Lifelong Education Institute

Financial Literacy

&

Life Skills

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ACKNOWLEDGEMENTS

Financial literacy is a cornerstone of personal empowerment and societal progress. From budgeting and saving, to investing and retirement planning, financial literacy is a key life skill that can empower people to make more informed decisions about their money. The Lifelong Education Institute (LEI) therefore organised an online panel event to discuss 'Financial Literacy and Life Skills' and explore their true societal and economic contributions. Considering topics such as curriculum integration, inclusive workplace programmes, lifelong learning and career guidance, we wanted to discuss what new types of policy thinking are needed in the UK.

The LEI team would like to sincerely thank our wonderful speakers for the **Financial Literacy and Life Skills** event on the 12th June 2024. Their comments and those made by our audience helped to inform the content of this thinkpiece, as well as our future work on this topic.

Chair:

- **Andy Forbes**, Head of Development, **Lifelong Education Institute.**

Speakers:

- **Kerim Derhalli**, Founder & CEO, **INVSTR**
- **Jenny Pelling**, Director of Apprenticeship Development and Diversity, **Kaplan**
- **Tanya Tracey**, CEO, **Gain (Girls Are INvestors)**

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EXECUTIVE SUMMARY

This thinkpiece outlines the importance of financial literacy and life skills for the United Kingdom. Understanding key principles such as budgeting, saving, investing, and retirement planning are fundamental in shaping both personal and national economic well-being. Just as financial literacy empowers individuals to make informed decisions, it also helps to foster financial stability and resilience in the face of economic uncertainties. We emphasise that these skills should be integrated into our school curricula, be visible as part of inclusive workplace programmes and featured in efforts directed towards lifelong learning and career guidance.

Recommendations

1. Introduce **clear and comprehensive financial literacy education in the national curriculum** for primary and secondary education, ensuring all pupils receive foundational knowledge in budgeting, saving, investing, and debt management.
2. Invest in **training and resources for educators** to effectively deliver financial literacy lessons, including workshops, lesson plans, and online modules, to ensure consistency and quality of instruction across schools.
3. Develop **digital literacy initiatives focused on financial education**, teaching individuals how to safely and effectively use digital financial tools, navigate online banking, and protect themselves from cyber threats.
4. Forge **partnerships with banks, credit unions, and financial institutions** to provide free or low-cost financial literacy workshops, seminars, and resources to their customers, promoting responsible financial behaviour and consumer empowerment.
5. Offer **tax incentives or subsidies for employers who provide financial education** programmes in the workplace, encouraging businesses to invest in the financial well-being of their employees.
6. Integrate **financial education components into welfare programmes** and social assistance schemes, empowering recipients with the knowledge and skills to manage their finances independently and break the cycle of poverty.
7. **Enhance and expand the offerings of online platforms to cater to a broader audience** beyond children and young people through looking at issues such as pensions, equity release, and life insurance for those exiting the workforce.
8. Increase **community initiatives to help local people participate more easily in their local economies** by fostering engagement between councils, educational bodies, and financial institutions to equip people with the knowledge they need.

9. Recognise the **lack of careers education in finance**, and raise awareness that pursuing a finance sector career does not have to rely on high mathematics-based qualifications.
10. Foster **meaningful and collaborative dialogues** between local governments, central government, financial institutions, educators, and industry to create financial literacy programmes.

1 INTRODUCTION

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, saving, and investing. It encompasses a range of competencies such as understanding financial products, managing debt, and planning for retirement. It is not just about having knowledge but also about applying it to make informed and effective decisions regarding financial resources. The House of Commons Education Committee (EDUCOM) describes financial education in their report as a 'broad term used to describe any lesson or activity that encourages a person to develop the knowledge and confidence to manage their money well and to understand the implications and consequences of their financial decisions. It can cover a wide range of topics from saving pocket money, reading a payslip, and applying for a mortgage, to understanding the impact of money on relationships, identifying the difference between needs and wants, and judging financial risks' (May 2024).

The importance of financial literacy cannot be overstated. In an increasingly complex financial landscape, individuals equipped with financial literacy are better prepared to navigate economic challenges and opportunities. They can create and adhere to budgets, manage debts responsibly, save for emergencies, and make informed investment choices. This skill set helps people achieve financial stability, reduce stress, and ultimately improve their overall quality of life. Education revolving around financial literacy should not be relegated to the sidelines within school settings, it should instead be a statutory provision for all young people so as to equip them to be active citizens once they hit age 18, where each individual can knowledgably and confidently participate in the economy.

Developing these fundamental life-skills as early as possible allows for the development of a society which has the necessary skills to make informed decisions regarding their personal finances. Financial literacy, consequently, should not stop once a person leaves their schooling career. While discourses surrounding financial literacy typically focus on upskilling young people, they should be widened to include a lifelong learning approach. After all, finances are never static, the economy is ever evolving, and knowledge can become outdated. Knowing the basics, and having numerical fluency, should therefore be an imperative so as to be able to successfully operate within the current UK economy. All people, from all social, economic and professional backgrounds must be given the opportunity to become financially literate in order to plan savings, pensions, mortgages, rent, insurances, equity and know the risks associated with each decision.

We argue that financial literacy is therefore fundamentally a life skill. Just like reading and writing, it is essential for day-to-day living and longer-term planning. It empowers individuals to take control of their financial futures, make informed decisions, and avoid common financial pitfalls. Reliance upon familial or scholarly guidance is not sufficient under the current provisions in the UK; and sole reliance upon teachers to provide education under the current curriculum is not profitable to the individual. For young people, the majority of money guidance will originate from parents or carers. This risks causing disparities and unequal education based on the economic literacy of the carers, and how much knowledge will be able to transfer. Therefore, financial education must be made readily available to all people through a symbiotic relationship between banks, financial education providers and employers to upskill and train their employees on how to make informed financial decisions.

This thinkpiece therefore explores how financial literacy is currently provided for in the UK. It explores the current provision for teaching financial education in the four nations of the UK through giving overviews of the curriculums and how effective these are in creating a financially literate society. Furthermore, consideration is given to current avenues for financial education which exist outside of the school curriculums, such as online learning platforms and digital programmes which are on offer to children, young people and adults. It argues that further development is needed of these programmes to target all people at all ages and stages of a career to equip the individual with confidence and continuous learning pathways. Financial education is subject to continuous evolvement in line with the ever-changing economy, and individuals must be able to understand how local and national financial decisions affect their own financial wellbeing and impact any economic decisions. The path is not linear, hence why this thinkpiece looks to the future of financial literacy provision through the implementation of targeted curriculums to support young people in an increasingly digital age and developing lifelong learning pathways for all through the evolution of digital platforms, community hubs, employer engagement, and collaborations between financial and educational institutions to create a programmes which are tailored to support all people at every stage of life.

2 FINANCIAL LITERACY AND LIFE SKILLS

This section provides a detailed overview of current financial education legislation in the UK, as well as examining current avenues available for individuals and organisations. These include tailored training programmes and curated workshops, as well as specialised courses, digital apps and platforms. The development of financial literacy and life skills offers many new and diverse opportunities for growth and skill refinement. Through this analysis, we therefore aim to put forward the most effective strategies and resources for fostering lifelong learning and professional advancement in these fields.

2.1 Financial Literacy in Schools in the UK

Increasing levels of young people are now using money but have insufficient skills or mathematical ability to understand finances. The current curriculum for school aged children does not cover financial literacy as a statutory subject. 10 years ago, in 2014, financial literacy was incorporated into the national curriculum into statutory citizenship education (PSHE) from key stages 1-4 (ages 5 to 16) to ensure all school leavers leave with an understanding of mathematical skills needed for personal finance. This inclusion is deceptive.

Within schools timetabling, PSHE must cover a wide range of social and citizenship-based leads and is warped to fit timetabling of statutory subjects, often leading PSHE to be axed to prioritise maths and English. However, citizenship has been made a statutory subject at key stages 3 and 4 where pupils are taught a limited course on the functions and uses of money. There is a GCSE qualification in Citizenship, though this is not offered in every school, and encompasses content on the economy, finance and money. Schools can choose to teach non-statutory financial education within their non-statutory allocation time for PSHE, although the issue then lies in supporting teachers and educating them in financial literacy skills. This is instrumental to this increase of financial education within state schools and a pool of supportive materials for both teachers and students would be greatly beneficial to the provision of financial education in UK schools.

It is also important to be mindful of the effects of social media on young people which offer unregulated advice on investing in stock markets and hacks to save or generate money. Increasing numbers of children and young people are now exposed to this ‘advice’ and may have access to carer credit/debit cards which are linked to their games/profiles. The harms of the internet are widely incorporated into children’s schooling, it is now imperative that education on making informed and responsible financial decisions is incorporated into the curriculum. Initiatives such as GoHenry and Barclays Money Skills have paved the way for children’s education on money and will be explored further within the thinkpiece, though schools as the main institution, in a child's education are in a prime position to deliver financial literacy skills.

Figure 1: Three key areas of initial development for financial literacy and life skills:

Initial Development of Financial Literacy and Life Skills	
Budgeting	Budgeting, the cornerstone of financial management, enables individuals to track their income and expenditures, ensuring that spending aligns with their financial goals. By creating and adhering to a budget, individuals can avoid debt, manage their resources more efficiently, and set aside funds for future needs. This proactive approach to money management reduces financial stress and enhances overall quality of life.
Saving	Saving is another critical aspect of financial literacy. Establishing a habit of regular saving allows individuals to build a financial cushion for emergencies, fund significant life events, and achieve long-term goals. In the UK, where unexpected expenses can arise from healthcare needs or job loss, having a robust savings strategy is indispensable for financial security.
Investing	Investing goes beyond saving by enabling individuals to grow their wealth over time. Understanding different investment options, such as stocks, bonds, and real estate, and the associated risks and returns, equips individuals to make strategic choices that can significantly enhance their financial future. In a country with a varied and dynamic financial market, knowledge of investing is crucial for capitalising on growth opportunities.

Within schools, creating knowledge and developing financial life-skills is of upmost importance. We argue that the earlier in which these skills can be taught, the more literate the individual will be at the culmination of their schooling, feeling confident in their ability and their knowledge to enter the economy as active citizens. As EDUCOM correctly identify, by 'firstly providing children and young people with a financial education that is comprehensive and age appropriate is essential. Secondly, the provision of financial education in schools in England is currently inadequate and must be improved urgently' (May 2024). This is to be achieved through making financial education compulsory within the curriculum by providing real-life cases and examples which challenge children to learn the necessary skills to function as active citizens effectively. This provision must first start with upskilling and training teachers and support staff in financial literacy in order to facilitate the expansion of financial literacy into the curriculum and into mathematics to equip young people with the necessary skills and knowledge to thrive in an increasingly digital age.

England

In England, financial education is included in the national curriculum in secondary schools only, as part of citizenship in PSHE and to a limited extent, in maths. Citizenship programmes in England provide further financial education in comparison to maths. The curriculum states that 'a high-quality citizenship education helps to provide pupils with knowledge, skills and understanding to prepare them to play a full and active part in society. It should also prepare pupils to take their place in society as responsible citizens, manage their money well and make sound financial decisions'.

- Pupils should be taught about the functions and uses of money, budgeting, managing risk, credit and debt, insurance, savings and pensions, financial services and applying maths to financial contexts (such as calculating interest).
- While specific financial education is not a requirement in primary schools, the maths curriculum does include some learning about money (such as understanding £ and p, using coins and calculating change).
- All schools are expected to deliver PSHE, including some financial education, using guidance provided by the PSHE Association.
- In Key stages 3 and 4, the citizenship curriculum aims to equip learners with the skills to think critically and debate political questions, to enable them to manage their money on a day-to-day basis, and plan for future financial needs.
- In Key stage 4, learners should be taught about income and expenditure, credit and debt, insurance, savings and pensions, financial products and services, and how public money is raised and spent.

Scotland

In Scotland, financial capability is included in the broad general education phase curriculum for students aged 3 to 14 years, primarily in maths and numeracy across learning. The UK Strategy for Financial Wellbeing sets a national goal to ensure that 150,000 more children and young people growing up in Scotland receive a meaningful financial education by 2030. The Sottish Government has also provided multiple resources to support the effective learning, delivery and teaching of money skills such as ‘On the Money’ and ‘Money Talks’.

- By age 11, students should have developed an awareness of how money is used, learned how to calculate change, manage money, budget and compare costs, and understood the costs and benefits of using bank cards.
- By age 14, students should have learned about value for money (including in the context of contracts and services), more advanced budgeting, credit and debt, earnings and taxes and comparing and choosing personal finance products.
- Financial education is also part of the social studies curriculum mainly as part of learning about business and enterprise, covering topics like shops and services, ethical trading, paying for essential goods, budgeting, saving, borrowing and finance for business.
- In the senior phase (ages 15-18), it is expected that all National Qualifications help to develop students’ numeracy and skills for learning, life and work.

Wales

In Wales, a new Curriculum for Wales was formed in 2022, with financial education being incorporated into a number of new areas including learning and experience, maths and numeracy and health and well-being. In the current curriculum, financial education is included in both primary and secondary schools as part of Mathematical Development and Personal and Social Education.

- By the end of primary school (age 11), pupils should have learned to do calculations using money, understand the use of £ and p, and be able to compare costs and budget, plan and track money and savings, calculate profit and loss, and assess value for money.
- By age 16, they should know about different currencies and exchange rates, be able to carry out more complex calculations (such as compound interest), know how to compare and choose financial products and have practiced managing household budgets.
- In personal and social education, students learn about how money is earned and the importance of saving and looking after your money.
- The National Literacy and Numeracy Frameworks, which help teachers embed reading and maths across all curriculum areas, also includes learner outcomes relating to managing money.
- Within the Welsh mathematics curriculum, learners can encounter contexts involving health and personal finance, where they may develop the skills needed to manage their own finances, make informed decisions and become critical consumers.

Experiences in this Area will help them learn to interpret information and data to assess risk, and to use their numeracy skills across the curriculum to make effective choices, all of which can help them become healthy, confident individuals, ready to lead fulfilling lives as valued members of society (Hwb, 2020)

Northern Ireland

In Northern Ireland, financial capability is included in the national curriculum from age 4 to 14. Financial education is delivered primarily through the curriculum for maths and numeracy.

- By the end of primary school (age 11), pupils should be able to make calculations with money, having learned about keeping money safe, budgeting and saving, planning ahead and making spending choices.
- At Key Stage 3, Mathematics and Numeracy has two subject strands: Mathematics and Financial Capability. Through Financial Capability, teachers should give pupils opportunities to develop knowledge and understanding of a range of finance issues.
- Pupils should also develop skills that enable them to make competent and responsible financial decisions. By engaging with issues that young people can relate to, now and in the future, teachers can help pupils to see the relevance of Mathematics and Financial Capability to real life and to work.
- By age 14, secondary school students should be able to demonstrate financial capability in everyday contexts, using their maths skills to learn about personal finance and financial decision-making.

Figure 2: A overview of existing financial literacy education in the UK

Financial Education in the UK	
Primary Education	Financial education in key stages 1 and 2 does not expand beyond specific calculations with money. In an increasingly cashless world, children are not being sufficiently equipped with financial digital literacy to understand transactions which are made without the presence of cash and coins. Only a third of primary aged children receive some form of financial education whilst at school and this is contingent upon regional and local provisions.

	Children under 11 are uninformed of the dangers of scams and advertisements which often appear on devices that these children have increasing access to.
Secondary Education	Mathematics in comparison to financial education is taught on average 33 times more frequently, resulting in 61% of surveyed 18–24-year-olds stating that they did not recall having any form of lessons concerning financial literacy. There is no statutory requirement in the curriculum which covers financial literacy. As the EDUCOM report (May 2024) advises, integrating financial literacy into the mathematics curriculum is paramount to providing young people with relevant and useful life skills. Through providing a curriculum designed on real-life scenarios will aid in rising financial literacy levels in children and young people in Britain.
Post-16	At present, there is no current compulsory financial education at post-16 level in England. Post-16 students are most likely to be needing financial literacy skills as they reach a stage of engaging with paying taxes, setting up pensions, considering further education and student loans, housing and rent.

Forging partnerships between banks, credit unions and financial institutions with educational institutions would not only provide individuals with the opportunity to access informed and trustworthy sources of information, but also link banks and financial institutions with one another. Creating partnerships would also allow for comprehensive discussions to be made between all stakeholders and combine knowledge to create a comprehensive curriculum which can identify the strengths and weaknesses in the current provisions across the four nations of the UK.

In order to increase national financial literacy, the UK needs to create an educational system which is sustainable, informative and transformative for its children and young people through holding constructive conversations between educational authorities, institutions and financial stakeholders in the sector to improve and promote the importance and implementation of compulsory financial education.

Figure 3: An overview of how financial education can be implemented through collaboration with external companies.

Avenues for Providing Financial Education in the UK	
Workshops and Seminars	Intensive workshops which are provided by financial institutions are able to enter schools or community hubs to provide information and knowledge through interactive courses. These workshops would fill the current void which the curriculum currently cannot adequately cover within the school day. These workshops can also have a dual purpose of upskilling and providing training for teachers to be able to implement financial education within their education institutions.
Online Resources Bank	A collection of regulated and easily accessible, informative materials which can be accessed by teachers, parents, carers and students which target specific skills. This could be savings, deposits, rent, mortgages, interest rates, taxes which young adults emerging into the economy will need to engage with but currently have little education in via the schooling system.
Online Financial Literacy Hubs	An online platform which allows students and young people to engage and ask questions in relation to their financial queries or concerns by trusted advice. It would include sectors such as banks, insurance and pensions who would operate similarly to a financial adviser but cater for young people who are beginning to engage with the economy.

2.2 Financial Literacy Programmes and Life Skills

The need to provide and access financial literacy programmes in the UK has never been more pressing. As the financial landscape grows increasingly complex, equipping individuals with the knowledge and skills to navigate this environment is essential. Financial literacy encompasses the understanding of various financial concepts, including budgeting, saving, investing, and debt management, all of which are crucial for personal and economic well-being. Another key reason for emphasising financial literacy is to reduce current high levels of personal debt in the UK. According to recent statistics, many households carry significant debt, often due to mortgages, credit cards, car finance agreements and personal loans. Without proper financial education, individuals may struggle to manage these debts effectively, leading to financial distress and reduced quality of life. Financial literacy programmes can provide individuals with the tools to create realistic budgets, manage debt, and avoid high-interest borrowing, thereby fostering financial stability.

Furthermore, a lack of savings among UK households is a growing concern. Many individuals are ill-prepared for emergencies or unexpected financial setbacks and financial literacy programmes can educate people on the importance of building an emergency fund, the benefits of saving regularly, and the power of compound interest. By promoting a culture of saving, these programmes help individuals develop a safety net – one that can protect them from financial shocks and contribute to long term financial security. Investing is another critical area where financial literacy is essential. With pensions and other retirement funds often tied to market performance, making sure one can understand investment basics can also significantly improve an individual's financial future.

Figure 4: An overview of existing financial literacy and life skills programmes in the UK.

Financial Literacy Programmes in the UK	
Money Helper	Established by the UK Government, Money Helper provides free and impartial financial advice to individuals and offers tools, guides, and resources on budgeting, saving, managing debt, and planning for retirement. It brings together the support and services of three government-backed financial guidance providers the Money Advice Service, the Pensions Advisory Service and Pension Wise.
Barclays LifeSkills	Barclays LifeSkills was designed to help young people develop essential skills for work and life, including financial literacy. It provides interactive tools, lesson plans, and workshops on budgeting, saving, and financial decision-making, aiming to prepare young people for financial independence.
The Money Charity	The Money Charity is dedicated to improving financial capability through education, information, and advice. It offers workshops,

	resources, and training sessions on budgeting, saving, debt management, and financial planning to schools, colleges, and workplaces across the UK.
StepChange Debt Charity	StepChange provides free debt advice and financial education to help individuals manage their money better. The charity offers budgeting tools, personalised debt management plans, and educational resources to support those struggling with financial difficulties.
My BnK	MyBnk delivers financial education programmes directly to young people in schools and youth organisations. Their workshops cover topics like saving, budgeting, and understanding financial services, aiming to build financial capability from an early age.
PwC	Pricewaterhouse Cooper's financial literacy skills curriculum is directed towards developing essential financial terms, products and services so they can make informed and effective decisions with their financial resources, but also ensuring the foundational financial knowledge and skills expected in most jobs. The sessions also develop multiple employability skills.

Additionally, financial literacy is crucial for fostering more informed consumer behaviour. In a world where a myriad of financial products and services are available at the click of a button, we must navigate choices regarding loans, credit cards, insurance, and more. Financially literate individuals are consequently better equipped to compare options, understand fine print in terms and conditions, and select products that best meet their needs. This more informed decision-making leads to better financial outcomes and reduces the likelihood of falling into financial traps. This is where the recent digitalisation of financial services, through digital apps and platforms, are presenting both opportunities and challenges. While technology offers convenient ways to manage finances, it also requires a certain level of digital financial literacy to avoid scams and misuse. Financial literacy programmes can teach individuals how to use digital tools safely and effectively, ensuring they can take advantage of these technological advancements without falling prey to cyber fraud or "influencers" sharing tricks and tips.

These financial literacy programmes can consequently help to demystify investing, explaining different asset classes, risk management, and the importance of diversification. This knowledge will help empowers individuals to make informed investment decisions, enhancing their ability to grow wealth over time and secure a comfortable retirement. The broader economic benefits of financial literacy should therefore not be overlooked. A financially literate population contributes to a more stable and resilient economy as they are able to make well-informed decisions and are less likely to take risks which will affect their personal capital when equipped with the correct knowledge. When people are able to manage their finances well, they are less likely to rely on social safety nets and become more likely to participate in the economy through investments and spending.

This view of greater stability can lead to reduced social economic inequality and greater social cohesion as all are provided with access to professional and accurate advice in how to manage finances and are more informed to identify any problems which they may encounter in their everyday finances whilst knowing the procedures to rectify any issues. Knowledge, and continued lifelong learning could be achieved through the provision of free or low-cost financial literacy workshops, seminars, and resources to their customers, promoting responsible financial behaviour and consumer empowerment.

2.3 Developing Lifelong Learning Pathways

Developing Lifelong Learning pathways within financial education is dependent upon marrying cross-curricular links such as reading, financial capability and academic motivation. The National Literacy Trust’s Report (April 2019) concluded; Children and young people who have good reading skills are four times as likely to have good financial skills than their peers who have poor reading skills (35.6% vs 8.8%); children and young people who have poor reading skills are four times as likely to also have poor financial skills (56.3% vs 12.3%). Their survey of 2,943 primary and secondary school students (aged 9-17) found that students generally think and behave positively when it comes to reading and financial matters: 93.6% agreed that it is important to learn how to manage your money, while 77.3% said they read outside class every week. Consequently, the degree of a child’s perseverance is a direct predictor of skills in reading and financial capability.

By developing cross-curricular links, it is logical to start with numeracy and mathematical skill reform. Although mathematics is not exclusive to financial literacy, there needs to be a base level of numeracy which is paired alongside fundamental mathematical skills which reflect how to interact with finance. Maths fundamental skills need reform in order to equip young people with the knowledge of how to calculate tax, interpret bills or payslips, understand interest rates, compare bank accounts and review loans. Currently, there is little to no provision for this within UK educational institutions. It is imperative that skills are developed for young people to understand and make informed decisions which will affect their finances. Changing perceptions around money emerges from discussing financial decisions. Traditionally, money and discussions of personal finances were individual and private, there has been a shift towards more social discussions which have been exacerbated by the cost-of-living crisis. Dispelling the stigma which surrounds money allows for more engagement and the ability for individuals to ask for advice and support, regardless of their current financial situation or age.

Figure 5: An overview of developing lifelong learning pathways in the UK.

Developing lifelong learning pathways	
In Digital Literacy	Digital Literacy should be available and accessible for all ages from young children to retirees. These can be through online platform or through community hubs if home access to online platforms is not available.
In Training	Training should be provided to all employees, students and apprentices in the workplace to provide continuous professional development and information in an evolving economy. This should be free to access and included as part of mandatory staff training and induction.
Within the Workplace	As in training, regular informative sessions should be provided to employees in order for employees to have current knowledge of the financial markets and how to interact with the adapting economy.
Within the Community	Education should not be reserved for those who can access it through paid platforms or through their employers. Understanding of the local economy is just as important as knowledge of the national economy and should be available to those outside of employment. Whether it be those who are just entering employment as young people, are looking for education or those who have left employment and wish to know their options to fuel their future plans.

Through the development of digital learning platforms which specifically target financial literacy provides effective content which currently provides more depth and ‘real-life’ scenarios to its users which current educational institutions do not currently provide. Immersive experiences which have no financial risk allow the individual to play and learn by *doing* rather than by theory. Programmes which facilitate immersive realities which provide the user to experiment with risk and reward educates the individual with specific content which is designed to reflect the risk and reward in the current economy without using one's own capital (INVESTR). These programmes are developed to stretch and challenge the individual with specific situations which an individual may encounter at any stage in their lifetime, therefore it is important that these programmes do not solely cater for children and young people but are accessible and applicable to all people regardless of their career stage.

In comparison to the United States, financial education is compulsory taught in 18 of the 50 states. These 18 states guarantee a form of personal finance education before a student graduates. In 2023, higher education in American schools has brought personal financial education into legislation within these 18 states to guarantee that students are guaranteed to receive a personal finance course. This number has risen to 40.5% in 2023 in comparison to 22.7% of students receiving a personal finance course in 2022. The National Council for Economic Education identified six topical areas which are to set the standards for personal finance education. These are: 1) Earning income; 2) Spending; 3) Saving; 4) Investing; 5) Managing credit; 6) Managing risk.

The US states which have developed these standards have developed these six foundations which should form the base knowledge of which all children should be taught in order to adequately participate in the economy and compare financial risk and reward. Next Gen Personal Finance (NGPF) works alongside educational state legislators on the policy side to aid in ensuring that when states are mandating personal finance education, it is done so effectively. They propose course topics, endorse semester-long standalone personal finance courses rather than requiring some financial concepts to be taught through maths or economics.

The UK could benefit from the US' approach to financial education through mandating financial education to be a statutory feature of mainstream education. This could be achieved through NGOs and current online platforms working alongside educators to develop a curriculum which focuses not on the concepts of financial literacy which are interspersed within maths and economics courses, but to implement similar, base standards which allow students to become active and knowledgeable citizens upon the culmination of their studies. School aged children in the UK have the best and most resources for financial education, though this comes in the form of an 'extra-curricular' activity. The most prominent of these platforms are GoHenry and Barclays LifeSkills.

GoHenry

GoHenry identifies six key components of financial literacy: 1) Earn; 2) Spend; 3) Save; 4) Invest; 5) Borrow; 6) Protect. The platform aims to provide children with their own debit card through a subscription which is tied to a parent or guardian's account. By giving children the autonomy to earn pocket money which is provided by the parents teaches monetary life skills to children from the age of 6 to 18. The app provides games and resources targeted at children to teach them on the six principles listed above. Teaching individuals the value of money, where money comes from, how to budget, needs vs wants, saving, how to read payslips, explaining taxes, understanding credit, credit scores and credit history, and interest rates aids in producing a well-rounded and financially literate individual. GoHenry achieves this through their financial education app where children can watch videos, take quizzes and earn points and badges to learn more about money. Interactivity and making games with no risk is fundamental for children to learn and experiment with money and financial decisions to learn the consequences of their actions.

Barclays LifeSkills

Barclays LifeSkills differs from GoHenry as it offers a free employability and financial education programme to unlock skills and employment opportunities for all ages. Barclays LifeSkills has registrations from over 90% of UK secondary schools, with 153,000 educators registered across the UK. LifeSkills was designed to support children from the age of 7 up to adults and families. It has collaborated with the education sector, charities and with the business community to develop a programme which has a continued focus on how best to support people to thrive. Barclays aims to provide interventions which tackle barriers which prevent groups from entering and sustaining employment across various industries by targeting underserved communities and geographic disparities.

Investr

Investr was founded by Kerim Derhalli in 2012 with the aim to 'democratize finance through technology'. Investr provides aspiring investors with the platform which an individual requires in order to cultivate and develop their skills and confidence to participate in the financial market. Investr is founded upon three core values: 1) empowering individuals, 2) diversity and 3) collaboration. Investr have also developed 'Investr Academy' which provides bite-sized lessons which are free and interactive, written by experts in the financial fields. It offers an 85-lesson course with the option to listen to audio if on the go. Investr empowers the individuals which use it through testing knowledge with quizzes and rewards which incentivise the individual to engage with the knowledge it imparts. This form of interactivity is paramount to allow experimentation without the financial risk of using one's own funds and understand the implications of certain actions and understand the definitions for terminology associated with the financial market.

2.4 Looking To The Future

Developing a culture of lifelong learning in financial literacy and life skills is crucial for the UK's long term economic and social prosperity. In an increasingly complex financial landscape, continuous education ensures that individuals can navigate financial challenges and seize opportunities effectively. Promoting lifelong learning in these areas can be achieved through various initiatives and has numerous positive impacts. One way to foster lifelong financial learning is through integration into the national education system. Starting financial education early in schools and continuing it through higher education ensures that individuals build a strong foundation of financial knowledge. Organisations like Young Enterprise, which provides resources and training for teachers, are playing important roles in educating our young people. This ensures that financial literacy is not a one-time lesson but a continuous journey.

Workplace financial education is another critical avenue. Employers can offer financial wellness programs that include workshops, online courses, and one-on-one financial coaching. Such programs help employees manage their finances better, leading to reduced stress and increased productivity. Companies like Barclays, through their LifeSkills programme, already offer valuable resources for developing financial competence. Although these trusted resources from banks themselves are beneficial, it should not just fall to a person’s bank to educate on financial skills. Even though many banks have their own skills portal, this is not a universal standard across the board. Therefore, industry has an important role to play in educating the workforce in which is engages their own employees with financial literacy skills which outside of work they may not otherwise participate in. By providing continuous professional development opportunities in the workplace, more people are able to be exposes to financial literacy skills which will further equip them to have the confidence to participate in the economy.

Community-based initiatives can also play a significant role. Libraries, community centres, and non-profits can host financial literacy workshops and provide access to online courses and resources. The Money Charity’s workshops and training sessions are excellent examples of how community-based efforts can make financial education accessible to a broader audience and promote continuous lifelong learning benefits. Fostering a positive attitude around money rather than a focus on mathematical ability is crucial to involving more people who may not be as confident in their numerical ability to engage in developing their financial literacy.

Figure 6: Examples of key lifelong learning benefits from financial education

Key Lifelong Learning Benefits	
Greater Financial Stability	Financial education can help equip individuals with the knowledge and skills to manage their money more effectively. By understanding how to budget, save, and manage debts, people can avoid falling into financial pitfalls and build a stable financial foundation. This stability also reduces the risk of financial crises and enables individuals to handle unexpected expenses without resorting to taking on high-interest debt.
Stronger Decision Making	With a stronger understanding of key financial concepts, people can make more informed and confident financial decisions. Whether it's choosing the right mortgage, investing in a retirement plan, or selecting insurance policies, financial education can provide much needed tools to help evaluate options critically and select the best course of action based on personal goals and risk tolerance.
Increased Savings and Investments	Financial education promotes the importance of regular saving and informed investing. People who are knowledgeable about different savings accounts, investment opportunities, and the power of compound interest are also more likely to set aside money for future needs and take advantage of investment opportunities that can grow their wealth over time. This proactive approach helps individuals achieve long-term financial goals such as buying a home, funding education, and retiring comfortably.
Reduced Financial Stress	Financial literacy helps individuals feel more in control of their finances, which can significantly reduce stress and anxiety related to money management. Understanding how to create and stick to a budget, manage debt, and save for emergencies leads to greater confidence and peace of mind, as well as contributing to overall mental and emotional well-being.

Better Retirement Planning	Financial education emphasises the importance of early and consistent retirement planning. By understanding various retirement savings options, including private pensions, people of all ages can make strategic contributions to secure their financial future. Knowledge of existing tax implications, withdrawal strategies, and investment diversification ensures that individuals can maintain their desired standard of living throughout retirement.

The positive impacts of fostering a culture of lifelong financial learning are manifold. Individuals become better equipped to manage their finances, leading to increased savings and investment rates. This contributes to personal financial stability and reduces the reliance on social safety nets. Improved financial decision-making skills lead to smarter consumer behaviour and more robust financial planning, enhancing overall economic stability. Moreover, financial literacy will reduce stress and anxiety related to money management, thus improving mental health and overall well-being. It will also promote social mobility by providing individuals with the knowledge to make more informed decisions about education, career, and investments, thereby bridging economic disparities.

3 CONCLUSIONS AND RECOMMENDATIONS

This thinkpiece has explored how financial literacy is currently provided for in the UK through analysing how financial literacy is provided for within the UK. It has analysed the current provision for teaching financial education in the four nations of the UK through giving overviews of the curriculums and offering solutions on how these curriculums can be reformed and developed to create a financially literate society. Consideration has been given to the existing pathways to access financial education which operate outside of the barriers of school curriculums, such as online learning platforms as GoHenry, Barclays LifeSkills and Investr, which provide digital programmes which are on offer to children, young people and adults. It has argued that further development is needed for digital programmes to universally target all people at all ages and stages of a career to equip any individual with confidence and access to continuous learning pathways.

Financial education is a subject which need continuous evolution in line with the ever-changing economy, and individuals must be able to understand how their own and national financial decisions affect their own financial decisions. The path to financial education is not linear. It must adapt to provide accurate and adept curriculums which reflect the current financial markets. This can be achieved through further implementation of accessible digital learning platforms as well as cohesion between community hubs, employers, employees, which actively collaborate with financial and educational institutions to create a programmes which are tailored to support all people at every stage of life. Digital literacy is also an integral component of modern financial education. As financial services increasingly move online, understanding how to use digital tools and platforms safely is essential. Digital literacy in finance includes knowing how to manage online banking, utilise financial apps, recognise and avoid online scams, and use digital budgeting tools. Continuous education in digital financial literacy ensures individuals can confidently and securely manage their finances in a digital world, making the most of technological advancements while protecting themselves from cyber threats.

Ultimately, financial education contributes to a more stable and robust economy, as financially literate individuals are more likely to contribute to economic growth through informed spending and investment. Therefore, promoting financial literacy and life skills is crucial for both personal empowerment and societal prosperity. The relationship with money is the longest an individual will ever have within their life, the importance of financial literacy cannot therefore be understated for it endures throughout an individual's lifetime. Financial literacy has become an interchangeable term with financial education. Though it is important to distinguish that financial education is not the same as financial literacy. Financial education is the ongoing process to teach and educate individuals on financial matters, whereas financial literacy is the product of such education and allows an individual to apply knowledge in the economy.

Education, however, is only as effective as its content. They are not the same. If the content of the material being taught is not applicable to the economy the individual partakes in, then the education is not beneficial to both the delivering and receiving parties. Current educational content for schools does not do this efficiently or effectively, failing to equip emerging young citizens with the ability to understand financial risk and reward in the workplace and in the domestic and global economies. Our recommendations aim to influence and help improve the UK's approach to financial education and life skills.

Recommendations

1. Introduce **clear and comprehensive financial literacy education in the national curriculum** for primary and secondary education, ensuring all pupils receive foundational knowledge in budgeting, saving, investing, and debt management.
2. Invest in **training and resources for educators** to effectively deliver financial literacy lessons, including workshops, lesson plans, and online modules, to ensure consistency and quality of instruction across schools.
3. Develop **digital literacy initiatives focused on financial education**, teaching individuals how to safely and effectively use digital financial tools, navigate online banking, and protect themselves from cyber threats.
4. Forge **partnerships with banks, credit unions, and financial institutions** to provide free or low-cost financial literacy workshops, seminars, and resources to their customers, promoting responsible financial behaviour and consumer empowerment.
5. Offer **tax incentives or subsidies for employers who provide financial education** programmes in the workplace, encouraging businesses to invest in the financial well-being of their employees.
6. Integrate **financial education components into welfare programmes** and social assistance schemes, empowering recipients with the knowledge and skills to manage their finances independently and break the cycle of poverty.
7. **Enhance and expand the offerings of online platforms to cater to a broader audience** beyond children and young people through looking at issues such as pensions, equity release, and life insurance for those exiting the workforce.
8. Increase **community initiatives to help local people participate more easily in their local economies** by fostering engagement between councils, educational bodies, and financial institutions to equip people with the knowledge they need.

9. Recognise the **lack of careers education in finance**, and raise awareness that pursuing a finance sector career does not have to rely on high mathematics-based qualifications.
10. Foster **meaningful and collaborative dialogues** between local governments, central government, financial institutions, educators, and industry to create financial literacy programmes.

ABOUT THE LIFELONG EDUCATION INSTITUTE

The **Lifelong Education Institute** (LEI) exists to promote learning and skills training for people at all ages and stages of their lives and careers. We believe that education should be available and accessible to everyone whenever and wherever they need it. Whether they are school leavers or university graduates, new recruits or long-serving employees, recent arrivals or long-term residents, working people or those who have entered retirement.

Our approach is based on four principles:

- Putting the lifelong learner first
- Building an integrated tertiary education system
- Bringing stakeholders together
- Looking to the four nations of the UK and beyond

Together, these principles underpin every part of our work, from research to advocacy, from convening to commentary. They are the bedrock on which we must build the 21st-century education system that the UK's learners urgently deserve.

The Lifelong Education Institute's Secretariat is hosted by the thinktank ResPublica. The Institute gets its strategic direction from its Advisory Board, which comprises prominent and forward-thinking figures in education and skills space. In addition, the Institute has asked political figures to form a Board of Patrons, who will advise on the current political environment, and help by progressing the Institute's positions in Whitehall.

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Financial Literacy & Life Skills

This thinkpiece explores the current provision of financial literacy in the UK and analyses the teaching of financial education in the four nations. It offers an overview of school curriculums and proposes solutions on how these can be reformed to create a more financially literate society.

The paper also considers alternative pathways to access financial education, such as online learning platforms (e.g. GoHenry, Barclays LifeSkills, Investr etc.) that provide digital programmes to children, young people, and adults. It argues that further development is needed in this area as well, to universally target all people, at all ages and stages of their lives, equipping them with greater confidence and access.

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