PSHE: Economic wellbeing and financial capability

Programme of study (non-statutory) for key stage 4
(This is an extract from The National Curriculum 2007)

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Curriculum aims

Learning and undertaking activities in economic wellbeing and financial capability contribute to achievement of the curriculum aims for all young people to become:

- successful learners who enjoy learning, make progress and achieve
- confident individuals who are able to live safe, healthy and fulfilling lives
- responsible citizens who make a positive contribution to society.

The importance of economic wellbeing and financial capability

Education for economic wellbeing and financial capability aims to equip students with the knowledge, skills and attributes to make the most of changing opportunities in learning and work. Through their learning and experiences inside and outside school, students begin to understand the nature of the world of work, the diversity and function of business, and its contribution to national prosperity. They develop as questioning and informed consumers and learn to manage their money and finances effectively.

Education for economic wellbeing and financial capability improves motivation and progression by helping students see the relevance of what they learn in school to their future lives. It expands their horizons for action by challenging stereotyping, discrimination and other cultural and social barriers to choice. It helps students to aim high. Students build a positive and realistic view of their needs and capabilities so that they can make effective learning plans, decisions and transitions. They become aware of changing career opportunities and develop the knowledge and skills to make informed decisions about which learning programmes to take.

Students learn to be enterprising. They develop the ability to handle uncertainty, respond positively to change, and create and implement new ideas and ways of doing things. They learn how to make and act on reasonable risk/reward assessments and develop a ‘can-do’ attitude and the drive to make ideas happen.

EXPLANATORY NOTES

Economic wellbeing and financial capability: This non-statutory programme of study brings together careers education, work-related learning, enterprise and financial capability. It supports the fifth outcome of Every Child Matters, and also contributes to the other outcomes, particularly ‘enjoy and achieve’ and ‘make a positive contribution’.

Economic wellbeing and financial capability is intended to support schools in developing coherent whole-school approaches to personal, social, health and economic wellbeing (PSHE). It also provides a context for schools to fulfil their legal responsibility to provide opportunities for work-related learning and careers education at key stage 4, for which non-statutory frameworks were published in 2003. These have been used to inform the content of this programme of study. The national frameworks and related material are still available as supporting guidance.

The presentation and headings of this programme of study follow the format of the programmes of study for other subjects at key stage 4, to support cross-curricular planning.
1 Key concepts

There are a number of key concepts that underpin the study of economic wellbeing and financial capability. Students need to understand these concepts in order to deepen and broaden their knowledge, skills and understanding.

1.1 Career

a. Understanding that everyone has a ‘career’.
b. Developing a sense of personal identity for career progression.
c. Understanding the qualities, attitudes and skills needed for employability.

1.2 Capability

a. Exploring what it means to be enterprising.
b. Learning how to manage money and personal finances.
c. Understanding how to make creative and realistic plans for transition.
d. Becoming critical consumers of goods and services.

1.3 Risk

a. Understanding risk in both positive and negative terms.
b. Understanding the need to manage risk in the context of financial and career choices.
c. Taking risks and learning from mistakes.

1.4 Economic understanding

a. Understanding the economic and business environment.
b. Understanding the functions and uses of money.
2 Key processes

These are the essential skills and processes in economic wellbeing and financial capability that students need to learn to make progress.

2.1 Self-development

Students should be able to:

a. develop and maintain their self-esteem and envisage a positive future for themselves in work
b. identify major life roles and ways of managing the relationships between them
c. assess their needs, interests, values, skills, abilities and attitudes in relation to options in learning, work and enterprise
d. assess the importance of their experiences and achievements in relation to their future plans.

2.2 Exploration

Students should be able to:

a. identify, select and use a range of information sources to research, clarify and review options and choices in career and financial contexts relevant to their needs
b. recognise bias and inaccuracies in information about learning pathways, work and enterprise
c. investigate the main trends in employment and relate these to their career plans.

Trends: Employment trends information should be based on sound intelligence of developments in the labour market, locally, nationally and globally.
2.3 Enterprise

Students should be able to:

a. identify the main qualities and skills needed to enter and thrive in the working world
b. assess, undertake and manage risk
c. take action to improve their chances in their career
d. manage change and transition
e. show drive and self-reliance when working on work-related tasks
f. develop approaches to working with others, problem-solving and action planning
g. understand the key attitudes for enterprise, including self-reliance, open-mindedness, respect for evidence, pragmatism and commitment to making a difference
h. develop and apply skills and qualities for enterprise
i. demonstrate and apply understanding of economic ideas.

2.4 Financial capability

Students should be able to:

a. manage their money
b. understand financial risk and reward
c. explain financial terms and products
d. identify how finance will play an important part in their lives and in achieving their aspirations.

EXPLANATORY NOTES

Enterprise: Enterprise education consists of enterprise capability, supported by financial capability and economic and business understanding.

- Enterprise capability is the ability to handle uncertainty and respond positively to change, to create and implement new ideas and new ways of doing things, and to make reasonable risk/reward assessments and act on them in one's own personal and working life. It can also be described as innovation, creativity, risk management, having a 'can-do' approach and the drive to make ideas happen.
- Financial capability is the ability to manage one's own finances and to become questioning and informed consumers of financial services.
- Economic and business understanding is the ability to understand the business context and make informed choices between alternative uses of scarce resources.

Qualities: These include adaptability, perseverance, determination, flexibility, creativity, ability to improvise, confidence, initiative, self-confidence, autonomy and willingness to make things happen.
Range and content

This section outlines the breadth of the subject on which teachers should draw when teaching the key concepts and key processes.

The study of economic wellbeing and financial capability should include:

a. different types of work, including employment, self-employment and voluntary work
b. the organisation and structure of different types of businesses, and work roles and identities
c. rights and responsibilities at work and attitudes and values in relation to work and enterprise
d. the range of opportunities in learning and work and changing patterns of employment (local, national, European and global)
e. the personal review and planning process
f. skills and qualities in relation to employers’ needs
g. a range of economic and business terms, including the connections between markets, competition, price and profit
h. personal budgeting, wages, taxes, money management, credit, debt and a range of financial products and services
i. risk and reward, and how money can make money through savings, investment and trade
j. how and why businesses use finance
k. social and moral dilemmas about the use of money.

EXPLANATORY NOTES

Rights and responsibilities: These include the rights and responsibilities of both employers and employees. Connections should be made with the study of rights and responsibilities as part of citizenship.

Opportunities in learning and work and changing patterns of employment: These include the full range of post-16 learning options and progression routes, drawing on the local area prospectus and information supplied by careers specialists. Students should also draw on: up-to-date labour market information (showing the diversity of local and national employment opportunities); information on learning options, skills, occupations and progression routes; and information about self-employment.

Money management: Students need to be able to manage their money in a range of situations. Financial contexts should include personal situations as well as situations beyond their immediate control. Students should learn about financial decision-making and how to use a range of financial tools and services, including budgeting and saving in managing personal money, and about the financial implications of post-16 options. Students should learn what influences how people spend money and how to become competent at managing personal money in a range of situations, including those beyond their immediate experience.

Dilemmas: These could include how the choices students make as consumers affect other people’s economies and environments.
4 Curriculum opportunities

During the key stage students should be offered the following opportunities that are integral to their learning and enhance their engagement with the concepts, processes and content of the subject.

The curriculum should provide opportunities for students to:

a. use case studies, simulations, scenarios, role play and drama to explore work and enterprise issues
b. use their experiences of work to extend their understanding of work
c. recognise, develop and apply their skills for enterprise and employability
d. have direct and indirect contact with people from business
e. research options and progression routes in learning and work
f. have contact with information, advice and guidance specialists
g. engage with ideas, challenges and applications from the business world
h. explore sources of information and ideas about work and enterprise
i. discuss contemporary issues in work
j. review and update a personal statement and make an individual learning and career plan for their transition into the post-16 phase
k. make links between economic wellbeing and financial capability and other subjects and areas of the curriculum.

**EXPLANATORY NOTES**

**Skills for enterprise and employability:** These include:
- functional skills of English, mathematics and ICT
- working with others, independent enquiry, self-management, innovation and creativity
- problem-solving
- risk-taking and risk management, reflective thinking
- personal financial management, budgeting and accounts management.

**Contact with people from business:** Direct contact with people from business could include work-based activities (e.g., visits, work experience, part-time jobs, work shadowing and work-based projects) and school-based activities (e.g., enterprise activities, work simulations, talks, careers fairs). Indirect contact could include working with case-study material and multimedia resources.

**Challenges:** Business challenges could include an enterprise or problem-solving activity.

**Sources of information and ideas:** These could include the media and promotional channels (including recruitment literature); family, community, culture and society; academic studies and factual information; first-hand experience of people who work, including taster courses, mini-enterprise, simulations, work shadowing, visits and visitors; and sources accessed through ICT.

**Contemporary issues:** These could include equality of opportunity, health and safety, sustainable living and ethical investment.