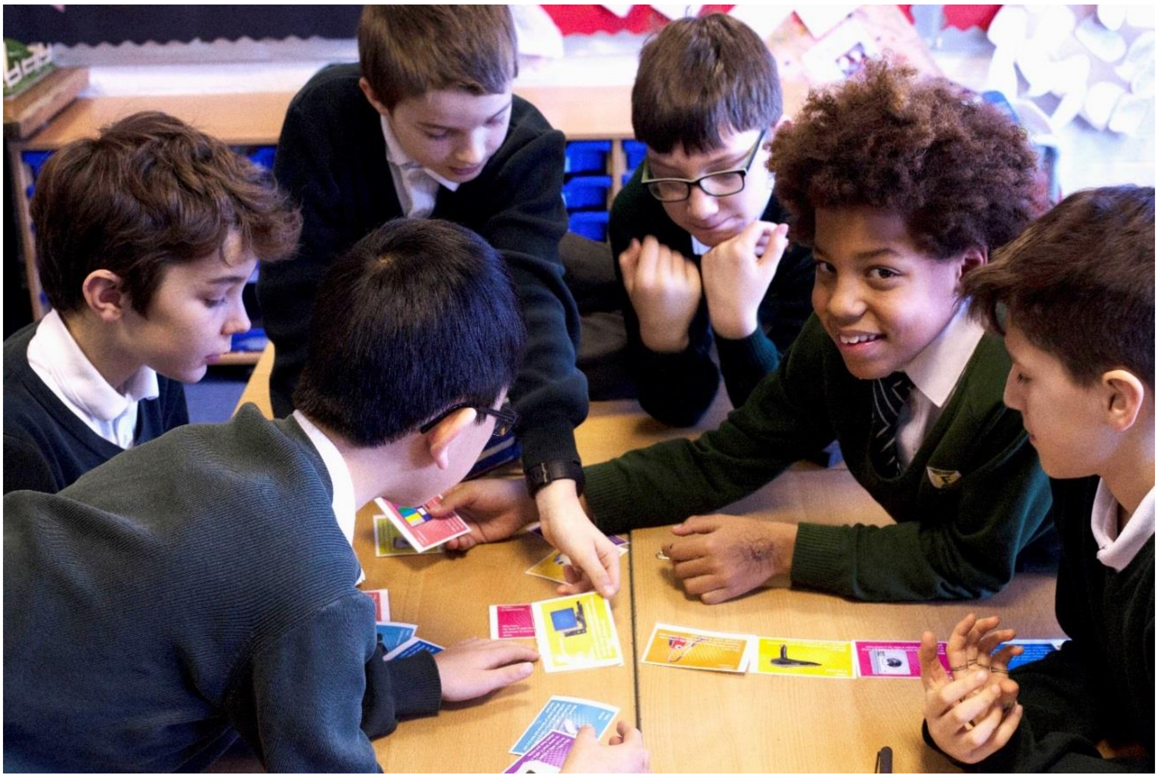
They have also funded three year-long evaluations that prove the benefits of expert-led financial education. This paper is an addition to the [Year 3] report published in 2021 and focusses on outcomes related to our [Money Twist Key Stage 2] offering for 7-11 year olds in UK primary schools.

Executive summary

Research from the Money and Pensions Service (MaPS) has shown that just 48% of young people in the UK receive a meaningful financial education, but that young people who regularly receive pocket money have higher financial capability. In the past four years we have helped 20,000 children in 170 schools boost their financial knowledge, skills and start lifelong savings habits. Data from a statistically significant sample[1] of these participants corroborates MaPS research, showing that only third of those most in need of financial education receive pocket money regularly.

This message only tells us retrospectively who needed our support the most and limits our ability to target these individuals given that they are grouped in schools. Across three independent evaluations, progress for all young people has averaged at 7%, while for those young people most in need it has averaged 56%.

[1] 4100 baseline surveys analysed.



To establish whether it is possible to effectively target those most in need, MyBnk and independent evaluators Substance, conducted analysis on young people from 50 schools who had low baseline scores (>40% incorrect responses) across a range of financial capability components ahead of their MyBnk sessions.

Subsequently grouped by school[2], we found that there is a strong correlation between those young people most in need of financial education and financial deprivation.

Young people most in need (YPMIN) of our interventions are based in schools that:

- Are located in areas that are high on the Income Deprivation Affecting Children Index (IDACI).
- Have a larger proportion of pupils who are eligible to receive free school meals.
- Are located in areas that have higher Indices of multiple deprivation (IMD).

Schools least in need had as low as one young person in a class being YPMIN. For schools with high amounts of YPMIN it was as high as three in five young people in each class.

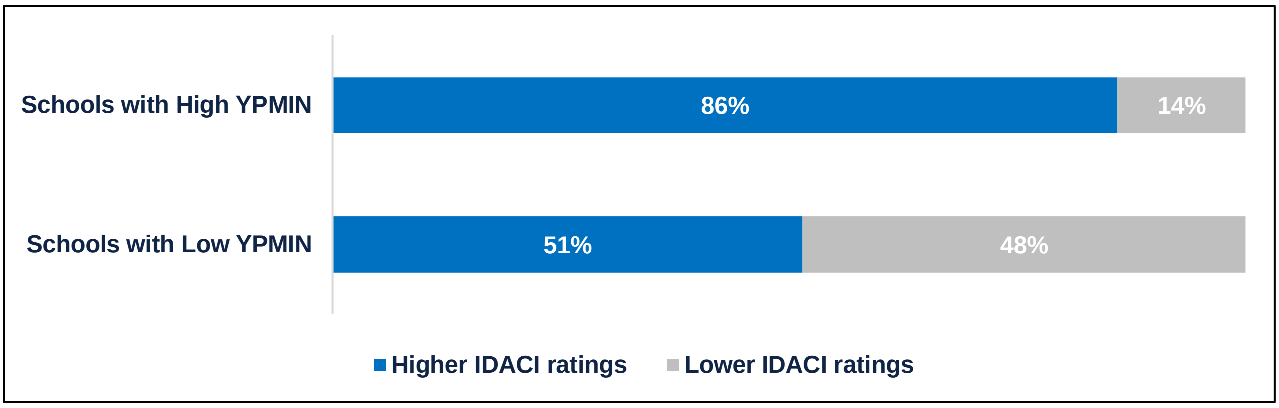
Schools where impact could be maximised

Characteristics of schools with a high proportion of YPMIN were:

- Located in areas that have high levels of income deprivation that affect children (IDACI).

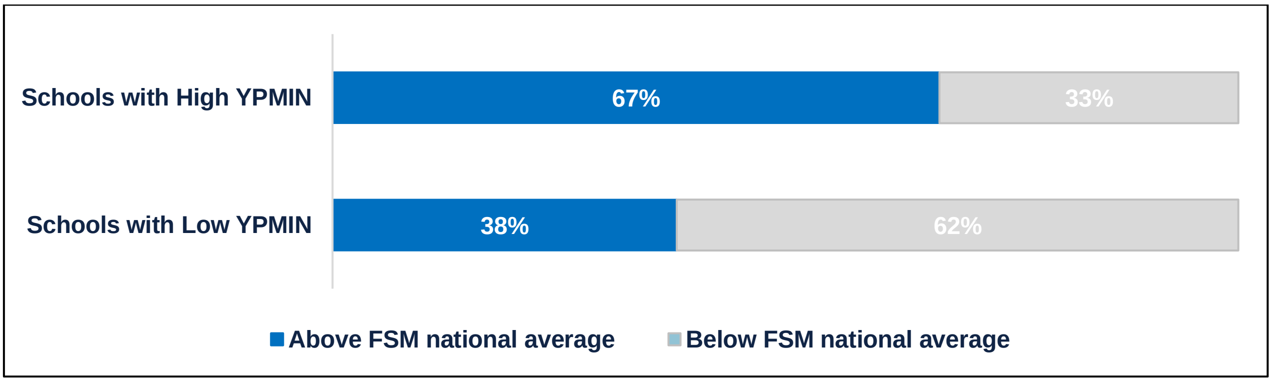
86% of high YPMIN schools were located in areas with higher IDACI ratings. Only 14% of high YPMIN schools were in areas of lower IDACI ratings.

[2] A school with a high proportion of low baseline young people categorised as when >40% of young people are most in need.



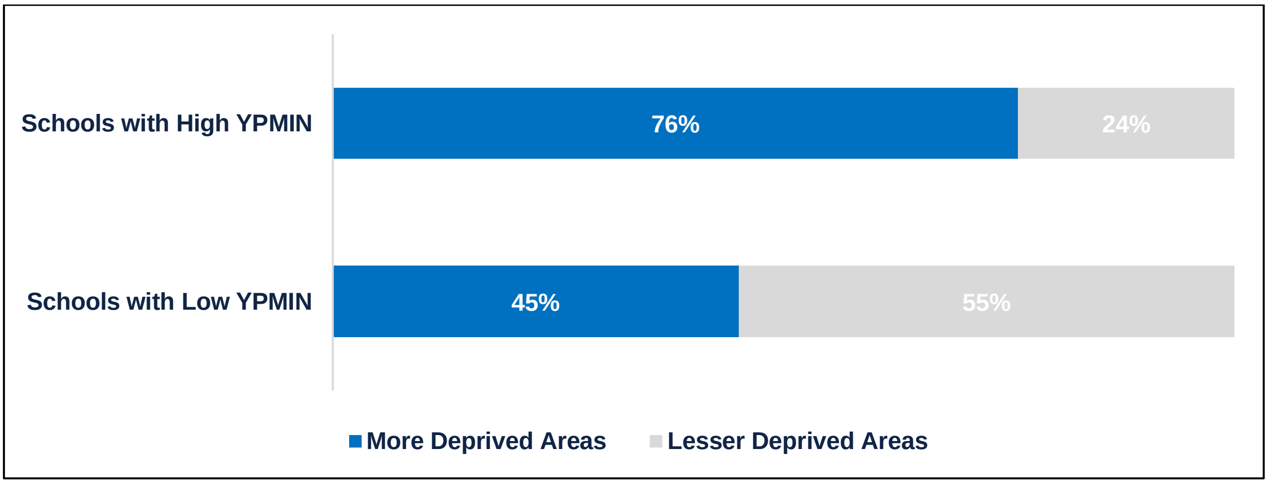
- Had a large proportion of pupils who are eligible to receive free school meals.

67% of high YPMIN schools had above the national average of pupils eligible to receive free school meals. In low YPMIN schools, the percentage was 38%.



- Located in areas that are high on the Index of Multiple Deprivation (IMD).

76% of high YPMIN schools were located in more deprived areas. Only 24% of high YPMIN schools were in lesser deprived areas.



Factors with positive but less strong correlations

Additionally, schools with a high proportion of YPMIN:

- Are located in areas that have lower education, skills, and training (IMD component).

67% of high YPMIN schools were located in lesser performing areas in education, skills, and training. Of low YPMIN schools, only 38% were in these lesser performing areas.

- Are located in areas with lower employment (an IMD component).

76% of high YPMIN schools were located in lower employment areas. Of low YPMIN schools, only 41% were in these lower employment areas.

- Have a lower performance score in reading, writing, and maths.

48% of high YPMIN schools were below the national average scores. Whereas only 21% of low YPMIN schools were below national average.

Factors with little to no correlation

Additionally schools OFSTED ratings and the availability of local housing were assessed in relation to relative YPMIN density, however, the sample was too small to observe any associations with Ofsted ratings.

All low YPMIN schools in the sample were Ofsted rated 'Good'. The high YPMIN schools were mostly 'Good', with some rated as 'Outstanding' or 'Requires Improvement'.

There was no observable association between schools' YPMIN density and the availability of the provision of housing.

76% of high YPMIN schools were located in more deprived areas for housing. 79% of low YPMIN schools were located in similar more deprived housing areas.

Conclusions & Recommendations

We believe this initial study provides enough evidence to suggest a link between young people most in need of financial education and financial deprivation. We suggest a next phase of this research to further investigate the correlation would:

1. Include more schools and young people.

2. Break down the more and less in need categories into smaller groupings to identify whether the YPMIN deprivation correlation follows a larger trend line.

3. Attempt to corroborate this quantitative analysis with qualitative findings.

We believe the findings are significant to policy makers and delivery organisations who want to target those young people most in need out of principle and/or resource constraints.

Useful links

- MyBnk.
- KickStart Money.
- Impact.
- Programme overview.

Contact info@mybnk.org for more.