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2 September 2024

The Rt Hon Bridget Phillipson MP
Secretary of State for Education & Minister for Women and Equalities
Sanctuary Buildings
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London
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To the Secretary of State for Education

As organisations who have been involved in either delivering or funding financial education for 34 years collectively, abrdn, MyBnk and Just Finance Foundation would like to express our shared concerns on the current state of financial literacy in the United Kingdom.

We urge you to take action to address the significant economic and social problems this is contributing to – problems that are hampering our nation’s financial resilience. and the UK Government’s economic growth mission.

The retirement savings gap

Millions of Britons are facing a difficult retirement as savings are not on track to meet their future needs. The days when people could rely on final salary workplace pensions that would guarantee their retirement income are over. Responsibility is increasingly falling on the individual to ensure they are saving and investing enough for later life.

Unfortunately, in Britain we are setting people up for failure in this by not equipping them with the skills they need to manage their finances and take decisions which will determine their long-term financial security.

abrdn’s own research found that two-fifths of UK adults have poor financial literacy – meaning that 23 million people lack the basic skills needed to manage their money effectively.¹

¹ Based on the abrdn Savings Ladder Index findings – a nationally representative study of 3,000 people conducted in May 2024: [The Savings Ladder: A manifesto to get Britain investing | abrdn](#)

An early intervention

We could already be 10 years into solving this problem – had personal finance been properly integrated into the curriculum when it was first introduced in September 2014 in England.

However, a decade on, a recent report from the Education Committee found that current provision in English secondary schools is “insufficient” and “does not reflect the importance of personal financial literacy”.

This is not merely an individual issue. It’s a societal one. If we could improve people’s understanding of managing money, they would be more likely to make informed financial decisions, more likely to build up wealth, and more likely to become long-term savers and investors.

More saving and investing means some of these funds can be channelled into the infrastructure and clean energy projects the country so desperately needs – and which Labour has promised to deliver – growing the economy for the benefit of all.

Given its clear links to economic growth and individual financial resilience, it is concerning that there is no official national measurement of this important area. This is despite the fact that 39 other countries already participate in the OECD’s international study on adult financial literacy.

How can we hope to improve something if we do not understand the current state or track progress?

An opportunity for policymakers

We, therefore, urge the Government to implement the recommendations of the report from May 2024 by the House of Commons Education Committee by putting in place measures to boost financial literacy. These should target in particular those young people just about to enter adulthood, who are some of the most vulnerable.

abrdrn, Just Finance Foundation and MyBnk also urge the Government to take the following steps:

- Undertake a formal review of the mathematics curriculum to expand the provision and relevance of financial education (as the Education Committee recommended).
- Extend mandatory financial education to primary schools and Sixth Forms in England to ensure fewer young people miss out.
- Embed financial education more deeply into the curriculum in England and integrate it into relatable subjects, from maths, economics, citizenship and food tech. This would ensure greater consistency, with Scotland already integrating maths into relatable subjects, and this consistency across the home nations is something Government should focus on.

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- Consider how financial education can be extended to academies, private schools and faith schools – which do not currently have to follow the national curriculum.
- Introduce a new GCSE and/or sixth form qualification that focuses on financial skills – reflecting the Government’s commitment to a skills revolution.
- Begin measuring adult financial literacy in the UK – bringing us in line with 39 other countries.

By tackling this problem, the Government could make huge strides in balancing wealth inequality, bolstering individual financial resilience and channelling investment capital into projects to power up the UK economy.

We have the opportunity to do so every day in our schools and classrooms. It’s vital we do not waste another 10 years.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Douglas Flint', with a long horizontal line underneath.

Sir Douglas Flint, CBE, Chairman of abrdn

A handwritten signature in blue ink, appearing to read 'Sarah Wallace', with a long horizontal line underneath.

Sarah Wallace, Director of the Just Finance Foundation

A handwritten signature in black ink, appearing to read 'Leon Ward', with a long horizontal line underneath.

Leon Ward, Chief Executive of MyBnk

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