

PRESS RELEASE

FROM: Fiona Bruce MP for Congleton Constituency

DATE: 23rd December 2010



Fiona Bruce MP leads debate in Parliament highlighting the need for improved financial education in schools

At the end of this Press Release is the speech made by Fiona Bruce MP on the 21st December raising this important issue. The current legal position is that teaching financial education in schools is not a mandatory requirement. Many pupils leave school without any teaching on this subject at all. It is not a mandatory part of the National Curriculum (it is part of the non statutory [ie optional PSHE education for Key Stages 1 – 4]).

The Government has announced a review of the National Curriculum and in this speech Fiona Bruce highlights the importance of financial education being taught to all pupils.

Fiona is part of a group of MPs who are forming the All Party Parliamentary Group on Financial Education for Young People to be launched in January. The group's purposes will be to provide a medium through which MPs, Peers and organisations with an interest in financial education, can discuss the current provision on financial education in schools; ensure young people are equipped to make informed financial decisions; help make resources and qualifications available to young people in education and supports schools in the delivery of financial capability. Most importantly, it will encourage the introduction of a requirement on schools to provide financial education.

In her speech Fiona Bruce highlighted the excellent work being done in Congleton schools on this subject, on a voluntary basis, as an example of best practice which should be adopted nationwide.

ENDS

TREASURY

3.10 pm

Fiona Bruce (Congleton) (Con): Thank you, Mr. Deputy Speaker, for giving me the opportunity to highlight the need for a more co-ordinated approach to the teaching of financial capability to ensure that no young person leaves school without the benefit of that critical life skill.

Financial capability can be briefly described as the ability to manage one's own finances and to become an informed consumer of financial services. Some excellent work is being done in schools, and I shall refer to it shortly, but more needs to be done. The delivery of financial education in schools is patchy, as there is no requirement to provide it. My son Samuel will leave his excellent school in a few months' time without having received a single lesson in financial education, although the term PHSE stands for "personal, health, social and economic education".

Before I go into more detail, let me emphasise that I am a proponent of prevention rather than cure, and that I recognise the vital effort that goes into counselling people out of debt. However, I believe we have a problem that a co-ordinated approach to financial literacy will do much to alleviate. All Members are aware of the high levels of personal debt and the untold stress that much of it causes. Each day a staggering 372 people are declared bankrupt, and citizens advice bureaux are currently dealing with some 9,400 new debt problems every working day. A recent survey by another highly effective debt advice organisation, Christians Against Poverty, showed that 74% of its clients had visited a GP while suffering from stress and other medical problems caused by debt.

I have had 20 years' experience of running a law firm, and during that time the biggest single cause of marital discord among those entering my firm's doors seeking divorce advice has been money differences. Sadly, many couples enter relationships without being capable of addressing financial challenges together. It is partly because I have witnessed those problems for many years, and the huge personal cost that they entail, that I raise this issue today.

The cost to the national budget of dealing with the ramifications of poor financial literacy must be vast, not only because of relationship breakdowns but because of the implications for the health of individuals and families. A recent study by Aviva and a leading psychologist at City university found that those with sensible financial plans were happier overall and had a stronger sense of financial well-being., and that that was the case regardless of salary.

I believe that the big society, represented by both voluntary and commercial organisations and by government locally and nationally, can work together effectively to give young people and their parents the tools to draw up positive and informed financial plans that will help to secure their future happiness. The need for that is pressing.

Let me offer an example of best practice. Two years ago in my constituency Will Spendilow, a former chief IT architect for Barclays bank, started to visit Congleton high school and Eaton Bank school in my constituency on a voluntary basis. He helps GCSE and A-level

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students to understand the importance of financial planning, using the DebtCred curriculum, one of many that are available. It empowers children to set life goals and choices, helps teenagers to articulate their short-term and long-term financial goals, and helps students to budget by explaining what proportion of a wage is spent on essentials. Young people learn about the implications and the costs of borrowing; they also learn how to read a bank statement, put together a budget, and distinguish between financial products.

Mr Spendilow's work has been received enthusiastically by schools and recognised by the high sheriff of Cheshire, Diana Barbour, who has congratulated him on his "sterling achievements". At the end of one of his classes a teacher said to the young people, "That is the best and most valuable PHSE lesson that you have ever had." However, when I asked Mr Spendilow what provision there would be if he did not teach financial capability, he said that he did not know of any.

Mr Chuka Umunna (Streatham) (Lab): I congratulate the hon. Lady on raising a subject that I consider to be tremendously important. I particularly endorse what she has said about Christians Against Poverty and the citizens advice bureaux, which operate in my constituency. Does she share my huge disappointment that there is no Treasury Minister present to respond- *[Interruption.]* I was not aware that the hon. Member for Scarborough and Whitby (Mr Goodwill) was a Treasury Minister. Is he the Treasury Minister who will respond to the debate?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Fiona Bruce.

Fiona Bruce: Thank you, Mr. Deputy Speaker.

I believe that financial literacy is an essential element of every young person's education. Including it in the curriculum would decrease the cost to so many people-and to the nation-of personal debt, family breakdown and ill health. Even more important, it would enable all young people to embark on adulthood with a vital tool, and to realise their full potential in life. I hope that the Minister agrees that this is a vital issue that we need to address sooner rather than later.

Karl Turner (Kingston upon Hull East) (Lab): On a point of order, Mr. Deputy Speaker. Is it in order for the Government to send a Whip rather than a Minister to respond to the debate?

Mr Deputy Speaker: Members may be disappointed that no Treasury Minister is present, but let me say in fairness that the Whip is a Minister. He is part of the Government, and he has the right to speak from the Front Bench. That is the position. There may be disappointment, but I am sure that we shall hear full and thorough answers. We all look forward to the response from the hon. Member for Scarborough and Whitby (Mr Goodwill).

Fiona Bruce: Let me end by saying that I know my concerns are shared by a number of Members, and that I look forward to hearing the contribution of my hon. Friend the Member for North Swindon (Justin Tomlinson) shortly.

