

MONEY ADVICE SERVICE: FINANCIAL CAPABILITY CONSULTATION

Response: Scottish Financial Education Group (SFEG)

1. What time period should the Financial Capability Strategy cover?

5-10 years

2. What is your view of the Financial Capability Framework?

The financial capability framework is a clear, succinct, easy-to-navigate guide. An added focus to the content of the guide could be the general economic factors that will affect the UK public, such as changes in interest rates and having to prepare for these.

It may also be useful if the Scottish Government's digital inclusion strategy is addressed. Benefit claimants need to access online support. Many claimants do not have access to or are confident using the appropriate IT materials/equipment necessary to make them financially capable.

There are also issues around the media promoting gambling, pay day loans, etc., that target the most vulnerable citizens and of which they need to be made aware.

From an education point of view, practitioners need to be made aware of what is meant by 'resilience' and how that can be taught and developed from a child's early years within the experiences and outcomes of Curriculum for Excellence (CfE). SFEG development officers will advise educational practitioners at staff development events, regarding the criteria of this domain.

3. How far do you agree with the objectives of the Financial Capability Strategy?

The objectives are appropriate. Factors that affect daily financial decisions could be clarified within the 'skills and knowledge' section of the 'individual ' strand.

4. What is your view of the financially capable behaviour domains?

Early intervention around 'building resilience' is necessary and should begin in early years' (EY) establishments. The strands within this domain are addressed in the curriculum. Appropriate money activities, e.g., around Money Week, for children and young people in schools and EY establishments can involve and support their parents/carers.

5. How important is it to track financial wellbeing to help measure of the financial capability strategy?

The 'financial wellbeing staircase' is helpful in highlighting the different financial lifestyles. Employment and the workplace obviously influence an

individual's/household's position on the 'staircase', but it would be difficult to differentiate within these to measure the total financial situation.

6. What are your views on the priorities for action that have been identified as a focus for the Strategy? Should any additional areas be added?

'Priorities for action' are very appropriate. The inclusion of 'children and young people' allows for early intervention within the money outcomes of CfE that will support the development of the strands within the 'building resilience' domain.

7. How far do you support the Strategy's aims for children and young people?

SFEG's commitment to supporting schools and EY establishments develop the financial capability of children and young people meets the component as set out in the Strategy. Development Officers deliver financial education workshops across Scotland to build the confidence and competence of practitioners across all sectors to deliver a planned coherent programme of financial education to learners within the context of CfE. SFEG development officers are also involved in the writing of financial education resources for schools and EY establishments.

The importance of economic wellbeing impacting on every aspect of health and wellbeing (HWB) is highlighted to practitioners. The holistic nature of financial education addresses not only the money outcomes, but many experiences and outcomes within HWB and social studies, e.g., making informed financial decisions, needs versus wants, employability, etc. Financial education links with and supports the skills of employability and enterprise as in Building the Curriculum 4 (BtC4).

Many financial capability skills can be developed during a 'Money Week' where learners are given the opportunity to focus on money activities. This is also a useful vehicle to support parents/carers using the support agencies within the local community.

8. What is your view of the recommendations for action relating children and young people?

Identify, agree and extend use of **simple, key messages** about money for children of different ages.

There are 11 money outcomes within numeracy in CfE and numeracy is the 'Responsibility of All' practitioners that work with children and young people. Using an interdisciplinary learning (IDL) approach would ensure financial education links to every curriculum area and, in particular, would involve every department in secondary school in developing the financial capability of the learners. This could be achieved through a Money Week.

To improve the financial capability of children and young people in the city and support practitioners deliver financial education, Glasgow City Council (GCC) has produced a document *Financial Education A guide for teachers and managers* which

offers advice to practitioners for classroom money activities that match the 11 money outcomes.

Ensure that all children, regardless of their family situation, have the opportunity to learn about money outside the home.

Work with organisations that teach and support children, young people and parents to **embed financial capability within their programmes**.

Many parents/carers do not feel confident or competent about teaching their children how to manage their money and educational establishments have to fill this gap. Schools and EY establishments can enhance their financial education programme for learners and, at the same time, support parents using the experience and expertise of local community agencies. This will meet the Community Learning and Development (CLD) criteria of the curriculum.

SFEG is a member of the Scottish Financial Education Forum (SFEF) that offers the opportunity for enhanced partnership working within the public, private and third sectors. SFEG is in a strong position to advise educational establishments regarding CLD support to learners and their families and disseminates this information to practitioners at staff development sessions.

Financial service and education providers should increase **opportunities for children and young people to manage their own money**. For example, providing banking products for children and young people with modern product features so that children can put their learning into practice.

SFEG encourages educational establishments to develop a savings ethos with children from an early age and advises on the benefits of credit union membership at all staff development events. As a result, many EY establishments and schools have pupil-run credit unions. GCC has introduced 'Future Savers' to S1 pupils and Dundee City Council has the successful 'Save by the Bell', both supported by SFEG.

Partners such as Barclays, Financial Education Partnership, etc., will deliver workshops to learners in primary and secondary schools. These sessions include financial capability skills such as budgeting, saving, spending, borrowing, exploring the impact economic wellbeing has on general health, choosing the right bank/bank account, etc.

9. How far do you support the Strategies aim in respect of preparing for later life?

10. What is your view of the recommendations for action relating to preparing for later life? How could they be improved?

11. How far do you support the Strategy's aims for older people?

12. What is your view of the recommendations for action relating to older people?
How could they be improved?

13. How far do you support the Strategy's aims for people with financial difficulties?

14. What is your view of the recommendations for action relating to people with financial difficulties? How could they be improved?

15. How far do you support the Strategy's aims in relation to the ease and accessibility of products and services?

16. What is your view of the recommendations for action relating to the ease and accessibility of financial services? How could they be improved?

17. How far do you support the Strategy's aims in relation to influencing social norms?

The Strategy's aims reinforce those of financial education within CfE. The holistic nature of financial education lends itself well to IDL and many educational establishments are using this approach during a money week to address the influencing social norms.

Schools and EY establishments working towards their Rights Respecting School Award are focusing on UNICEF Articles 17 (media influences) and 27 (mental, social, emotional wellbeing) as the financial education criteria to achieve the award.

Peer pressure/influences are addressed through money week activities and supported with resources such as *Skint!*, *On the Money* and *Money Talks: Family Finances*.

18. What is your view of the recommendations for action relating to influencing social norms? How could they be improved?

Financial education should be a priority in the Authority Education Improvement Plan for schools and EY establishments.

What is highlighted as priorities in the [Authority Education Improvement Plan](#) influences what individual educational establishments put in their school improvement plan (SIP). Schools and EY establishments must comply with the directives of the education authority.

19. How far do you support the Strategy's aims relating to evidence and evaluation?

20. What is your view of the recommendations for action relating to evidence and evaluation? How could they be improved?

Case studies gathered from schools and EY establishments could be an appropriate form of evidence, for example, those in *Financial Education A guide for teachers and managers*.

There is also the well-publicised success of GCC Future Savers initiative. This involves senior learners in community-based projects in running the credit union and mentoring younger savers. Many schools and EY establishments have pupil-run credit unions/banks.

21. How would your organisation like to be involved in further development of the Strategy?

Through the work with educational practitioners, SFEG will gather and provide as much relevant information as possible to support the successful development of the Strategy.

22. What role do you see your organisation playing in the implementation of the Strategy?

SFEG will continue to promote and support MAS and the Strategy with educational practitioners in the context of Curriculum for Excellence. There are strong similarities in both groups' objectives.