

PSHE EDUCATION: PUTTING THE 'PERSONAL' INTO THE 'ECONOMIC'

What is PSHE education?

- Personal, social, health and economic (PSHE) education is the school curriculum subject which develops the knowledge, skills and attributes all pupils need in order to keep healthy and safe and to prepare them for life and work. It includes three core strands: 'Health and Wellbeing'; 'Relationships'; and 'Living in the Wider World' (which concerns economic wellbeing and careers)¹.
- PSHE education provides a framework through which key knowledge, skill and attributes can be developed and applied to some of the most pressing issues young people face: from mental health to understanding the importance of staying safe online, healthy and safe relationships, making sense of media messages, challenging extreme views and having the skills and attributes to negotiate a potentially volatile labour market.
- Evidence shows that well-delivered PSHE programmes have an impact on both academic attainment and non-academic outcomes for pupils, particularly the most vulnerable and disadvantaged².
- PSHE education is a currently non-statutory subject, though over 90% of schools have some form of PSHE provision³, and the government has introduced statutory requirement for all schools to teach about the health and relationships strands of PSHE from September 2020⁴.
- This requirement does not yet extend to teaching about economic wellbeing and careers, but schools must not neglect this vital aspect of PSHE education as otherwise the 'personal' aspects of economic wellbeing will be lost. The All Party Parliamentary Group (APPG) on Financial Education for Young People has called on the Education Secretary to broaden statutory PSHE requirements to cover economic wellbeing⁵.
- PSHE complements the financial education covered through Citizenship and Maths, but is the subject through which these personal aspects of economic wellbeing – for example understanding personal debt, positive/negative debt, being entrepreneurial – and careers education are covered. Regarding careers, Department for Education (DfE) data shows that PSHE lessons are the most common approach to delivering careers education⁶.
- There is also a clear link between health, relationships, economic wellbeing and having the knowledge and skills for successful careers. PSHE gathers all of these aspects of preparing for modern life together into a coherent curriculum subject.

¹ <https://www.pshe-association.org.uk/curriculum-and-resources/resources/programme-study-pshe-education-key-stages-1%E2%80%93935>

² <https://www.pshe-association.org.uk/curriculum-and-resources/resources/curriculum-life-case-statutory-pshe-education>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687010/Teacher_Voice_report_Summer_2017.pdf

⁴ <https://www.gov.uk/government/publications/relationships-education-relationships-and-sex-education-rse-and-health-education>

⁵ <https://www.young-enterprise.org.uk/appg-financial-education-for-children-in-care-report/>

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/773842/Summer_2018_SSS_Final_Report.pdf

Why is PSHE education important to economic wellbeing?

Young people need to leave school 'economically literate', ready to thrive in life and work. This means giving them an education which does more than provide individual careers guidance or teach the mathematics required to balance a budget and work out compound interest.

Whilst teaching in Mathematics, Citizenship, English and other subjects make important contributions to education for economic wellbeing – which comprises both economic literacy and careers education (including work-related skills) – PSHE education lessons provide an opportunity for all pupils from key stage 1 – 5 to learn:

- about where money comes from and the part it plays in people's lives
- how personal financial choices can affect oneself and others
- how to manage pressure from peers, advertising and other media on economic decisions
- how to assess and manage positive and negative risk in relation to economic decisions, education and work
- how to develop key work-related skills such as communication, team working and leadership skills
- how to develop study and personal organisation skills
- about the economic and business environment
- about different types of work, including employment, self-employment and voluntary work; that everyone has a 'career' which is their pathway through life, education and work
- about the range of different types of jobs available to them
- about rights and responsibilities as consumers
- about student finance and budgeting on a salary, assessing genuine 'affordability' and 'value for money'.

The role of PSHE in improving economic literacy

- Almost every decision we make has an economic element. At the micro level, it may be as simple as young people ensuring they have enough money to get home, or deciding which trainers to buy; through to the macro of judging whether to go to university, start a business, save for a mortgage or go travelling. When making these decisions, mathematical ability plays only a small part.
- On leaving school, young people will need to see taking on debt as not always as a bad thing, but a part of life. They should be able to differentiate between a 'good debt' – such as a student loan or loan for a season ticket for travel to work – from bad debt (for example paying for an expensive holiday on a high interest credit card).
- They also need to be able to manage various pressures that might influence their economic decisions, such as recognising and managing seductive messages from loan companies offering quick financial fixes with high interest rates, or understanding risks associated with online gambling.
- Maths lessons can teach pupils to calculate interest rates but PSHE lessons help develop their abilities to think critically and assess risk in situations. For example, understanding that having a card with sufficient credit to pay for something is not the same as being able to afford it; PSHE lessons will prompt relevant questions such as *'What might I have to give up to afford to buy something?'* *'What unexpected events might cause difficulties paying it back?'*, *'Is my desire to buy something influenced by peer or media pressure?'*. English lessons can cover the use of persuasive language in advertising but PSHE lessons provide an opportunity for pupils to explore how they might be influenced by persuasive language themselves, and how to manage this influence.
- PSHE education provides learning about physical and mental health, and economic wellbeing is a critical part of this. Budgeting will be a consideration in constructing a healthy diet. Choices about alcohol, tobacco and other drugs may have economic consequences, and healthy relationships may depend on financial security. Understanding the link between physical and mental health and our performance academically and in employment is a crucial step in achieving our full potential. PSHE education provides the perfect vehicle for developing this understanding, supporting young people to integrate financial realities into decision making across all areas of their lives.

The role of PSHE in careers education

The Department for Education's statutory guidance *Careers guidance and inspiration in schools* set out the requirement for maintained schools, academies and free schools to secure independent careers guidance for all year 8-13 pupils. Independent careers guidance (which for some, though not all, might include one-to-one advice) forms an integral part of an effective careers education, but is not enough nor the entirety of it. The statutory guidance states that:

Every child should leave school prepared for life in modern Britain. This means ensuring academic rigour supported by excellent teaching, and developing in every young person the values, skills and behaviours they need to get on in life.

Schools should have a strategy for the careers guidance they provide to young people. The strategy should be embedded within a clear framework linked to outcomes for pupils. This should reflect the school's ethos and meet the needs of all pupils. Schools should consider the following principles for good practice when developing their strategy:

- *Provide access to a range of activities that inspire young people, including employer talks, careers fairs, motivational speakers, colleges and university visits, coaches and mentors.*
- *A clear focus on the enterprise skills, experience and qualifications that employers want can support preparation for work. Schools should help pupils gain the confidence to compete in the labour market by providing opportunities to gain the practical know-how and attributes that are relevant for employment.*
- *Schools should offer pupils the opportunity to develop entrepreneurial skills for self-employment – and make it clear to them that working for themselves is a viable option.*

A comprehensive careers education that meets this aspiration – encompassing preparation for work experience, visits from employers and inspirational role models, signposting sources of support such as the National Careers Service, and the development of specific knowledge, skills and attributes for employability – requires discrete curriculum time. PSHE education lessons provide the best and most logical vehicle. This view is supported by the Career Development Institute (CDI). In its *Framework for careers, employability and enterprise education*, 2015, it states:

Most secondary schools organise careers, employability and enterprise programmes that combine discrete provision with other elements integrated into the schemes of work for different subjects. Inspection and monitoring evidence suggests that the most effective model for delivering the separately timetabled element is to organise the careers, employability and enterprise outcomes within an integrated course of personal, social, health and economic (PSHE) education taught by a team of specialist PSHE education teachers.

This should be enhanced across the curriculum and through extra-curricular opportunities but without specific lessons for careers education, it is difficult to see how schools can fully meet their responsibilities in this respect.

Economic wellbeing within the PSHE education Programme of Study

In 2010 the subject of personal, social and health education was expanded to include 'economic wellbeing and financial capability' and the subject was renamed 'Personal, Social, Health and **Economic** education'.

PSHE Association Programme of Study for PSHE Education (key stages 1 – 5)

The PSHE Association produces and maintains the most commonly used programme of study for PSHE education. This Programme is signposted by the Department for Education for schools to use when delivering the subject.

The *PSHE Association Programme of Study for PSHE Education (key stages 1– 5)*⁷ is based on three core themes within which there is broad overlap and flexibility:

- Core theme 1. Health and Wellbeing
- Core theme 2. Relationships
- Core theme 3. Living in the Wider World (which focusses on economic wellbeing and careers)

This draws personal development and economic well-being and financial capability together, based on the principle that whilst there are specific areas of learning that focus primarily on economic issues (especially within the third core theme), there is an economic factor to virtually every aspect of PSHE education.

Overarching concepts of the PSHE Association *Programme of Study*

Arguably, all of the *Programme of Study's* 'overarching concepts' have relevance to economic literacy, however, there are two that have a specific relevance:

- Risk (identification, assessment and how to manage risk, rather than simply the avoidance of risk for self and others) and safety (including behaviour and strategies to employ in different settings, including online in an increasingly connected world)
- Career concepts (including enterprise, employability and economic understanding)

⁷ <https://www.pshe-association.org.uk/curriculum-and-resources/resources/programme-study-pshe-education-key-stages-1%E2%80%935>

Subject content

The content of the *Programme of Study* consists of ‘learning opportunities’ which pupils should be given at each key stage. Many of the learning opportunities for all key stages will have an economic or careers education element and some look specifically at economic issues (see appendix).

The *Programme of Study* has been welcomed by those involved in financial education – such as Young Enterprise – as it:

- involves teaching economic wellbeing and financial education from key stage 1
- explores the important ‘personal’ or behavioural aspects of financial education that Mathematics and Citizenship are unable to cover in as much depth. This includes, for example, an understanding of risk and consequences regarding online gambling.

Guidance for schools on how to teach about economic wellbeing through the PSHE curriculum

The Bank of England and the PSHE Association have co-produced top tips for teaching about economic wellbeing in PSHE education, and a related podcast on keeping the ‘E’ (for economic) in PSHE⁸.

Personal finance education and the Citizenship curriculum

Following a high profile campaign to make personal finance education statutory, elements of finance education were added to the statutory Citizenship programme of study in 2014, as follows:

In key stage 3: the functions and uses of money, the importance and practice of budgeting, and managing risk

In key stage 4: income and expenditure, credit and debt, insurance, savings and pensions, financial products and services, and how public money is raised and spent

This does not apply to key stages 1 or 2 and neither does it apply to academies and free schools. It also does not encompass the personal, affective and behavioural aspects of learning for economic wellbeing that the PSHE education curriculum provides.

Citizenship is an important subject in its own right, but very different in scope to PSHE education, which focusses more on the ‘personal’ and is therefore better suited to certain aspects of economic literacy and learning for economic wellbeing.

Taking one example, Citizenship might explore how Parliament within a democracy creates and enforces consumer legislation ensuring protection for consumers, whilst also acting reasonably for producers. PSHE education on the other hand looks through the eyes of the individual and supports pupils to consider their individual consumer rights and how to assert them. Likewise, it supports pupils to understand the personal risks and implications of financial decisions, such as gambling online.

‘Economics’ is usually a separate examinable subject studied in key stages 4 and 5 and will include a far deeper exploration of economic concepts and processes, but again not in a way that explores personal financial choices and decisions.

Therefore, there are aspects of economic literacy and developing economic wellbeing that can only, and should only, be covered through PSHE education.

⁸ <https://www.pshe-association.org.uk/curriculum-and-resources/resources/top-tips-teaching-about-economic-wellbeing-pshe>

Ofsted's view on enterprise and financial education

In November 2016, Ofsted published *Getting Ready for Work*⁹, a report assessing how secondary schools prepare children for work, through enterprise education and work-related learning. The report found that only 4 of 40 secondary schools visited by Ofsted put enough emphasis on work-related learning. Leaders were also frequently unable to effectively monitor the impact of their enterprise education programmes.

Young people's financial capability skills were also found to be inconsistent, with significant gaps, and students interviewed by Ofsted identified financial capability as the most common weakness in their school's enterprise provision. This reflects a lack of progress from Ofsted's 2013 report 'Not yet good enough: PSHE education in schools', which found that:

'In the half of primary and third of secondary schools where learning about economic well-being required improvement, it was often taught on days where the usual timetable was suspended, or through extra-curricular activities, rather than in PSHE education lessons'.

APPG on Financial Education for Young People's support for statutory PSHE education

The All Party Parliamentary Group on Financial Education for Young People¹⁰ agrees that PSHE education, on a statutory footing from key stage 1, is the best context for financial education. In May 2016, the APPG published *Financial Education in Schools: Two Years On – Job Done?* The report assessed developments since the introduction of statutory financial education as part of the Citizenship curriculum in English secondary schools in 2014.

The report stated that financial education was "patchy, inconsistent and varying in effectiveness". 62% of teachers polled by the APPG agreed financial education should be delivered within PSHE education – a higher percentage than for any other area of the school timetable – and 90% believed that at least some of the financial education topics currently taught through PSHE education should be statutory on the curriculum.

Only 52% of secondary level Mathematics teachers polled said they taught financial education through their subject. The report made recommendations for financial education to be strengthened, including that the financial education be taught, accompanied by enterprise education, in an improved PSHE education provision, plus the importance of starting at an early age. APPG Chair Julian Knight MP has called for PSHE education to be statutory in entirety to guarantee a strong economic education from key stage 1 upwards.

The APPG reiterated its support for PSHE education as a means of delivery for economic wellbeing education in its 2019 report on financial education for children in care¹¹. The report argued that the Education Secretary should reconsider his decision to limit statutory status to the health and wellbeing aspects of PSHE education, and broaden statutory PSHE education requirements to include economic wellbeing at both primary and secondary level.

⁹ <https://www.gov.uk/government/publications/enterprise-education-how-secondary-schools-prepare-young-people-for-work>

¹⁰ <https://financialhealthexchange.org.uk/resource/appg-report-on-financial-education-for-young-people/>

¹¹ <https://www.young-enterprise.org.uk/appg-financial-education-for-children-in-care-report/>

The impact of non-statutory status and the need for change

The status and quality of the economic wellbeing and careers aspects of PSHE education will continue to suffer while they remain non-statutory. Health education and relationships education will be statutory from 2020, but this should be extended to economic wellbeing and careers as the APPG on Financial Education for Young People strongly recommends. Irrespective of statutory status, to be effective PSHE education should always be taught:

- **regularly** – regular lessons on the timetable like other subjects
- **as a whole subject** – from relationships to mental health, online safety to economic wellbeing and job skills
- **by trained teachers** – PSHE covered in teacher training and ongoing opportunities to learn
- **in all schools** – all schools including academies and free schools
- **to all pupils** – from year 1 to finishing secondary school

Appendix: PSHE education Programme of Study for PSHE education content specifically relating to financial literacy and economic wellbeing

The content of the *PSHE Association Programme of Study for PSHE Education (Key Stage 1 – 5)* consists of ‘learning opportunities’ which young people at different key stages should be provided with. Many of the learning opportunities for all key stages will have an economic element and some look specifically at economic issues.

For key stage 1:

- that money comes from different sources and can be used for different purposes, including the concepts of spending and saving
- about the role money plays in their lives including how to keep it safe, choices about spending or saving money and what influences those choices

For key stage 2:

- about the role money plays in their own and others’ lives, including how to manage their money and about being a critical consumer
- to develop an initial understanding of the concepts of ‘interest’, ‘loan’, ‘debt’, and ‘tax’ (e.g. their contribution to society through the payment of VAT)
- that resources can be allocated in different ways and that these economic choices affect individuals, communities and the sustainability of the environment across the world
- what is meant by enterprise and begin to develop enterprise skills
- to explore and critique how the media present information

For key stage 3:

- to identify own strengths, interests, skills and qualities as part of the personal review and planning process, including their value to future employability and strategies for further developing them
- different types of work, including employment, self-employment and voluntary work; that everyone has a ‘career’ which is their pathway through life, education and work
- about the laws and by-laws relating to young people’s permitted hours and types of employment and how to minimise health and safety risks
- about different work roles and career pathways, including clarifying their own early aspirations
- about the labour market (including the diversity of local and national employment opportunities and about self-employment); about learning options, skills, occupations and progression routes
- about the choices available to them at the end of Key Stage 3, sources of information, advice and support, and the skills to manage this decision-making process
- the benefits of being ambitious and enterprising in all aspects of life
- the skills and qualities required to engage in enterprise, including seeing opportunity, managing risk, marketing, productivity, understanding the concept of quality, cash flow and profit
- the importance of protecting their own and others’ reputations; protecting their ‘online presence’: the concept of having a personal ‘brand’ that can be enhanced or damaged
- to assess and manage risk in relation to financial decisions that young people might make
- about gambling (including online) and its consequences, why people might choose to gamble, and the gambling industry influences their choices and tries to engage them in gambling; how to manage pressure or influence to gamble and access support if worried about themselves or others
- to explore social and moral dilemmas about the use of money, (including how the choices young people make as consumers affect others’ economies and environments)

For key stage 4:

- how their strengths, interests, skills and qualities are changing and how these relate to future employability
- about the information, advice and guidance available to them and how to access the most appropriate support
- to further develop study and employability skills (including time management, self-organisation and presentation, project planning, team-working, networking and managing online presence)
- about the range of opportunities available to them for career progression, including in education, training and employment
- about changing patterns of employment (local, national, European and global); about different types of business, how they are organised and financed
- to research, secure and take full advantage of any opportunities for work experience that are available
- about rights and responsibilities at work (including their roles as workers, and the roles and responsibilities of employers and unions)
- attitudes and values in relation to work and enterprise (including terms such as 'customer service' and 'protecting corporate or brand image')
- about confidentiality in the workplace, when it should be kept and when it might need to be broken
- to develop their career identity, including how to maximise their chances when applying for education or employment opportunities
- to recognise and manage the influences on their financial decisions, (including managing risk, planning for expenditure, understanding debt and gambling in all its forms); to access appropriate support for financial decision-making and for concerns over money, gambling etc.
- to be a critical consumer of goods and services (including financial services) and recognise the wider impact of their purchasing choices
- their consumer rights and how to seek redress

For key stage 5:

- exercise their consumer rights; know who can help if they feel they have a grievance
- manage contracts; understand the process of renting items and accommodation; know who can support them if they need help
- plan their budget, especially when living away from home for first time
- understand and manage taxation and national insurance
- understand the concept of 'customer service', its relevance to all employees, why it is important in a competitive, global market
- understand savings options; know where to save, when to save and why
- understand and manage debt, differentiating between 'good' and 'bad' debt; assess sources of and risks associated with loans; calculate repayments; understand the concepts of 'affordability' (its impact on broader lifestyle and relationships) and 'being able to pay' (having the money); understand the consequences of failure to repay, especially short-term high interest loans; assess the risks associated with 'underwriting' or being a guarantor for another's debt
- understand pensions and their importance; the benefits of starting early and making regular, realistic contributions
- match career to personal interests, attributes and skills; develop a life plan that identifies personal aspirations and sets compelling goals; balance ambition with realism; identify how the benefits offered by unattainable ambitions can still be met in realistic ways
- be enterprising in life and work