

Financial Literacy in the PSE Framework



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

National Basic Skills Strategy for Wales

The 'Words Talk – Numbers Count' strategy is the Welsh Assembly Government's strategy to improve literacy and numeracy in Wales. It is the second Welsh basic skills strategy and is delivered by 'Basic Skills Cymru'. The overall purpose of the strategy is to raise awareness, develop new ideas and strengthen capacity to tackle basic skills deficits.

Financial Literacy Project

The key aim of the project is to use Financial Literacy as a context for improving literacy and numeracy skills of people in Wales, in addition to improving Financial Capabilities.

Financial Literacy is a context that is meaningful and relevant to people of all ages.

Financial Literacy can be defined as

'being able to make informed judgements to take effective decisions regarding the use and management of money.'

(A definition coined by 'Delivering Skills for Life, Department for Education and Skills')

As part of our work within schools, we have been working with 'Cynnal' (an advisory service to Gwynedd and Anglesey authorities) to produce a Financial Literacy resource that can be used within the PSE framework. This resource is available as a CD ROM and targets learners with basic skills below level 1, at Key Stage 4.

We believe the resource offers an opportunity to develop the literacy and numeracy skills, and financial skills of individuals who will shortly be leaving mainstream education and entering work or further education.



Words Talk-Numbers Count
Geiriau'n Galw-Rhifau'n Cyfri

Sgiliau Sylfaenol
Basic Skills **Cymru**

Resource

The interactive resource provides a flexible pack of teaching and learning materials. It provides two real life situations as seen through the experiences of two characters aged between 15 and 17 years old; a 15 year old boy who works on Saturdays and lives at home with his family, and a 17 year old girl who leaves care and is about to start going to college and doing a part time job. The course allows investigation of a number of different scenarios; e.g. attitudes towards money and finances, basic banking skills, using a bank account, savings and credit and living on a budget. These themes are explored through interactive case studies that are relevant to certain tasks and activities that pupils of this age may actively undertake in their everyday lives.



'there is an undisputed link between the need for adequate basic skills in numeracy and literacy and financial literacy.'

'a lack of financial literacy is often the direct result of poor basic skills.'

'basic skills and financial literacy can be delivered hand in hand.'

(Adult Financial Literacy Advisory Group (AdFLAG) document, as presented to the Secretary of State for Education and Employment in February 2000)

Financial literacy education has an important place in both the existing and proposed Personal and Social Education (PSE) Framework.

The existing PSE framework covers 10 'aspects of a person in society' which can be developed within the school context. Financial Literacy fits well into the 'Vocational' aspect of the framework, i.e.'Pupils also need to develop an understanding of the role and importance of money. They need to understand their role and responsibility as consumers and to cultivate a financial 'literacy' which enables them to make effective economic judgements and decisions.'

Under the existing review of the PSE framework, the final version of the framework will be available in Spring 2008, for implementation in September 2008. A major change reflects the fact that the framework has been extended to include 16-19 year olds.

The new framework has been restructured to include 5 broad themes; Active Citizenship; Health and Emotional well-being; Moral and Spiritual development; Preparing for Lifelong Learning; and; Sustainable development and global citizenship.

Financial Literacy fits into the 'Preparing for Lifelong Learning' theme, where it is noted that this section should include development of personal management and basic practical skills needed for daily life.

'Learners also need to develop and understanding of the role and importance of money. They need to help to understand their role and responsibilities as consumers and to cultivate a financial capability which enables them to make effective economic judgements and decisions. Learners need to appreciate the difference between paid and unpaid work and to recognise the importance of acquiring the new skills essential in a competitive and rapidly changing world of work.'

In particular, for Key stage 4, learners should be given opportunities to know and understand:

- their rights as consumers and their responsibilities in terms of managing a budget
- the importance of planning for their financial futures and how to access financial advice

For Post-16 learners, this should be developed to ensure that learners have the opportunity to know and understand:

- their increasing independence in terms of managing personal finances and accessing credit.

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