

Financial Education Foundation for our Future

AFM Conference

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150
YEARS
Foresters
Financial



Me

Three hats today



The problem

A big gap ... leading to poor financial decisions

Gap in financial education...

- Not on **primary school** curriculum.
- Insufficient **time dedicated**
- **Lack of support** for teachers
- Making economic and financial elements of **PSHE education statutory** is key.

...leading to poor outcomes

- Adults who didn't receive fin-ed as children are more likely **unemployed or earning less**
- **40%** of these adults have **no savings** at all.
- If Government prioritised financial education, it could inject an extra £7 billion into UK economy p.a.
- **40% UK adults** experienced **financial worries**; 25% said these impact on **mental health**

What's behind the gap?

Great content and pockets of delivery but not systematic

- A **large variety of bodies** are involved in Financial Education – government (and linked bodies); charities; providers etc.
- Government does **not provide clear, long-term direction** or coordination; **limited research** on impact of fin-ed interventions
- Relatively **limited funding** of financial education

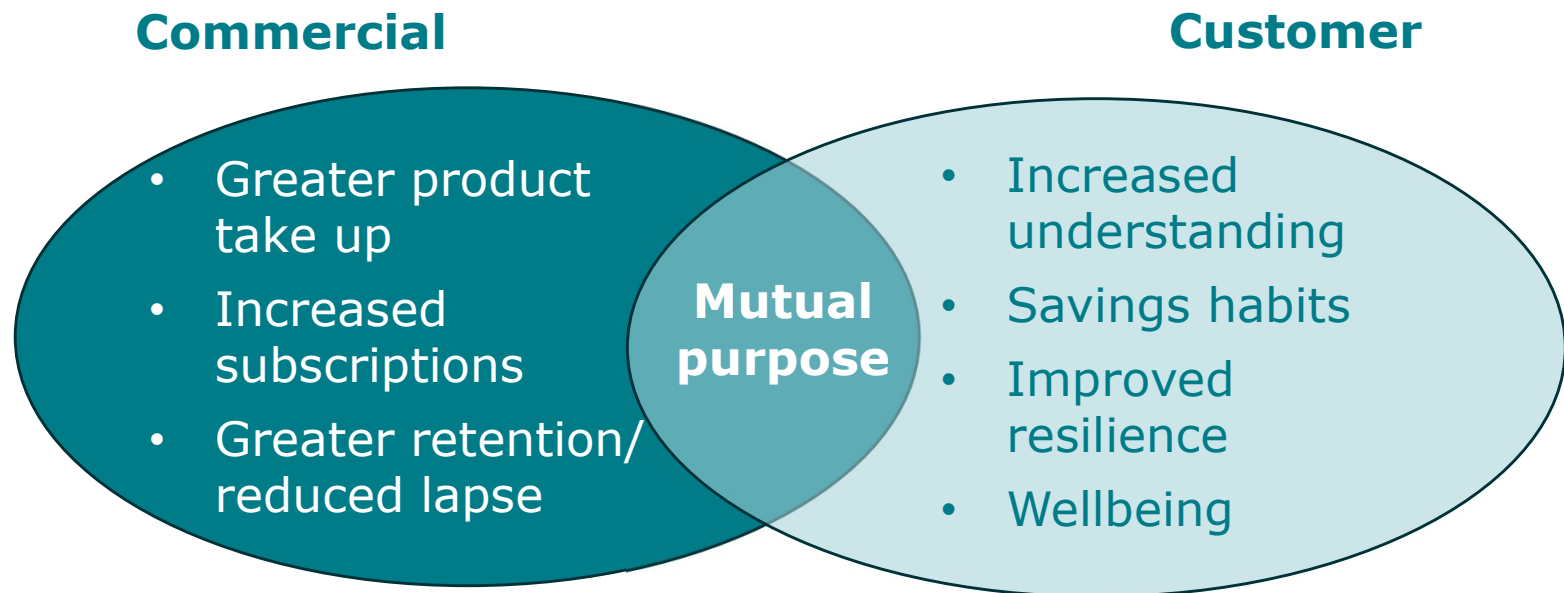
Financial education is fragmented – both in policy and in execution.

Limited scale and inconsistency of delivery

Lots of excellent content and training but not available to all

Why should Mutuals care?

Commercial drivers – but for mutuals it's about purpose



Financial Education Council - priorities

Three priorities to 'fill the gaps'

1. **Lobbying** to strengthen financial education in schools via government and OFSTED
2. **Delivery of financial education outside schools** (e.g. Scouts, sports clubs, social housing)
3. Consistent **delivery of financial education via financial products and advice** provided to young people

Focus today

Survey results

What's happening already amongst providers?

- **Types of firm** – bank/bsoc, Advisory, Mutual, GI, Platform/Wealth
- **Financial products and services** : JISA/CTF/LISA; Savings and Current Account; Mortgages; Pension; GI; Protection; financial advice;
- **Life stages covered**: majority 19-25 yr old; less in lower age bands
- **Channels they use for financial ed**: digital and in person
- **Fin ed they provide currently**:
 - schools' financial wellbeing program – primary and secondary school;
 - F2F or online workshops for apprentices or graduates;
 - educational content on website and via email; in-app gamification
 - workplace ed via employers (pension); 1:1 advice;

Survey results

Identified needs of young people

- **Basic concepts of finance** including budgeting, savings, debt management
- **Financial awareness and literacy**
- **Good habits** formed early
- **Low levels of product knowledge**, low levels of experience in 'life'
- **Avoidance of scams, misinformation and financial traps**
- Helping understand **link between money and happiness.**
- Many people are **under prepared for retirement.**
- World becoming **cashless** and children need to interact with digital economy

Some examples

What's happening already amongst providers?



- Mission: to make every kid smart with money.
- Designed for kids aged 6 - 18.
- 1 in 5 kids aged 10-12 in UK have a GoHenry card.
- Parent and child apps provide tools to help kids learn
- In-app Money Missions



- Purpose: improving financial wellbeing
- CTF/JISAs build relations with parents and children 0-18 yrs
- CTF maturity is key trigger for financial education
- Website content – e.g 'What is a ..' videos
- Advisers trained to deliver Essentials of Money Management
- Charity partnership MyBnk

Some examples

The Share Foundation



- Enable young people from **low-income/ disadvantaged** backgrounds to begin adult life with resources and key life skills
- Run DoE JISA/CTF scheme for **young people in care**
- **Stepladder Plus** fin-ed for 15-17 year-olds
- **Incentivised learning**: Earning money to complete steps (£150 per step) increases engagement

Delivering FE via FS providers

How can we do more via our touchpoints with young people

Content/comms

- A lot of content exists via providers and charities
- Don't reinvent wheel
- Young Enterprise framework by lifestage

Touchpoints

- When are young people motivated to engage with our products?
- How to make education relevant to lifestage?
- How to be proactive
- Parents and children

Incentives

- Can these be built into the product?
- Through membership?
- Use of Behavioural Science/gamification

Driving a more consistent approach

Providing resources, committing to principles

Some ideas:



- Consistent framework of education delivered to each life-stage?
- Shared content – including that available from TISA, charities and other providers?
- Train the trainer – using colleagues to deliver FE in schools and communities (a la UK Finance with Banks) ?
- Quality mark for fin ed content and delivery?

Looking for your feedback and ideas

- What are you **doing already** – what's working well?
- Should we develop a consistent **framework** of financial education delivered to each life stage?
- Should we provide **common financial education materials** that all providers can adapt and use?
- Should we provide '**train-the-trainer**' resources for person to person delivery of fin ed?
- Should we seek **commitment** by (AFM and TISA) financial providers that serve young people to a **min amount of education** delivered?
- Should we develop a **quality mark** for providers' education content?
- **What more** should we consider?

Thank you

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