

# The case for teaching core transferable skills to build young people's financial capability

LifeSkills polled a representative sample of 6,200 teachers with Teacher Tapp which found:<sup>1</sup>

**88%**

of teachers agree it's **important to teach students the transferable skills they need to build their financial capability.**

**71%**

of teachers (including 77% of primary teachers) think young people should **start to learn the transferable skills they need to build their financial capability at primary school.**

## Key facts - existing evidence on financial capability

### In the modern world, it's vital to equip young people with core transferable skills to manage money safely

The world of money is changing fast, with new financial risks for young people to navigate – from in-game purchases to buy now, pay later online shopping.

**22%**

More than a fifth of 7 to 11 year olds **have paid for things online.**<sup>2</sup>

**38%**

Close to four in ten of those did so **without adult supervision.**<sup>3</sup>



**¾ of children** say online games try to **make them pay out as much as possible.**<sup>4</sup>

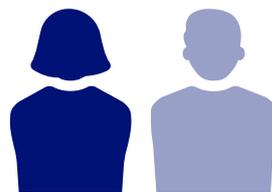
**£600**

Parents in one study estimated their children spend £500-600 each year **on mobile gaming.**<sup>5</sup>

Charities have highlighted that young people feel in app purchases are **addictive** and **linked to problem gambling.**<sup>6</sup>

### There is a significant challenge in the UK when it comes to financial literacy

Many adults lack the vital skills to feel confident managing their money.



**1 in 2** working age adults were **unable to pass a financial literacy test** run by the OECD.<sup>7</sup>



UK adults' average score on financial literacy tests (13.1) was **lower than the international (13.2) and OECD (13.7) averages.**<sup>8</sup>

**63%**

Of adults **do not feel they can determine what happens in their lives** when it comes to money.<sup>9</sup>

**39%**

Of adults **do not feel confident managing their money.**<sup>10</sup>

## Young people aren't being given enough support to develop the core transferable skills to build financial capability

Evidence suggests that it's disadvantaged pupils who receive the least support.

**81%** of 15-18 year olds in the UK **worry about money**.<sup>11</sup>

**48%** of 7-17 year olds say they **receive a meaningful financial education**.<sup>12</sup>

**76%** of schools with children most in need of financial education were located in **more deprived areas**.<sup>13</sup>



Primary children from advantaged backgrounds are 10-15% **more likely than disadvantaged peers to believe learning how to manage money is important**.<sup>14</sup>

## Research shows young people's relationship with money begins forming during primary school

Earlier intervention is needed - teaching core transferable skills at primary can help children develop good financial habits.



Research has found children **begin forming money skills by 7 years of age**, earlier than previously thought.<sup>15</sup>



One study found **children aged 5-10 already have emotional reactions to spending and saving** which predict real-life financial behaviour.<sup>16</sup>



Yet only 1 in 3 children receives **any form of financial education at primary school**.<sup>17</sup>

## Earlier intervention and high-quality teaching can make the difference – giving young people the core transferable skills to support good financial behaviours

Experts have highlighted the importance of intervening and explicitly teaching core transferable skills. Teaching these topics can make a real difference to the young people's lives and futures.



Children who learned about managing money in school are **more likely to save, have a bank account and be confident managing money**.<sup>18</sup>



Demos highlighted the link between core transferable skills and financial capability, with certain traits "**proven to be associated with positive financial behaviour** later in life".<sup>19</sup>

LifeSkills believes building young people's core transferable skills is vital to give them the tools to feel confident and secure managing finances throughout their life, laying the foundations for successful futures. Our suite of money resources for ages 7-19 tackling topics including safe and sensible spending and managing financial dilemmas can be found at: <https://barclayslifeskills.com/help-others/lessons/>

# References

1. **Research for Barclays LifeSkills carried out by Teacher Tapp, December 2022.** Teacher Tapp is a daily survey app that asks over 7,000 teachers questions each day and reweights the results to make them representative.
2. **The Money and Pensions Service, Financial Education Guidance for Primary Schools in England:** <https://moneyandpensionservice.org.uk/wp-content/uploads/2021/11/financial-education-guidance-primary-schools-england-2021.pdf>
3. **The Money and Pensions Service, Financial Education Guidance for Primary Schools in England:** <https://moneyandpensionservice.org.uk/wp-content/uploads/2021/11/financial-education-guidance-primary-schools-england-2021.pdf>
4. **Parent Zone, The Rip-Off Games: How the new business model of online gaming exploits children:** [https://parentzone.org.uk/sites/default/files/2021-12/PZ\\_The\\_Rip-off\\_Games\\_2019.pdf](https://parentzone.org.uk/sites/default/files/2021-12/PZ_The_Rip-off_Games_2019.pdf)
5. **Safer Online Gambling Group, Young People Losing Millions To Addictive Gaming:** <https://www.saferonlinegambling.org/young-people-losing-millions-to-addictive-gaming-report/>
6. **Department for Culture, Media and Sport: Loot boxes and digital gaming: a rapid evidence assessment:** <https://www.gov.uk/government/consultations/loot-boxes-in-video-games-call-for-evidence>
7. **Centre for Social Justice, On the Money: A roadmap for lifelong financial learning:** [https://www.centreforsocialjustice.org.uk/wp-content/uploads/2022/06/CSJ-The\\_financial\\_education\\_initiative.pdf](https://www.centreforsocialjustice.org.uk/wp-content/uploads/2022/06/CSJ-The_financial_education_initiative.pdf)
8. **OECD, OECD/INFE International Survey of Adult Financial Literacy Competencies:** <https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf>
9. **Money and Pensions Service, Financial Capability Survey (landing page):** <https://www.fincap.org.uk/en/articles/key-statistics-on-uk-financial-capability>
10. **Money and Pensions Service, Financial Capability Survey (summary of key statistics):** <https://www.fincap.org.uk/en/articles/key-statistics-on-uk-financial-capability>
11. **The London Institute of Banking and Finance, Young Persons' Money Index:** <https://www.libf.ac.uk/study/financial-education/young-persons-money-index>
12. **Money and Pensions Service, UK Children and Young People's Survey Financial Education in Schools:** <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>
13. **The Centre for Financial Capability, survey:** <https://www.tfcf.org.uk/news/new-research-shows-least-financially-literate-are-from-more-deprived-areas/>
14. **UCL Centre for Education Policy & Equalising Opportunities, Working Paper No. 22-03 Socio-economic inequality in young people's financial capabilities:** <https://repec-cepeo.ucl.ac.uk/cepeow/cepeowp22-03.pdf>
15. **Money Advice Service, Habit Formation and Learning in Young Children:** <https://mascdn.azureedge.net/cms/the-money-advice-service-habit-formation-and-learning-in-young-children-may2013.pdf>
16. **Journal of Behavioural Decision Making, Spendthrifts and Tightwads in Childhood: Feelings about Spending Predict Children's Financial Decision Making:** <https://onlinelibrary.wiley.com/doi/abs/10.1002/bdm.2071>
17. **Money and Pensions Service, UK Children and Young People's Survey Financial Education in Schools:** <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>
18. **Money and Pensions Service, UK Children and Young People's Survey Financial Education in Schools:** <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>
19. **Demos, Banking for All:** <https://demos.co.uk/project/banking-for-all/>