A National Literacy Trust research report

Reading and financial capability

Exploring the relationships

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How good a reader a child is relates to how financially capable they are. Indeed, this report shows that children and young people who have good reading skills are four times as likely to have good financial skills compared with their peers who have poor reading skills. The reasons for this link are complex, and we bring together three broad areas of education – reading, financial capability and general academic motivation – to understand how they are related.

Building on our previous research on how literacy impacts different aspects of people's lives, this is the first time that we have explored whether and how literacy and financial capability are associated. We have developed a comprehensive model, which shows that reading and financial capability can be linked through general academic motivation.

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Key findings

The following findings are based on a survey of 2,943 children and young people from 21 schools who took part in autumn 2018. Additionally, they are informed by skill test data we had for 303 children and young people.

- Our analysis show that children and young people have generally positive reading and financial capability behaviours, attitudes and self-perception of their skills. For example, 77.3% of children and young people read outside class weekly and 70.3% save money every time or most times they are given some.
- We found that the skills in reading and financial capability are associated with each other:
    - Children and young people who have good reading skills are four times as likely to have good financial skills compared with their peers who have poor reading skills.
    - Conversely, children and young people who score at the bottom quartile of the reading test are over six times as likely to score in the bottom quartile in the financial capability test than they are to score in the top quartile in that test.
- The associations between the affective processes and behaviours in reading and financial capability are not as straightforward. The data show that children and young people who see the benefit of reading for their future and are interested in reading are also more likely to see the future benefit of learning about money and more likely to focus on themselves as the agent in financial matters. At the same time, how strong a reader children and young people consider themselves to be is not linked to how well they believe themselves to manage money. Similarly, reading behaviour is only weakly associated with financial behaviour.
- Our literature review highlighted that there might be a relationship between literacy and financial capability through general non-cognitive factors, so we included general academic motivation variables in the analyses to explore whether they might explain the link between the two. We looked at children and young people's perseverance, persistence with tasks, willingness to engage with problems, attitudes towards school, and their motivation to succeed and commitment to achievement.
- Our model of the relationships between skills, affective processes and behaviours in reading and financial capability showed that, overall, the components can be linked through general academic motivations, both directly and indirectly, indicating complex relationships between the components.
- The degree to which children and young people are not likely to give up was the only direct predictor of skills in reading and financial capability. These findings

corroborate those from previous studies (e.g., PISA 2012 results[1]), which showed that students' results in financial literacy tests were associated with their levels of perseverance. This indicates that promoting perseverance for children and young people is important in supporting them to develop the skills they need both for reading and financial capability.

- Behaviours were found to be related indirectly through attitudes towards school and willingness to solve problems, whereas the affective components have a complex relationship through children's persistence in tasks, motivation to succeed and commitment to achievement, willingness to solve problems and positive attitudes towards school.

Overall, our findings indicate that integrating support for general academic motivation as part of any school programme could potentially support reading and financial capability simultaneously. They also indicate that general academic motivation acts as a mediator of the relationships.

[1] OECD (2014). PISA 2012 Results: Students and Money: Financial Literacy Skills for the 21st Century (Volume VI). Paris: OECD Publishing. http://dx.doi.org/10.1787/9789264208094-en

Introduction

Both literacy and financial capability have gained priority in education and policy in recent years as their importance for everyday life has increased in the 21st century. Developments, such as more available options for financial products, more individual responsibility on financial decisions as well as new technologies and rapid growth in information, have fundamentally changed the need for everyone to be functionally literate and financially capable.

However, large gaps exist in children and young people's reading and financial capability, both in the UK and internationally[2]. 25% of 11-year-olds in England were unable to read well by the time they left primary school in 2018, rising to 40% of disadvantaged children[3], while less than half of 16-year-olds achieved a good GCSE grade in English and maths in 2018[4]. The situation is equally stark with respect to children's ability to make financial decisions, with a Programme for International Student Assessment (PISA) study from 2015 showing that 1 in 4 15-year-olds were unable to make everyday spending decisions[5].

Similarly, a survey of children and young people's financial capability by the Money Advice Service showed that there is a knowledge gap around complex financial concepts. For example, nearly a quarter (24%) of 14- to 17-year-olds could not identify whether an investment made your money grow or was something that needed paying back[6]. In addition, research by Money Advice Trust has found that 2 in 5 (42%) young adults find managing their money harder than they had expected and nearly 2 in 5 (37%) are already in debt, owing an average of £2,989 (excluding student loans and mortgages)[7].

The lack of skills does not only affect children and young people: 1 in 6 (16.4%) adults in England have very low levels of literacy[8], which makes them struggle with longer texts and

[2] Teravainen-Goff, A. (2019). Literacy and financial capability: An evidence review. London: National Literacy Trust.
[3] Department for Education. (2018). National curriculum assessments at key stage 2 in England, 2018 (revised). Retrieved January 17, 2019 from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774446/KS2_Revised_2018_text_MATS_20190130.pdf
[4] Department for Education. (2018). Provisional GCSE and equivalent results in England, 2017 to 2018. Retrieved January 17, 2019 from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/748503/2018_KS4_statistical_release.pdf
[5] OECD. (2017). PISA 2015 Results (Volume IV): Students' financial literacy. Paris: OECD Publishing. doi: http://dx.doi.org/10.1787/9789264270282-en
[6] Money Advice Service (2017). Financial Capability of Children, Young People and their Parents in the UK 2016: Initial results from the 2016 UK Children and Young People's Financial Capability Survey.
[7] Money Advice Trust. (2016). Borrowed years: A spotlight briefing on young people, credit & debt. Retrieved January 17, 2019 from http://www.moneyadvicetrust.org/SiteCollectionDocuments/Research%20and%20reports/Borrowed%20Years%2c%20Young%20people%20credit%20and%20debt%2c%20Aug%202016.pdf
[8] OECD (2016). Skills Matter: Further Results from the Survey of Adult Skills. Paris: OECD Publishing. doi: https://doi.org/10.1787/9789264258051-en

unfamiliar topics[9]. Millions of people in the UK also struggle to budget effectively, plan for the future and make informed financial decisions[10].

Many studies have addressed the link between financial capability and numeracy (e.g., Lusardi, 2012[11], Hulme & Newton, 2017[12]), which have shown that those who have better numeracy skills are also better at planning their day-to-day spending as well as their financial futures (e.g. pension and investments). Most pertinently, a report by the Money Advice Service (2017[13]), which explored the relationship between numeracy and financial capability in depth, found that people with higher numeracy were more likely to demonstrate financially capable behaviours than those with lower numeracy, even when demographic variables, such as income and housing tenure, were controlled for.

However, there is a dearth of similar studies that have investigated the relationship between financial capability and literacy. This study is our first step to help address this gap.

Modelling the relationship between reading and financial capability

We have previously[14] shown that discussions of what it means to be a reader have moved away from a simple concept of reading, which focused solely on reading skills, to a more holistic view that also encompasses behaviours (e.g. how often someone reads) and affective processes (such as what someone thinks about reading and whether they enjoy it). See Figure 1 for a visual representation of this model, which we call the tripartite model of reading.

[9] OECD (2016). What does low proficiency in literacy really mean? (Adult Skills in Focus, No. 2). Paris: OECD Publishing. doi: https://doi.org/10.1787/5jm0v427jl9p-en

[10] Bagwell, S., Hestbaek, C., Harries, E., & Kail, A. (2014). Financial capability outcome frameworks. Report commissioned as part of the Financial Capability Strategy for the UK. Retrieved January 17, 2019 from https://www.thinknpc.org/wp-content/uploads/2018/07/Financial-Capability-Outcome-Frameworks-MAS.pdf

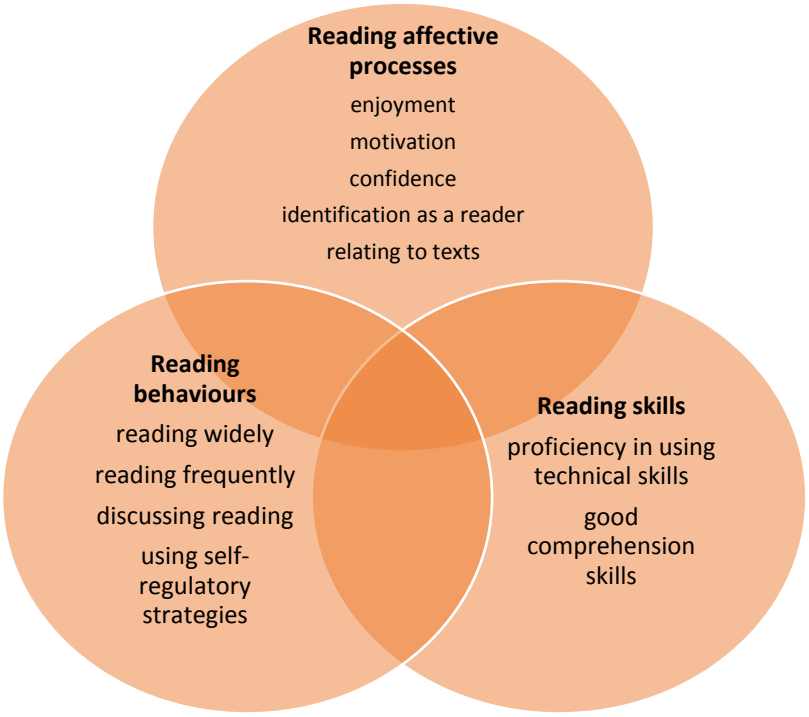
[11] Lusardi, A. (2012). Numeracy, financial literacy, and financial decision-making (NBER Working Paper No. 17821). Retrieved January 18, 2019 from http://www.nber.org/papers/w17821.pdf

[12] Hulme, A., & Newton, J. (2017). Numeracy literature review. Report prepared for the Money Advice Service. Retrieved January 18, 2019 from https://www.moneyadviceservice.org.uk/en/corporate/research

[13] Money Advice Service (2017). *Numeracy and Financial Capability: Exploring the links.*

[14] Clark, C. & Teravainen, A. (2017). What it means to be a reader at age 11: valuing skills, affective components and behavioural processes: An outline of the evidence. Report prepared on behalf of the Read On. Get On. campaign. Retrieved January 18, 2019 from https://literacytrust.org.uk/research-services/research-reports/what-it-means-be-reader-age-11-valuing-skills-affective-components-and-behavioural-processes/

Figure 1: Tripartite model of reading



As our evidence review highlighted, this broader view of reading is also supported by the academic literature and other relevant organisations. For example, OECD (2016) states that:

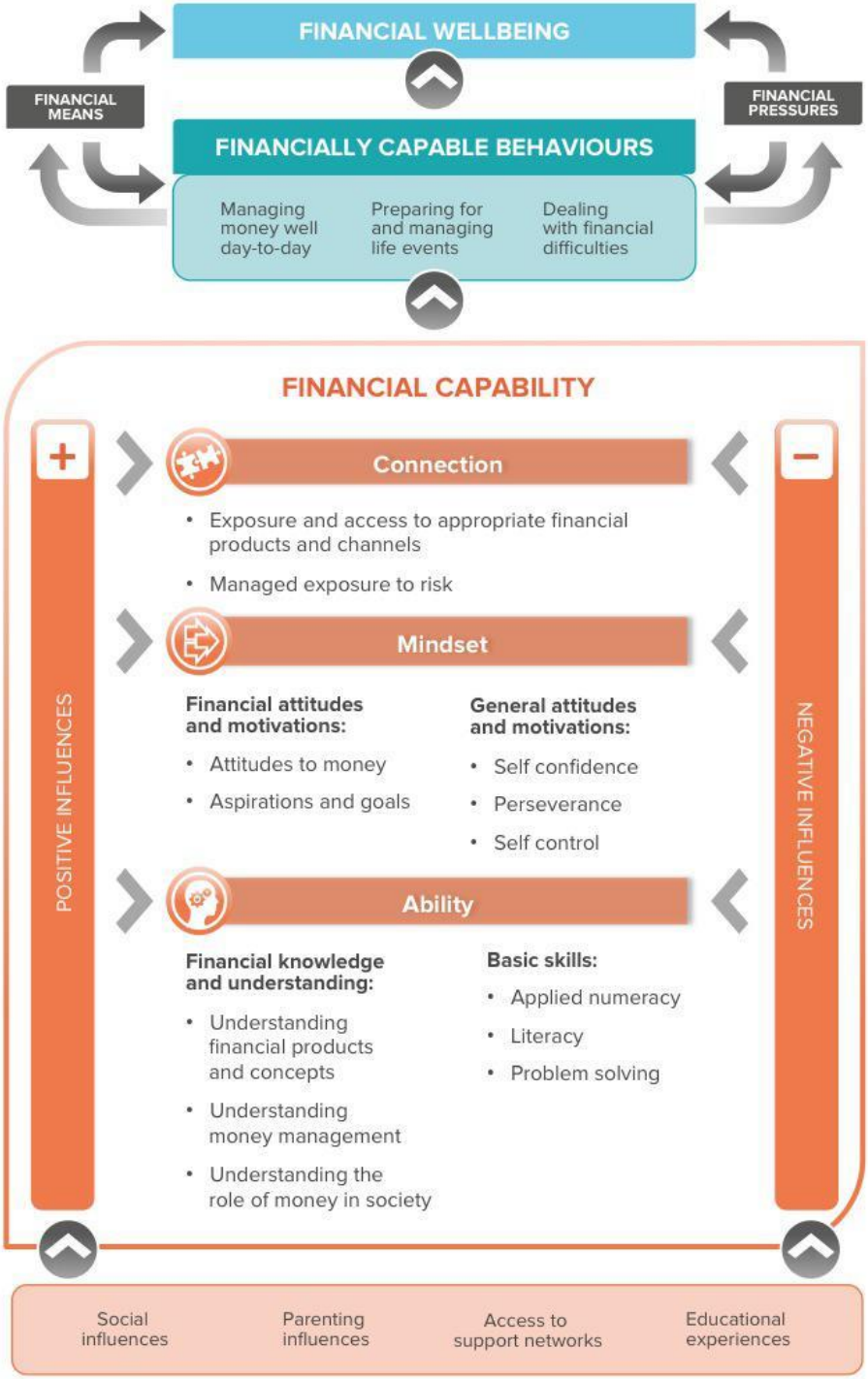
> "Changes in our concept of reading since 2000 have led to an expanded definition of reading literacy, which recognises motivational and behavioural characteristics of reading alongside cognitive characteristics."

Recent conceptualisations of financial capability have also aligned financial skills and knowledge with attitudes, confidence, behaviours and other non-cognitive skills. For example, the Children and Young People Financial Capability Framework[15] developed by NPC as part of the Financial Capability Strategy for the UK[16] (see Figure 2) aligns knowledge and understanding with skills as well as attitudes, confidence and non-cognitive skills (e.g. self-regulation, motivation, perseverance, and self-control). These, in turn, are influenced by people's experiences and circumstances.

[15] Bagwell, S., Hestbaek, C., Harries, E. & Kail, A. (2014). Financial capability outcome frameworks. Report commissioned as part of the Financial Capability Strategy for the UK. Retrieved January 18, 2019 from https://www.thinknpc.org/wp-content/uploads/2018/07/Financial-Capability-Outcome-Frameworks-MAS.pdf

[16] https://www.fincap.org.uk/en/uk_strategies/uk-strategy

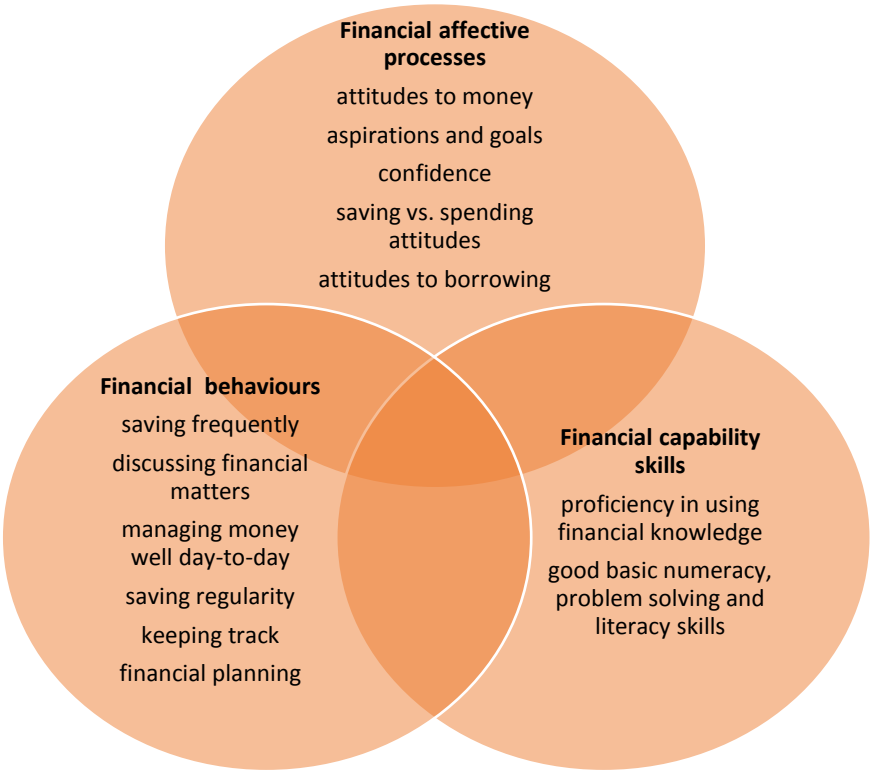
Figure 2: Children and young people financial capability framework



Source: Bagwell et al., 2014

Considering the complex definition of financial capability, we mapped the components against the tripartite model of reading for the purpose of this research. This model shows financial capability consisting of skills, affective processes and behaviours. The model is presented in Figure 3.

Figure 3: Tripartite model of financial capability



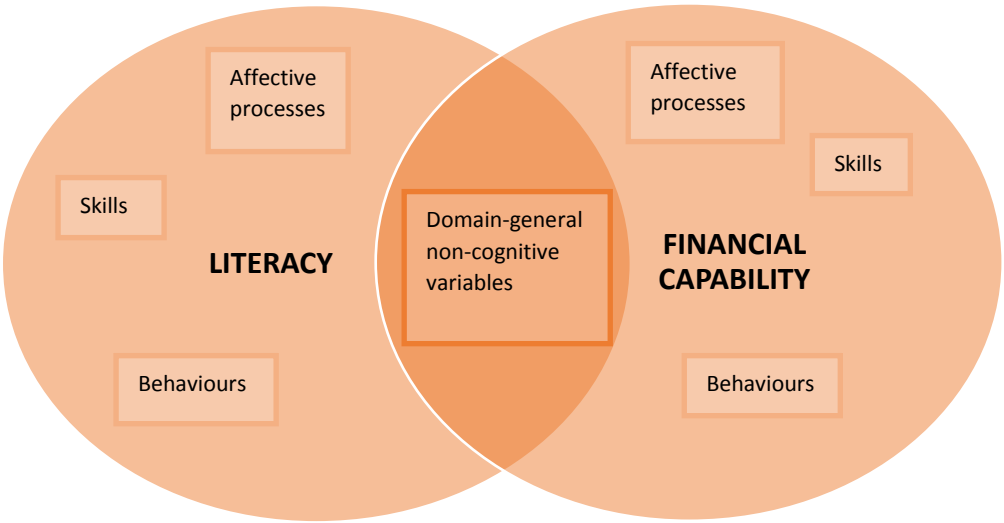
Some previous studies have suggested a relationship between the skills components of reading and financial capability. For example, findings from the Programme for International Student Assessment (PISA), which tests 15-year-old students across the OECD countries, have shown that there is a strong positive correlation[17] between financial capability and reading (OECD, 2017a). Earlier PISA results from 2012 had already indicated that 75% of the financial capability score can be explained by performance in mathematical and/or reading assessment (OECD, 2014). Indeed, the PISA 2015 financial literacy framework (OECD, 2017b) discusses the impact of other subject skills, such as reading and mathematics, on financial literacy, which they define similarly to our financial capability definition. It highlights that *"capacity to read and interpret the language of financial documents (…) is regarded as part of financial literacy"*.

In our evidence review, we started to explore why and how the two concepts could be linked beyond the skills. We highlighted that it is possible that non-cognitive variables, such as motivation, might explain the link between reading and financial capability (see Figure 4 for a visual representation of the theoretical model). In the past years, researchers in education have established the critical role of non-cognitive factors in educational success

[17] More specifically correlation of 0.75

and achievement[18]. For example, studies have linked non-cognitive variables such as self-efficacy and self-concept to performance in reading, mathematics and science[19].

Figure 4: Model of reading and financial capability connected by domain-general non-cognitive variables



We didn't find a single study that had explored the relationships between literacy and financial capability by also taking into account the comprehensive definition of the concepts beyond skill as well general motivation as possible mediators.

With the kind financial support of the Hymans Robertson Foundation, we therefore conducted survey and skills tests of children and young people to explore these issues further. 2,943 children and young people from 21 schools took part in the survey. The majority of them (N = 2,746) were secondary-school pupils from 17 schools; 197 primary pupils from four schools also participated.

Twelve schools also volunteered to assess their pupils' reading and financial capability skill. While 588 pupils were registered to take part in the testing process, 303 pupils could be matched for all three components: attitudinal survey, financial capability test and reading tests. 42.6% of them (N = 129) were primary-school pupils and 57.4% (N = 174) were secondary-school pupils. Please see Appendix 1 for more information on the tools used and a more detailed description of the sample.

[18] Khine, M. S. (2016). Non-cognitive skills in and factors in educational success and academic achievement. In M. S. Khine & S. Areepattamannil (Eds.), Non-cognitive Skills and Factors in Educational Attainment, Rotterdam: Sense Publishers

[19] Petway, K. T., Brenneman, M. W. & Kyllonen, P. C. (2016). Connecting non-cognitive development to the educational pipeline. In M. S. Khine & S. Areepattamannil (Eds.), Non-cognitive Skills and Factors in Educational Attainment, Rotterdam: Sense Publishers

What do we know about children and young people's reading and financial capability behaviours, motivation and self-perception?

Before we begin to explore the relationships between reading and financial capability, we thought it would be helpful to outline what children and young people thought about reading and financial capability in 2018.

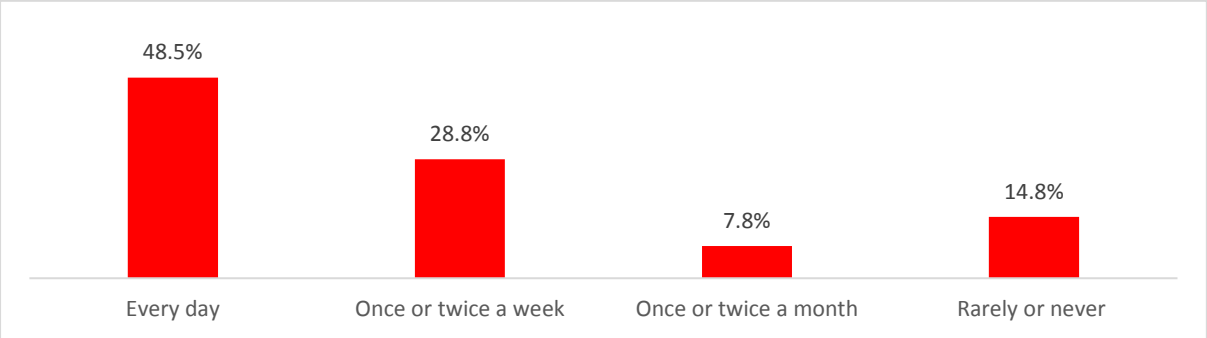
To do this, we used survey findings from 2,943 children and young people that provided insight into their behaviours, attitudes and self-perception of skill for reading and financial capability. We will first explore how often children engage in reading, what characterises their attitudes towards reading, and how they see themselves as readers. We will then explore the equivalent concepts in financial capability.

A look at children and young people's reading in 2018

Reading behaviours

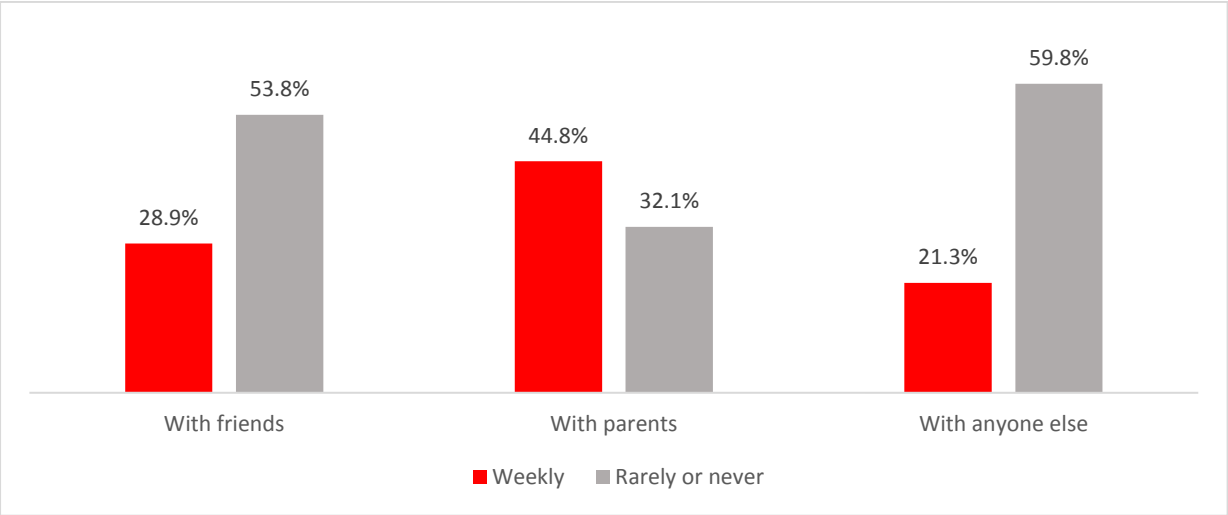
Choosing reading frequency as an indicator of children and young people's behaviours, we found that almost half of children and young people (48.5%) read daily outside class (see Figure 5). This increases to 3 in 4 (77.3%) for reading weekly outside class. At the same time, 14.8% rarely or never read outside class.

Figure 5: How often children and young people read outside class



We also explored how often children and young people talk about reading outside class to understand the social aspect of their reading behaviours. Children and young people are more likely to talk about reading with their parents than with their friends (see Figure 6). 44.8% of them say they talk about reading with their parents weekly compared with 28.9% talking about reading weekly with their friends. Similarly, while a third (32.1%) rarely or never talk about reading with their parents, over half of children and young people (53.8%) say this about talking with their friends.

Figure 6: Talking about reading

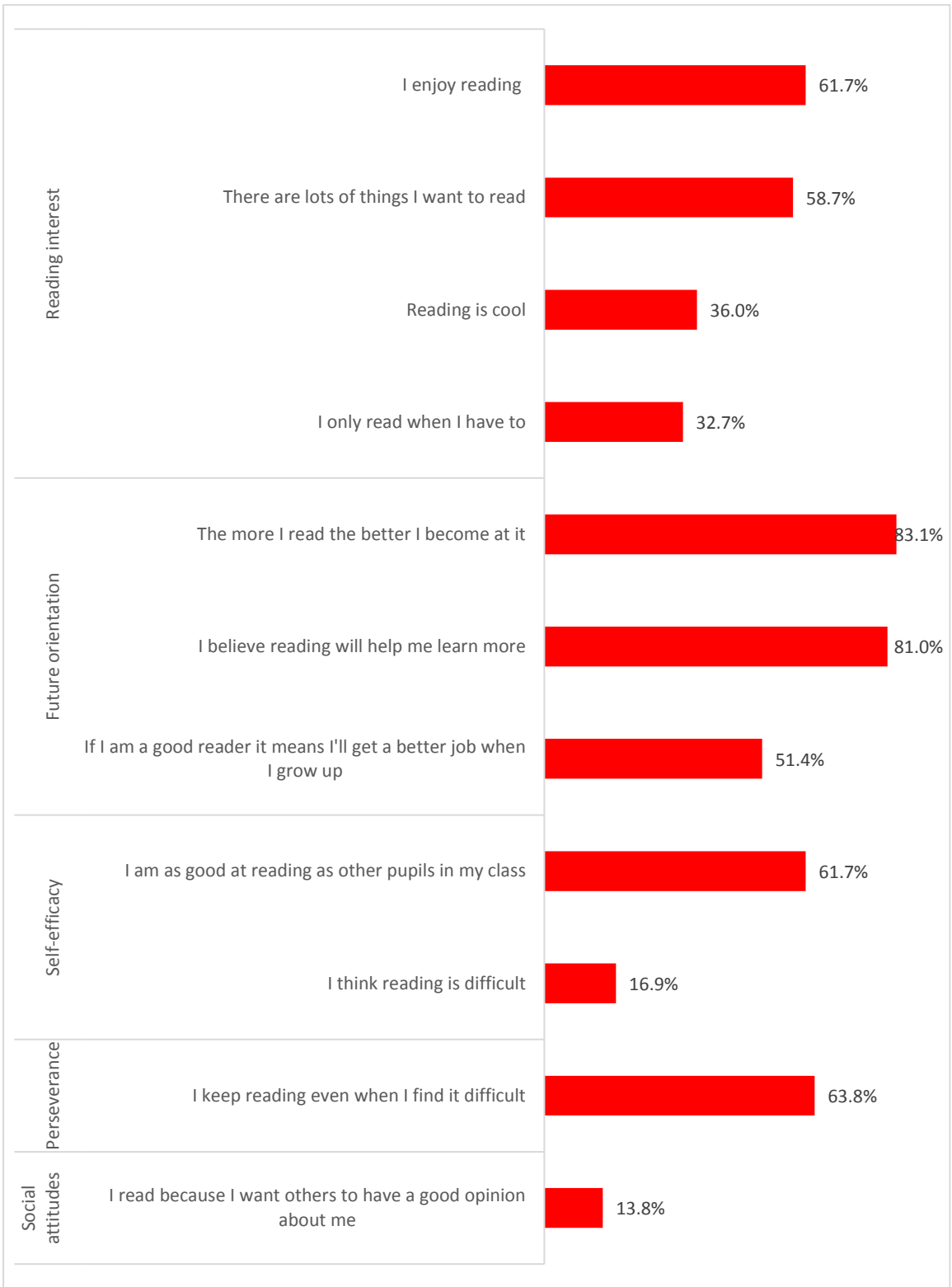


Affective processes: reading attitudes and self-perception of skills

Our survey also included questions about what children and young people thought about various aspects of reading. The findings show that children and young people have generally positive reading attitudes (see Figure 7). In particular, the majority of them see the value of reading for their future as more than 8 in 10 agree that the more they engage in reading, the better they become at it (83.1%) and that reading will help them learn more (81.0%). In addition, children and young people are generally interested in reading as 6 in 10 (61.7%) say they enjoy reading and 58.7% feel there are a lot of things they want to read.

However, the findings also show that there are children and young people who have less positive reading attitudes. For example, a third of the participants (32.7%) say they only read when they have to and only just over a third (36.0%) agree that reading is cool. Moreover, 1 in 6 (16.9%) feel that reading is difficult.

Figure 7: Percentage agreement with reading attitude statements



Finally, we also wanted to know how good a reader children and young people think they are, so we asked them to rate their reading skill on a scale of 1 to 10, with 1 being not a very good reader and 10 being a very good reader. On average, children and young people generally see themselves as good readers, with children and young people ranking themselves as 7.27 (SD = 1.91) on the scale of 1 to 10.

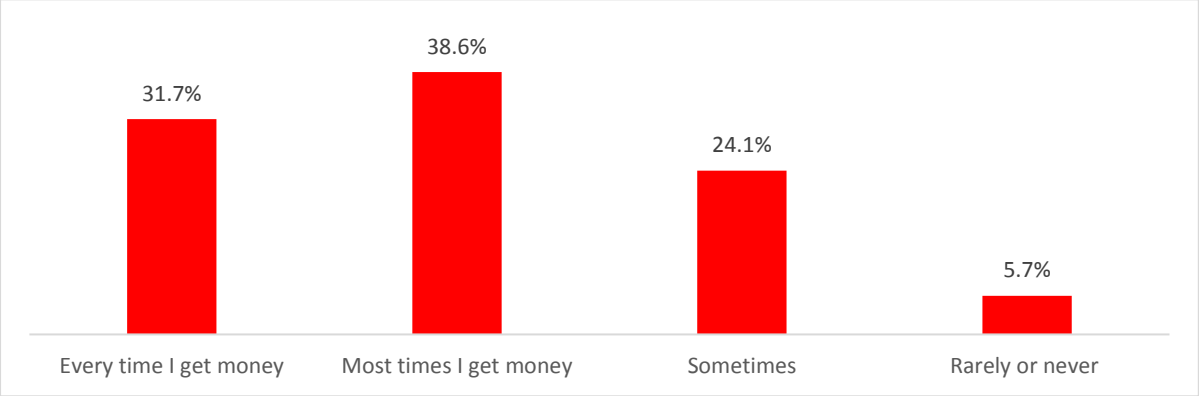
A look at young people's financial capability in 2018

Financial capability behaviours

Children and young people's financial capability behaviours are very positive. As Figure 8 below shows, nearly a third (31.7%) save at least some of their money every time they get some. This is higher than the findings from the UK Children and Young People's Financial Capability Survey conducted by the Money Advice Service in 2016[20], which found that only 12% of 8- to 17-year-olds saved money every time they got money.

Another 2 in 5 (38.6%) in our sample save most times they have money, and only 5.7% say they rarely or never save money. These are similar to the findings of the UK Children and Young People's Financial Capability Survey by the Money Advice Service, which found that 30% of 8- to 17-year-olds saved money most times while only 6% never saved money.

Figure 8: How often children and young people save money

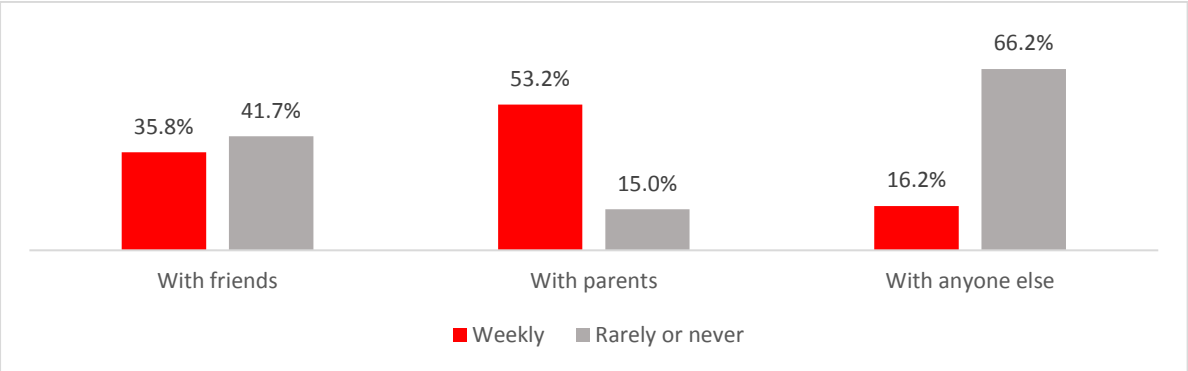


Similarly, 2 in 5 (40.0%) have saved for more than a year and another 2 in 5 (40.4%) have saved for more than a month. Only 4.2% say they have not saved money before.

As with reading, children and young people are more likely to talk about money with their parents than with friends (see Figure 9). Over half (53.1%) say they talk about money weekly with their parents compared with just over a third (35.8%) who talk about money weekly with their friends. While 41.7% rarely or never talk about money with their friends, only 15% rarely or never talk about money with their parents, indicating the importance of parental influence on children's financial capability development.

[20] Money Advice Service (2017). Financial Capability of Children, Young People and their Parents in the UK 2016: Initial results from the 2016 UK Children and Young People's Financial Capability Survey

Figure 9: Talking about money

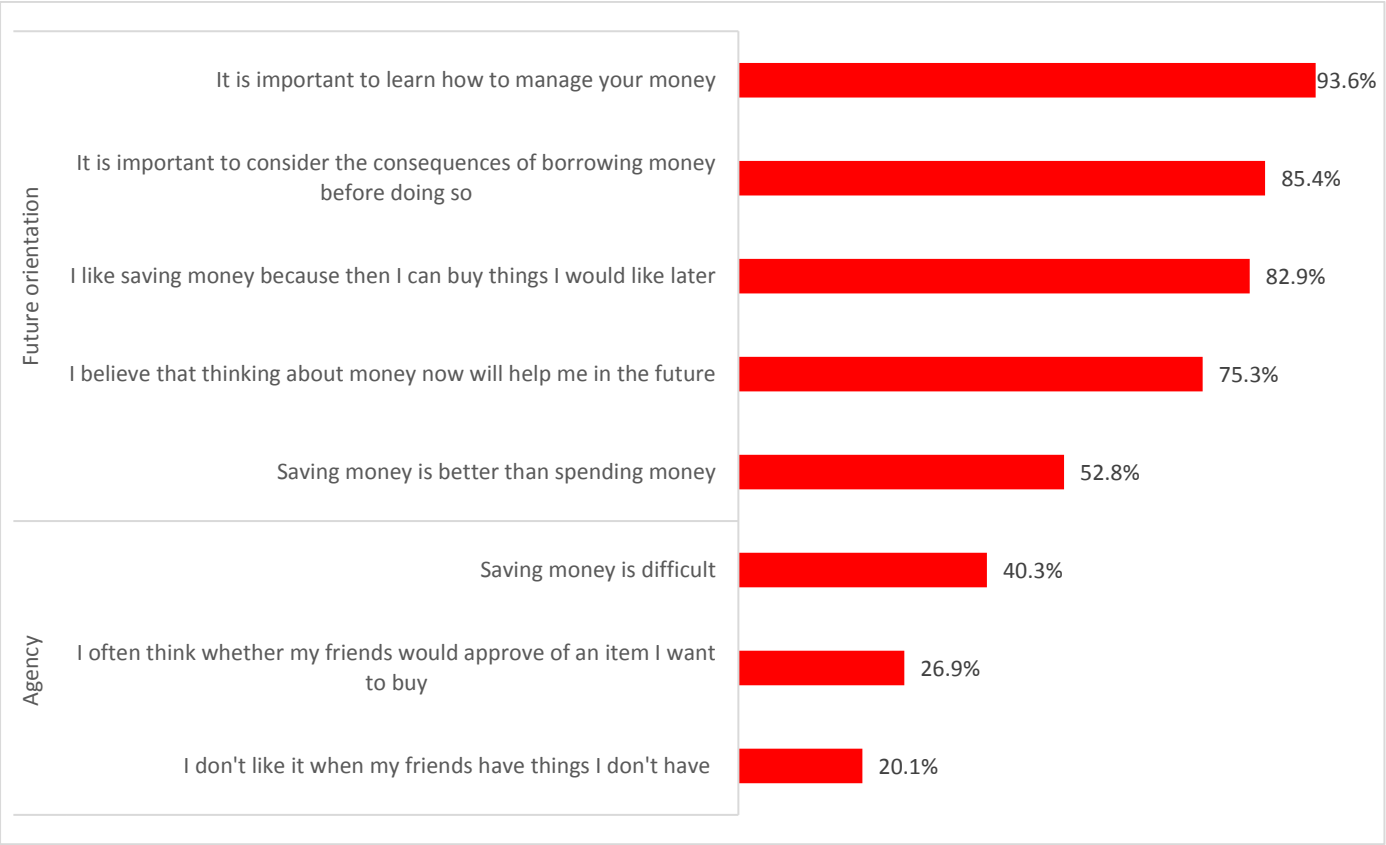


Affective processes: attitudes towards financial matters and self-perception of skill

We also wanted to know what children and young people think about managing money. Overall, children and young people have positive financial attitudes (see Figure 10). Nearly all children and young people see the importance of learning how to manage their money (93.6%). A majority also agree that it is important to consider the consequences before borrowing money (85.4%) and 3 in 4 (75.3%) agree that thinking about their money now will help them in the future.

Interestingly, while over 4 in 5 (82.9%) say they like saving money because it enables them to buy things they want later, only half (52.8%) agree that saving money is better than spending money. Moreover, 2 in 5 (40.3%) feel that saving money is difficult.

Figure 10: Percentage agreement with financial attitude statements



The findings also show that friends have some degree of influence on children and young people's financial behaviours. Over a quarter (26.9%) consider whether their friends would approve of items they want to buy and a fifth (20.1%) don't like it when their friends have things they don't have.

As part of the affective variables, we also explored how good children and young people consider themselves to be at managing money. On average, children and young people rate themselves as 7.15 (SD = 2.15) as to how good they are managing money on a scale from 1 to 10, where 1 is not good at all and 10 is very good. Interestingly, this is very similar to how they see themselves as readers.

Establishing relationships

The previous section has shown that children and young people are generally quite engaged in reading and financial capability. In particular, they have good self-perception of their skills and they are future-oriented in both reading and financial capability. We will now begin to explore whether children and young people's reading is related to their financial capability.

The link between skills in reading and financial capability

We had reading skill as well as financial capability data from 303 children and young people. In line with previous studies, we found that there is a positive moderate relationship between children and young people's reading skill and their financial capability skill (r = .419), which indicates that children who did well in their reading test also did well in the financial capability test.

This confirms findings from the handful of previous studies that have linked literacy and financial capability skills. For example, findings from the Programme for International Student Assessment (PISA) have shown a positive correlation between students' financial capability and reading scores[21]. In addition, the Financial Literacy Competence Model developed by the German Institute for Adult Education[22], based on both theory and data collected from experts and learners, includes reading as an everyday requirement for financial literacy competencies.

We explore the relationship between reading and financial capability skill further in Table 1, which looks at the likelihood of children and young people scoring in the bottom or top quartiles in the financial capability test depending on whether they scored in the bottom or top quartiles of the reading test.

As Table 1 shows, 35.6% of children and young people in the top quartile in the reading test also have good financial skills, whereas only 8.8% of those who scored at the bottom quartile in the reading test have good financial skills. This indicates that children and young people who have good reading skills are four times as likely to have good financial skills compared with their peers who have poor reading skills.

Conversely, 56% of children and young people who scored in the bottom quartile of the reading test also scored in the bottom quartile in the financial capability test, whereas only 12.3% of those who scored in the top quartile of reading scored in the bottom in financial capability, indicating that children and young people who have poor reading skills are almost five times as likely to have poor financial skills compared with their peers who have good reading skills.

However, it is also interesting to note that children and young people with better reading skills are more evenly divided in the financial capability quartiles than those with poorer reading skills. This might suggest that those with the poorest reading skills are particularly at risk of having poor financial capability skills.

[21] OECD. (2017a). PISA 2015 Results (Volume IV): Students' financial literacy. Paris: OECD Publishing. doi: http://dx.doi.org/10.1787/9789264270282-en

[22] Project CurVe. (2017). The Financial Literacy Competence Model. Retrieved January 17, 2019 from http://die-curve.de/Content/PDF/DIE_Competence_Model-engl.pdf

Table 1: Cross-tabulating reading and financial capability skill by quartiles

	Bottom quartile in financial capability skill	Lower middle quartile	Upper middle quartile	Top quartile in financial capability skill
Bottom quartile in reading skill	56.3%	20.0%	15.0%	8.8%
Lower middle quartile	18.2%	31.2%	31.2%	19.5%
Upper middle quartile	12.3%	26.0%	26.0%	35.6%
Top quartile in reading skill	12.3%	23.3%	28.8%	35.6%

Linking affective processes and behaviours.

In addition to linking reading and financial capability skill, we also wanted to explore whether children and young people's affective processes and behaviours around reading and financial capability are related. For consistency, we used the sample of 303 children and young people to analyse the relationships between affective processes and behaviours.

We found that there is only a weak relationship between children's reading behaviours and their financial behaviours (r = .183). This means that how often a child reads outside school or how often they talk about reading with their family or friends is only marginally linked to how often they save money or how often they talk about money with their family and friends.

However, how children and young people feel about reading and financial matters are related. As can be seen in Table 2, how children and young people think about the value of learning about money for the future is positively associated not only with their view of reading as a tool for the future but also with their interest in reading. Similarly, how much children focus on themselves as the agent in financial matters is linked to seeing the future benefits of reading and reading interest[23].

The self-perception components of affective processes in reading and financial capability were not found to be related to each other or the other affective components. This suggests that how strong a reader children and young people consider themselves to be is not associated with how good they see themselves at

[23] Note: in the large sample of 2,943 children and young people, there was no relationship between financial agency and reading interest or financial agency and reading future orientation

managing money. In addition, how children see themselves in reading and managing money is not linked to the other affective processes. This is interesting because within reading and financial capability, these links can be observed, such that reading self-perception was associated with reading motivational constructs and financial self-perception was associated with financial motivations (see Appendix 3).

These findings indicate that the more children focus on long-term benefits of learning about financial matters and the more they focus on themselves as the agent in financial matters, the more they are also focused on the long-term benefits of reading, and have greater inherent interest in reading.

Table 2: Moderate and strong correlations[24] between affective components of reading and financial capability

	Financial self-perception	Financial future orientation	Financial agency
Reading self-perception	ns	ns	ns
Reading future orientation	ns	.508**	.352**
Reading interest	ns	.410**	.453**

ns = non-significant correlation at p = .005

Having established that reading and financial skills as well as some affective processes are related, we will next explore whether these links can be explained by general motivation.

Interrelationships between reading and financial capability using general motivation as the conduit

Our literature review highlighted results that suggested that there might be a relationship between literacy and financial capability through motivation in general. For example, a study by Green, Martin and Marsh (2007)[25] on domain specificity in academic motivation suggests that while some types of motivational constructs are more subject-specific, others such as task management were correlated across subjects. Therefore, we explored various general academic motivations as part of our survey (see below for further details), with the ultimate aim to determine whether the link between reading and financial capability could be explained through these.

[24] Defined as correlation coefficient above .250

[25] Green, J., Martin, A. & Marsh, H. (2007). Motivation and engagement in English, mathematics and science high school subjects: towards an understanding of multidimensional domain specificity. Learning and Individual Differences, 17, pp. 269–279. doi: 10.1016/j.lindif.2006.12.003

How we defined domain general non-cognitive variables in this research

Domain-general non-cognitive items used in this research were adapted from items used to investigate general student behaviour and attitudes in PISA[26]. Together these adapted items are referred to as general academic motivation throughout this paper.

Perseverance is defined as "continued effort to do or achieve something despite difficulties, failure, or opposition" (Merriam-Webster, 2018[27]). This means that children and young people with high perseverance are less likely to give up when something is difficult. Perseverance can be seen to be linked to concepts such as growth mindset as students with growth mindset are likely to embrace challenges and make an effort to learn[28], and self-regulation which suggests ability to alter responses and inner states within the self[29], for example, managing psychological states such as emotions and attention.

Task persistence is sometimes treated as a synonym for perseverance. We defined it more specifically around continuing with tasks even when they are difficult, whereas perseverance refers to overall effort. This is supported by statistical analyses which showed that the items specific for tasks and the general perseverance item did not appear to measure the same construct[30].

Goal orientation was defined for this research as motivation to aim for success and commitment to achieving goals. Children and young people who are goal oriented want to succeed and know they can do so if they put in effort.

Problem-solving is considered as "willingness to engage with problems" [31].

Value of education is defined as having positive attitudes towards school in general and seeing school as a worthwhile activity.

[26] OECD. (2015). PISA 2015 draft questionnaire framework. Retrieved January 17, 2019 from https://www.oecd.org/pisa/pisaproducts/PISA-2015-draft-questionnaire-framework.pdf
[27] Dictionary entry: https://www.merriam-webster.com/dictionary/perseverance
[28] Ng, B. (2018). The Neuroscience of growth mindset and intrinsic motivation. *Brain Sci, 8(*2). doi: 10.3390/brainsci8020020
[29] Baumeister. R. F., Schmeichel, B. J., & Vohn, K. D. (2007). In A. W. Kruglanski & E.T. Higgins (Eds.), Social psychology: Handbook of basic principles (Second edition). New York: Guilford
[30] The internal consistency and inter-item correlations for items specific to tasks and the general perseverance item were low: Cronbach alpha .346; correlations were not significant
[31] OECD (2013). Students' Drive and Motivation (In PISA 2012 Results: Ready to Learn Volume III). Paris: OECD Publishing. doi: https://doi.org/10.1787/9789264201170-7-en.

A model of the relationships between reading and financial capability variables, and general academic motivation that link them

To explore how skills, affective processes and behaviours in reading and financial capability are related through general academic motivations, we created regression models where each reading component is predicted by the other reading components and general academic motivations, and where each financial capability component is predicted by the other financial capability components and general academic motivations.

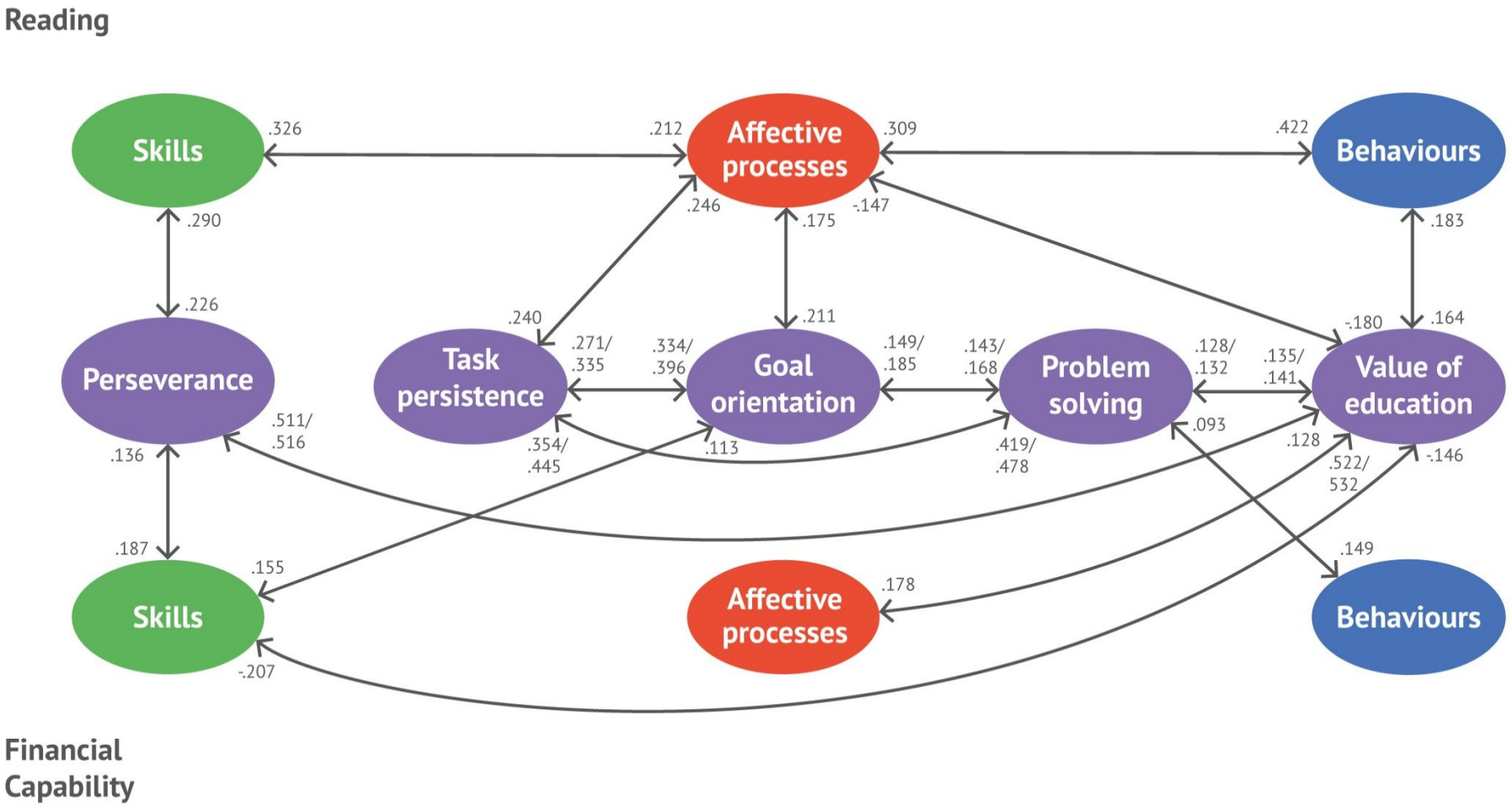
For this purpose reading future orientation, interest and self-perceptions were combined into one affective component, and reading frequency, talking about reading with friends, parents and others were combined into a behavioural component. Similarly, financial future orientation, financial agency and self-perception were combined into one affective component, and saving frequency, plus talking about money with friends, parents and others were combined into a composite behavioural component.

This process resulted in three models of reading and three models for financial capability. To explore the bidirectional relationships, we also created two models for each of the general academic motivation variables, one with each motivational variable predicted by the other general academic motivation variables and reading variables, and others where the other general academic variables and financial capability variables predict them. All the regression models can be found in Appendix 2.

The models were then collated into one for simplicity. The final model is presented in Figure 11[32].

[32] The interrelationships between general academic motivations only include those that were the same in the model run with reading and financial capability variables. The two beta values reflect the strength of the relationships in the model with reading variables and financial capability variables. The beta value given first relates to the model with reading variables.

Figure 11: Interrelationships between reading and financial capability variables, and general academic motivation that link them



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What the interrelationships between reading and financial capability tell us

As the model in Figure 11 shows, the dynamics between the reading components are quite different from the dynamics within the financial capability model: while the reading components are all linked to each other, there are no direct relationships between the financial capability components. This is somewhat contrary to previous findings by the Money Advice Service[33], which found that children's values and attitudes towards money are directly linked to financial behaviour, whereas ability plays a minor role in predicting financial behaviour. However, their design was aimed at exploring the links between the components of financial capability specifically, and therefore their models included a large number of variables in the financial capability field. Correlational analyses of the associations between the reading and financial capability variables themselves can be found in Appendix 3.

Looking at the model overall, we can see that the components of reading and financial capability are related through the general academic motivations both directly and indirectly, indicating complex relationships between the components.

In particular, **perseverance, or the degree to which children and young people are likely not to give up,** was found to be the only direct predictor of both reading and financial capability skill. These findings corroborate previous findings that perseverance is linked to skills in financial capability and reading. For example, the 2012 PISA results[34] found that students' performance in the financial literacy test was associated with their level of perseverance in all 18 participating countries and economies. Indeed, perseverance has been found to be a predictor of academic achievement in general[35].

As the relationships are also bidirectional, it is possible that perseverance changes in reading skills are reflected in financial capability skill and vice versa. Therefore, promoting perseverance for children and young people is important in supporting them to develop the skills they need both for reading and financial capability. Interestingly, financial skills are also associated with pupils' motivation to achieve and attitudes towards school, whereas reading skills are not linked to general academic motivations other than perseverance.

The model also shows indirect relationships between reading and financial capability. Behaviours are linked indirectly through **attitudes towards school**. Positive reading behaviour predicts positive attitudes towards school, which is related to a **willingness to solve problems**, a component of general academic motivation found to predict financial behaviours. These findings are not surprising in the light of previous evidence around the non-cognitive factors in education. Research has suggested that emotional engagement

[33] Clarke, T. & Ghezelayagh, S. for the Money Advice Service. (2018). Measuring financial capability in children and young people: What drives financial behaviour?

[34] OECD (2014). PISA 2012 Results: Students and Money: Financial Literacy Skills for the 21st Century (Volume VI). Paris: OECD Publishing. http://dx.doi.org/10.1787/9789264208094-en

[35] Duckworth, A. L., & Quinn, P. D. (2009). Development and Validation of the Short Grit Scale (Grit–S), Journal of Personality Assessment, 91(2), pp. 166-174. doi: https://doi.org/10.1080/00223890802634290

(e.g., how students feel about school in general) is linked to behavioural engagement, and they are often conceptualised as elements of the same overall engagement construct[36].

The relationship between motivation and self-perception in reading and financial capability is even more complex. As the model shows, reading motivation and self-perception are linked to **persistence in tasks and motivation to succeed and commitment to achievement**, which are associated with a willingness to solve problems and further to attitudes towards school. Positive attitudes towards school also predict positive financial capability motivation and self-perception. These findings indicate that there are relationships between domain-general and domain-specific motivations, and the domain-general motivations might work as a link between motivations in various subjects. While the relationship between general and specific motivations is likely to be extremely complex, some researchers have suggested that the differences in motivation can be traced to dispositional tendencies, suggesting some sort of general factor being related to specific motivations[37].

Overall, as literacy and financial capability are such vital life skills, teaching them should be as effective as possible. These findings indicate that integrating general academic motivation support as part of any programme would potentially enable supporting reading and financial capability simultaneously. We can say that general academic motivation acts as mediator of the relationships. It is possible that children and young people employ the same general learning strategies across reading and financial capability. This highlights the crucial role of non-cognitive skills in all learning, including reading and financial capability.

Conclusion

This research set out to investigate in depth the interrelationships between reading and financial capability skills, and affective processes and behaviours, as well as exploring what links these concepts. The findings show complex interrelationships between them.

We found that how good a reader a child is links to how financially capable they are, confirming previous findings. The links between attitudes towards reading and attitudes towards financial capability were less clear-cut and were extremely weak with respect to reading and financial behaviours.

The in-depth exploration of the relationships with general academic motivations show that perseverance links skills in reading and financial capability directly, suggesting that promoting perseverance in children and young people is important in supporting them to develop the skills they need both for reading and for financial capability.

We have also seen complex relationships between behaviours and affective processes in reading and financial capability through general academic motivations, suggesting that it

[36] Gutman, L. M. & Schoon, I. (2013). The impact of non-cognitive skills on outcomes for young people: Literature review. Retrieved March, 6, 2019 from https://pdfs.semanticscholar.org/f4a5/2db3001fb6fb22eef5dc20267b5b807fd8ff.pdf

[37] Judge, T. A. & Ilies, R. (2002). Relationship of personality to performance motivation: A meta-analytic review. Journal of Applied Psychology, 87(4), pp. 797–807

may be possible to integrate elements of reading into financial capability teaching and vice versa.

Practical recommendations

In practice, these findings suggest that it might be possible to integrate reading into financial education, and vice versa, through general academic motivations. Promoting perseverance in the classroom can have far-reaching implications for both literacy and financial skills development. Similarly, promoting persistence with tasks, motivation to succeed, openness to problem solving and general positive attitudes towards school can have positive implications for reading and financial capability motivations, self-perception and behaviours.

Practical work could focus on promoting perseverance to support development of reading and financial capability skills simultaneously. Perseverance and concepts that might support it, such as growth mindset and self-regulation, could be integrated in activities that tap into reading skill and financial capability skills through various existing teaching strategies.

Practical solutions could also explore ways to integrate and support other general academic motivations, such as persistence with tasks, motivation to succeed, positive attitudes towards school and willingness to solve problems in existing activities, and to promote positive motivations, self-perceptions and behaviours in reading and financial capability. For example, promoting aspirations as a way to tap into motivation to succeed could have an impact on the affective component of reading as well as financial capability.

Limitations and next steps

This research has focused primarily on the schools space but more research is needed to expand it to other contexts, such as focusing on parents and their influence on the relationship between the concepts. Future research could also focus on exploring the relationships between the individual components in more detail, building more detailed models of the sub-components, and exploring some of the negative relationships in the model in more detail.

As a first study of its kind, this piece sets out direction for future work. While more research is needed, the findings of this research should also be tested in practice. Practical work could focus on developing ways to integrate the findings into feasible programmes, which could then be rolled out as part of existing programmes in the literacy or financial capability sector or by creating new programmes incorporating both elements.

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About the National Literacy Trust

We are a national charity dedicated to raising literacy levels in the UK. Our research and analysis make us the leading authority on literacy. We run projects in the poorest communities, campaign to make literacy a priority for politicians and parents, and support schools.

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Suggested reference for this report is: Teravainen-Goff, A. and Clark, C. (2019). Reading and financial capability: Establishing relationships. London: National Literacy Trust.

Appendix 1: Methodology

School recruitment

We began recruiting schools to take part in this study in September 2018. The survey was promoted to all schools in the UK through the National Literacy Trust's social media channels, newsletters and other communications. The survey period ran from late October until the beginning of December 2018.

Sixty-one schools expressed an initial interest in taking part in the survey. All of them were invited to take part in the testing process as well. Twenty-two schools were interested in running reading tests and financial capability tests with their pupils.

Schools were incentivised to complete the tests and the survey with a £50 voucher of their choice. In addition, all schools taking part in the survey were entered into a prize draw of five £50 vouchers. Regular reminders were sent out to all schools to maintain contact throughout the survey period.

Sample characteristics

The survey included 2,943 children and young people from 21 schools. The majority of them (N = 2,746) were secondary-school pupils from 17 schools; 197 primary pupils from four schools also participated.

49.1% (N = 1,387) of the participants were boys and 50.9% (N = 1,438) were girls. 6.9% (N = 188) of the children said they receive free school meals, an indicator for socioeconomic background. This is half the national average (13.6%)[38].

68.4% of the sample (N = 2,005) were children and young people aged 11 to 14, and 16% (N = 469) were pupils aged 14 to 15. The sample also included children and young people aged 9 to 11 (6.7%, N = 197) and aged 16 to 17 (8.9%, N = 261).

Testing sample

While 588 pupils from 12 schools were registered to take part in the testing process, 303 pupils could be matched for all three components: attitudinal survey, financial capability test and reading tests. Of these, 42.6% (N = 129) were primary-school pupils and 57.4% (N = 174) were secondary-school pupils.

47.3% (N = 140) of the sample were boys and 52.7% (N = 156) were girls. 13% (n = 35) of the sample received free school meals.

[38] Department for Education. (2018). Schools, pupils and their characteristics: January 2018. Retrieved January 17, 2019 from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719226/Schools_Pupils_and_their_Characteristics_2018_Main_Text.pdf

Instruments

Survey of attitudes and behaviours

We designed separate surveys for primary and secondary-school pupils to ensure age-appropriate questions. These measured their reading and financial capability behaviours, attitudes and self-perception of skills, as well as general academic motivation. The questions for reading were adapted from the National Literacy Trust's Annual Literacy Survey. The questions for financial capability were adapted from the Financial Capability of Children, Young People and Their Parents in the UK survey by the Money Advice Service and the Financial Education Planning Framework developed by Young Money. The general academic motivation items were based on OECD's Programme for International Student Assessment (PISA) questionnaires. We obtained feedback on the surveys from experts in the field of financial capability, and the surveys were piloted using cognitive interviews.

Financial capability test

As no standardised financial capability test exists, a test was designed specifically for this project. The design was based on existing instruments, such as questions from the Financial Capability of Children, Young People and Their Parents in the UK survey by the Money Advice Service and the Financial Education Planning Framework developed by Young Money. Experts in youth financial capability reviewed the test before it was piloted using cognitive interviews. See Appendix 5 for details about the questions used.

Reading test

After careful consideration of various standardised reading tests, we selected Star Reading by Renaissance Learning to measure reading skills in our current study. Star Reading is an adaptive easy-to-administer test that provides norm-referenced reading scores with an average score of 100 and a standard deviation of 15. This means that participants who have standardised scores between 85 and 115 fall within the 'average' reading skill band. Participants who score below 85 have 'below average' reading skills and participants who score above 115 have 'above average' reading skills.

Variables

Combined variable scores and scales were used for some of the analyses. All the scales created have good internal consistency indicating that the items in each scale are related to each other and can therefore be used to measure a construct.

Reading variables

Reading behaviour

Reading behaviour score was created by combining frequency of reading outside class, frequency of talking about reading with friends, frequency of talking about reading with parents, and frequency of talking about reading with anyone else.

Reading affective processes

Factor analysis showed that there are two underlying factors in the reading attitudinal statements. First, items that were found to load similarly on both factors were discarded from the analyses. Nearly all of the items were then found to load on one of the factors. For this reason, the items were conceptually combined into reading interest scale and future orientation scale, and tested for internal consistency. Both scales reached an acceptable Cronbach alpha value (reading interest = .783; reading future orientation = .896).

Reading interest scale measures children and young people's inherent interest and positive disposition towards reading. The scale includes items like 'I enjoy reading', 'There are lots of things I want to read', 'Reading is cool', and 'I only read when I have to'.

Reading future orientation measures children and young people's focus on the long-term benefits of reading. This includes the items 'I believe reading will help me learn more', 'The more I read the better I become at it', and 'If I am a good reader it means I'll get a better job when I grow up'.

Reading self-perception was measured on a 10-point scale where pupils were asked to rate themselves as readers, with 1 being 'not very good' and 10 being 'very good'.

Affective processes score

A composite score of affective processes in reading was created by combining reading interest, future orientation and self-perception. To allow equal weight for each of the components, self-perception was reduced to a 5-point score by collapsing options 1-2, 3-4, 5-6, 7-8 and 9-10. This resulted in a score ranging from 1 to 15.

Overall reading engagement

Reading engagement score was then created by combining reading behaviours, reading interest and future orientation, and reading self-perception. This resulted in a score from 1 to 36.

Financial capability variables

Financial behaviour

Financial behaviour score was constructed by combining frequency of saving money, frequency of talking about money with friends, frequency of talking about money with parents, and frequency of talking about money with anyone else.

Financial affective processes

Factor analysis indicated two underlying factors in the financial capability attitudinal variables. A closer look at the factors indicated two scales, future orientation and financial agency, with none of the items loading on more than one factor. Both scales reached an acceptable Cronbach alpha value (future orientation = .711; financial agency = .672).

Financial agency scale measures children and young people's focus on themselves as the agent in financial matters. The scale includes the items 'I don't like it when my friends have

things I don't have', 'I often think whether my friends would approve of an item I want to buy', and 'Saving money is difficult'.

Financial future orientation scale measures children and young people's focus on long-term benefits of learning about financial matters. The scale includes the items 'It is important to learn how to manage your money', 'I like saving because then I can buy things I would like later', 'It is important to consider the consequences of borrowing before doing so', 'Saving money is better than spending money', and 'I believe thinking about my money now will help me in the future'.

Financial self-perception was measured on a 10-point scale where pupils were asked to rate themselves at managing money, with 1 being 'not very good' and 10 being 'very good'.

Affective processes score

Financial agency, future orientation and self-perception were combined into a composite affective processes score. The self-perception score was reduced to a 5-point scale by combining 1-2, 3-4, 5-6, 7-8 and 9-10. This allowed each subcomponent of the affective processes to have equal weight in the composite score. Therefore the score ranged from 1 to 15.

Overall financial engagement

Financial engagement scores were then created by combining financial behaviours, agency and future orientation, and financial self-perception. This resulted in a score from 1 to 36.

General academic motivation

As with reading and financial capability, factor analysis was conducted with the general academic motivation variables to explore underlying factors. Again, the items were found to be loading to two factors. However, most of the items were found loading on the first factor, and categorising the items this way would reflect overall academic motivation and would not allow refined analysis with separate components of academic motivation. Therefore, two multi-item scales were created conceptually. These are goal orientation (Cronbach alpha = .644) and task persistence (Cronbach alpha = .740).

Goal orientation scale measures children and young people's motivation to aim for success and commitment to achieving goals. It includes the items 'If I try hard enough, I can succeed in school', and 'I want to be very good at school'[39].

Task persistence scale measures children and young people's persistence to continue with tasks even when they are difficult. This scale includes the items 'When I start a task, I also finish it', and 'I carry on with a task whether it's difficult or not'[40].

[39] Cronbach's alpha = .644

[40] Cronbach's alpha = .740

The other general academic motivation items included in the survey could not be combined into scales because of conceptual differences or lack of internal consistency. These were included in the analyses as single-item variables. Two of the items ('I worry that I will get poor marks at school' and 'I want to be one of the best students in my class') were not found to relate consistently to the other items and were therefore excluded from all the analyses.

Problem solving measures children and young people's willingness to engage with problems and includes the item 'I like to solve all kinds of problems'.

Perseverance measures children and young people's efforts to achieve something despite difficulties. Perseverance was measured with the item 'When confronted with a problem, I give up easily'.

Value of education measures children and young people's attitudes towards school. The item used to measure this is 'School is a waste of time'.

Overall reading and financial capability scores

The engagement scores and test scores for reading and financial capability were combined into a score representing overall reading and a score for overall financial capability.

Statistics

Descriptive statistics

Descriptive statistics were conducted to explore children and young people's behaviours, attitudes and self-perception in reading and financial capability. These results are presented both in means (averages) and percentages where possible.

Inferential statistics

Pearson correlations were conducted to analyse relationships between the reading variables and the general academic motivation, as well as between the financial capability variables and general academic motivation.

General Linear Models were to explore differences in reading and financial engagement based on gender, age and socioeconomic background, and to create regression models for reading and financial capability.

Appendix 2: Statistical information from the analyses

Regression models

Figure 12: Process of creating the models for reading with R^2 value for each model

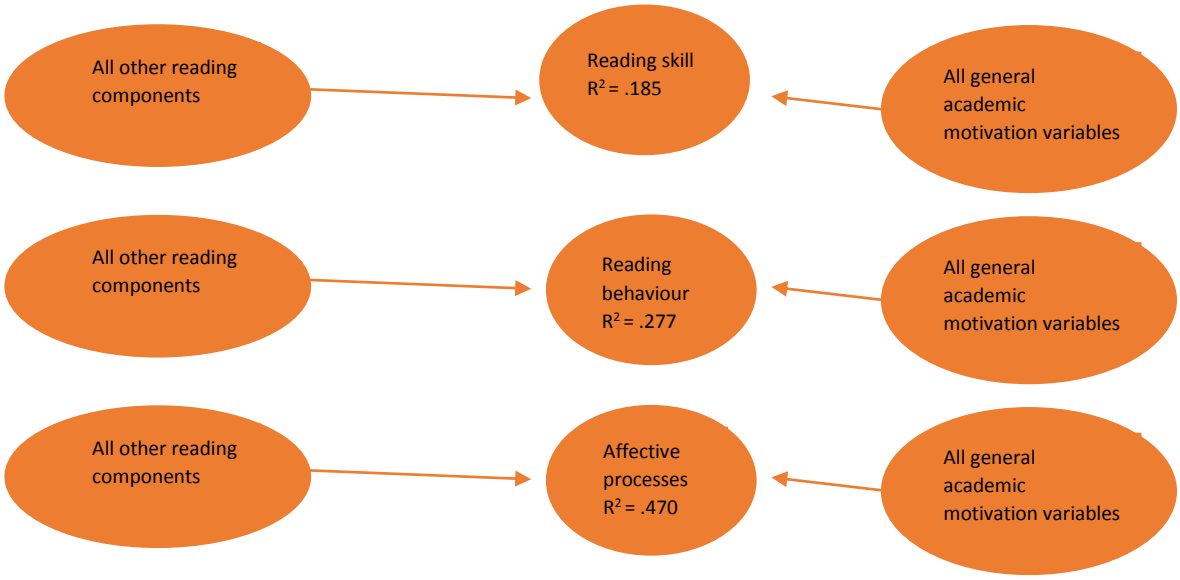


Figure 13: Process of creating the models of financial capability with R^2 value for each model

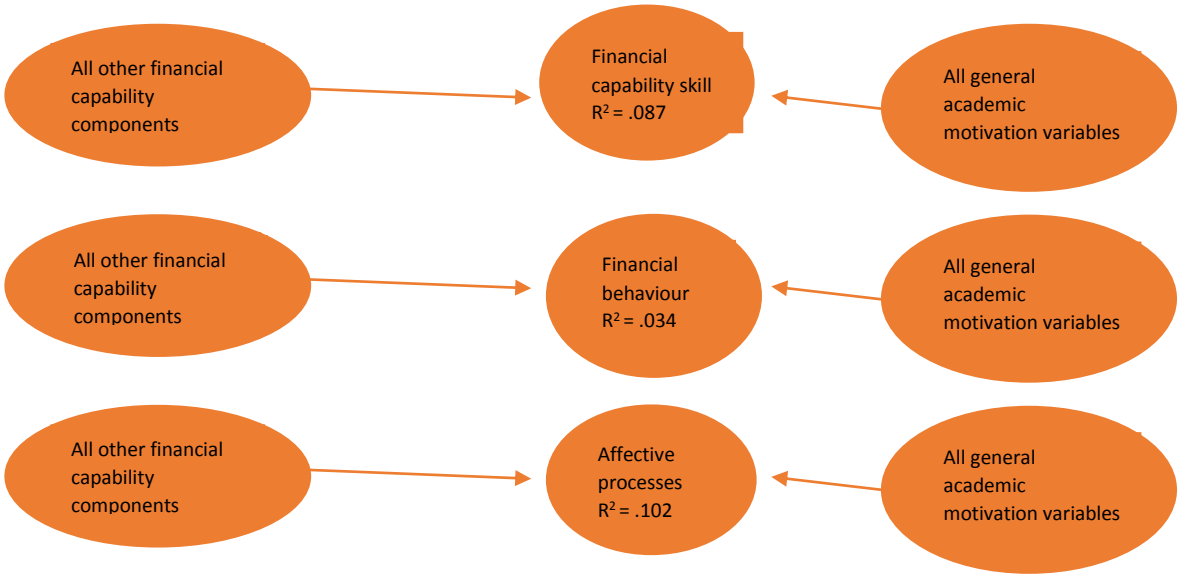
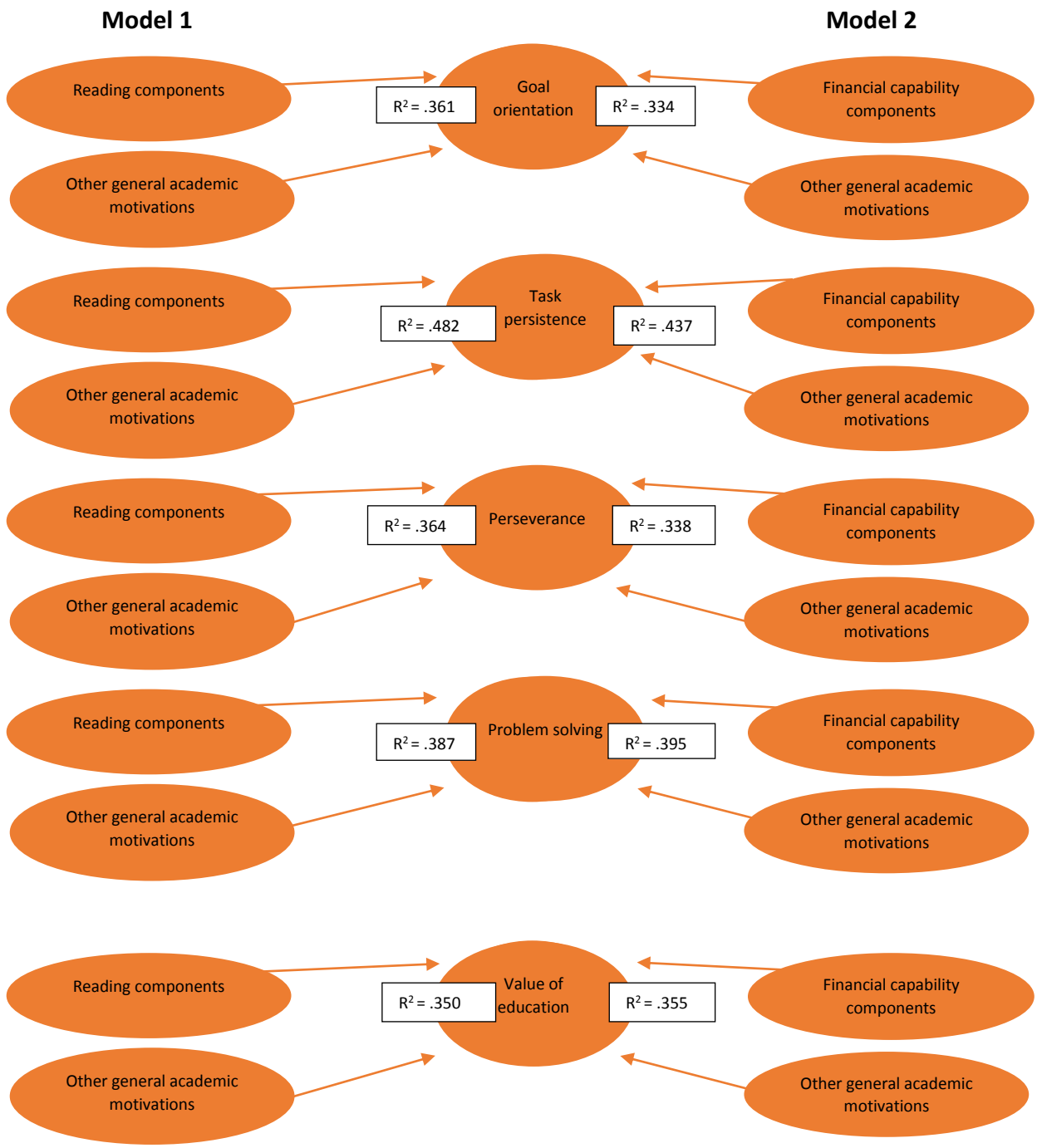


Figure 14: Process of creating the models for general academic motivations with R^2 value for each model



Appendix 3: Additional information on the analyses between reading and financial capability variables

Correlations between reading variables and general academic motivation

As Table 3 below shows, the components of reading are generally associated with each other as well as with general academic motivation. Children and young people's interest in reading and the degree to which they feel that reading has something to offer in the future in particular are associated with their motivation to succeed, persistence with tasks and willingness to solve problems, which suggests that domain-specific and general motivational constructs are interlinked.

Table 3: Moderate and strong correlations between reading components and general academic motivation[41]

	1	2	3	4	5	6	7	8	9	10
1 Reading behaviour	1	.250**	.450**	.424**	ns	.284**	.307**	.287**	ns	ns
2 Reading self-perception		1	.264**	ns	.325**	ns	ns	ns	ns	ns
3 Reading interest			1	.657**	ns	.453**	.541**	.484**	ns	-.306**
4 Reading future orientation				1	ns	.592**	.476**	.443**	ns	ns
5 Reading skill					1	ns	ns	ns	ns	.319**
6 Goal orientation						1	.538**	.485**	ns	ns
7 Task persistence							1	.612**	ns	ns
8 Problem solving								1	ns	ns
9 Value of education									1	.506**
10 Perseverance										1

ns = non-significant correlation at p = .005

Correlations between the financial capability variables and general academic motivation

As Table 4 below shows, there are fewer interrelationships between the components of financial capability compared with reading. The only statistically significant association was found between how good children and young people see themselves in managing money and how they see the future benefits of learning about financial matters. On the other hand,

[41] Defined as correlation coefficient above .250

the findings also show that the motivational constructs, focus on future benefits of learning about money, and focus on themselves as the agent in financial matters in particular are linked to general academic motivation, indicating a relationship between domain-specific and domain-general motivational constructs.

Table 4: Moderate and strong correlations between financial capability components and general academic motivation[42]

	1	2	3	4	5	6	7	8	9	10
1 Financial behaviour	1	ns	ns	ns	ns	ns	ns	ns	ns	ns
2 Financial self-perception		1		.252**	ns	ns	ns	ns	ns	ns
3 Financial agency			1	ns	ns	ns	-.258**	ns	.453**	.484**
4 Financial future orientation				1	ns	.519**	.574**	.480**	ns	ns
5 Financial skill					1	ns	ns	ns	ns	ns
6 Goal orientation						1	.538**	.485**	ns	ns
7 Task persistence							1	.612**	ns	ns
8 Problem solving								1	ns	ns
9 Value of education									1	.506**
10 Perseverance										1

ns = non-significant correlation at p = .005

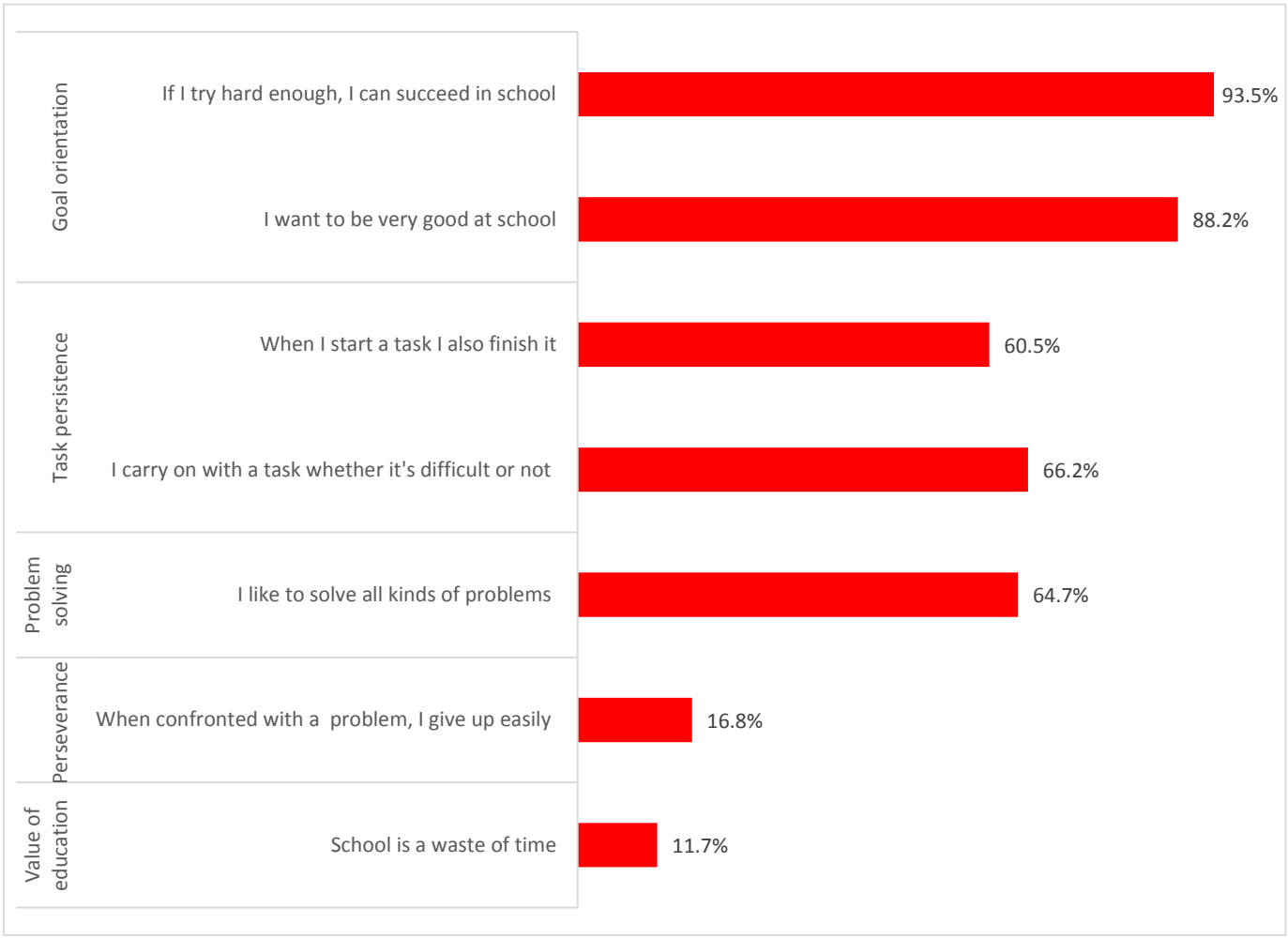
[42] Defined as correlation coefficient above .250

Appendix 4: Children and young people's general academic motivation

Figure 14 below presents children and young people's agreement to the general academic motivation items. It shows that children and young people have high goal orientation as 93.5% agree that they can succeed in school if they try hard enough, and 88.2% say that they want to be very good at school. The majority also show high persistence with tasks as 6 in 10 (60.5%) agree that when they start a task they also finish it, and 66.2% agree that they carry on with the task even if it's difficult.

While 64.7% agree that they like to solve all kinds of problems, 1 in 6 (16.8%) say that they give up easily when confronted with a problem. Over 1 in 9 (11.7%) also feel that school is a waste of time.

Figure 14: Percentage agreement with general academic motivation statements



Appendix 5: Financial capability test questions

Secondary-school-specific questions

Here are some commonly used financial words. Can you pick the word that best fits the description?

	Interest	Pension	Inflation	Balance	Tax	Benefit	Credit	Debit	Don't know
The money people pay to government	☐	☐	☐	☐	☐	☐	☐	☐	☐
The money that is added to savings by banks or building societies	☐	☐	☐	☐	☐	☐	☐	☐	☐
The amount the price of things in shops goes up by	☐	☐	☐	☐	☐	☐	☐	☐	☐
The money you get when you retire from working	☐	☐	☐	☐	☐	☐	☐	☐	☐
The amount of money you have in your bank account	☐	☐	☐	☐	☐	☐	☐	☐	☐

Are these statements true or false?

	True	False	I don't know
Direct debits take money from your bank account each month for regular bills	☐	☐	☐
Short term, high interest loans make your money grow	☐	☐	☐
A debit card takes money directly from your bank account, a credit card lets you borrow money and pay it back later	☐	☐	☐
Money in savings accounts has to be paid back later	☐	☐	☐

Priya receives an email from her bank saying there is a problem with her account. Which of the following should Priya do? (Please tick all that apply).

- [ ] Reply to the email message and provide her Internet banking details
- [ ] Call the number in the email message and provide her account PIN number
- [ ] Open her Internet bank on a secure browser and log-in to see what the problem is
- [ ] Find out the number of her local bank branch and call them but not provide passwords or PIN numbers over the phone

BEST BOOKS Delivery address: Ms A Terrington 33 Blue Street Meadow Hills AB0 1CD		Order # 205-9990466 Date: 1 February 2018 Payment method VISA **** 0001
Item code	**Name**	**Price**
224-568	Best books of all the time	£7.80
783-968	Cooking at home	£9.50
562-949	Popular sports	£4.99
Order summary Item(s) subtotal: £22.29 Postage and packing: £3.50 Total before VAT: £25.79 VAT: £1.28 Total: £27.07 Promotion applied: -£4.75 Grand total: £22.32		

Ms Terrington receives this order summary in her email. Why was this order summary sent to Ms Terrington?

- [ ] Because Ms Terrington needs to pay money to Best Books
- [ ] Because Best Books needs to pay money to Ms Terrington
- [ ] Because Ms Terrington has has ordered items from Best books and already paid for them
- [ ] Because Best Books wants Ms Terrington to buy the items

How much has Best Books charged for delivering the items? (amount in £) _____

What is the tax amount of the order? (amount in £) _____

MS A TERRINGTON

UK Bank
Green Street
Meadow Hills

Sheet 008 | Account Number 02-82-03 474935555

DATE		DETAILS	PAID OUT	PAID IN	BALANCE
1-Feb-18		BALANCE BROUGHT FORWARD			25.00
1-Feb-18		BACS TRANSFER SALARY		1000.00	
1-Feb-18	DD	ELECTRICITY BOARD	30.00		995.00
2-Feb-18	DD	CAR INSURANCE	50.00		
2-Feb-18	ATM	XXX BANK MEADOW HILLS HIGH STREET	150.00		795.00
4-Feb-18	CHQ	100009	35.00		760.00
6-Feb-18	DD	XXX MOBILE PHONE COMPANY	30.00		730.00
10-Feb-18	DD	XXX MORTGAGE BANK	200.00		530.00
12-Feb-18	ATM	XXX BANK MEADOW HILLS HIGH STREET	120.00		410.00
15-Feb-18	SO	NEW BUILDING SOCIETY	50.00		360.00
20-Feb-18	CHQ	10010	300.00		60.00
28-Feb-18	CR	NET INTEREST		1.00	61.00
28-Feb-18		BALANCE CARRIED FORWARD			61.00

Key to abbreviations

DD	DIRECT DEBIT
ATM	ATM CASH WITHDRAWAL
CHQ	CHEQUE
SO	STANDING ORDER
CR	AUTOMATED CREDIT

Looking at this example of a bank statement...

What was the balance of the account at the end of February? ☐

How much money did Ms Terrington withdraw from the ATM in February? ☐

How much money in February was paid to her account as interest? ☐

Which of the following things do most adults pay for, and which do most adults get for free because they are paid for by tax money?

	Pay for	Get for free	Don't know
Council tax	☐	☐	☐
Electricity or gas at home	☐	☐	☐
Borrowing a book from a library	☐	☐	☐
Water at home	☐	☐	☐
Internet at home	☐	☐	☐
Rent or mortgage	☐	☐	☐
Visit to a GP for a regular check up	☐	☐	☐

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?

☐ 120 ☐ 102 ☐ 1020 ☐ 1112 ☐ 112 ☐ 1002

MENU	
FOOD	
Pizza	£3.50
Chips	90p
Home-made individual dishes	£4.00
Salad (Bowl)	£1.50
Salad (Plate)	£2.00
Assorted Sandwiches	£3.50
Biscuits	£1.50
Yoghurt	70p
Fruit/ Fruit Salads	50p/£1
Pasta / Sauce	£3.00
Beans	60p
Jacket Potatoes with fillings	£2.50
Hot Baguettes	£4.00
Paninis	£3.50
DRINKS	
Milk	50p
Fresh juice	£1
Water	Free

Ms Granger has £20 to spend per day. She spends £2.00 on the bus to get to the town centre. She then goes to a cafe and orders lunch. She has a pizza, salad bowl, biscuits and fresh juice.

How much has Ms Granger spent today?

How much does she have left?

If she spends the same every day, how much does she have left after 5 days?

Ms Granger wants to save money for going to a cinema and dinner with friends. She decides to drink water instead of fruit juice and eat jacket potato instead of pizza.

How much less money does she now spend each day?

How much will she save over 5 days?

Primary school specific questions

Which one of these is worth the most?

☐ 50p

☐ £1

☐ 1p

Which one of these is worth the least?

☐ £10

☐ £5

☐ £20

BEST BOOKS		Order # 205-9990466 Date: 1 February 2018
Delivery address: Ms A Terrington 33 Blue Street Meadow Hills AB0 1CD		Payment method VISA **** 0001
Item code	**Name**	**Price**
224-568	Best books of all the time	£7.80
783-968	Cooking at home	£9.50
562-949	Popular sports	£4.99
Order summary Item(s) subtotal: £22.29 Postage and packing: £3.50 Total before VAT: £25.79 VAT: £1.28 Total: £27.07 Promotion applied: -£4.75 Grand total: £22.32		

Look at this order summary.

How much money did Ms Terrington spend in total?

How much money did she spend before VAT?

How much money did Ms Terrington save with the promotion?

☐ £4.75 ☐ £1.28 ☐ £25.79 ☐ £3.50

MEADOW HILLS SUPERMARKET
1 High Street, Meadow Hills

Potatoes (1 kg)	£1.50
Lemons (2 pcs)	£0.90
Tomatoes (500g)	£1.70
Cucumber	£0.50
Chicken breast fillets (400g)	£2.90
Marmite	£2.50
Prawns (200g)	£3.40
Kidney beans	£1.00
Raspberry jam	£1.60
Free range eggs (12 pcs)	£2.90
Hand soap **DISCOUNT** 2 FOR £2.00 (norm. £3.00)	£2.00
Frozen chips (1 kg)	£1.00
Tea	£3.00
Shampoo	£3.50
Oats	£1.20
Cat food **DISCOUNT** -£1	£2.00
Lettuce	£0.50
Mild cheddar	£3.00
Milk (2 pints)	£1.00
Washing-up liquid	£1.20
Flour (1 kg)	£1.50
Spaghetti (1 kg)	£1.60
Spinach and ricotta tortellini (200g)	£1.80
Mustard	£1.40
TOTAL	£43.60
SAVINGS TODAY	£2
PAID	£50.00
CHANGE GIVEN	£6.40

Thank you for shopping at Meadow Hills Supermarket. Goodbye!

Look at the receipt of Ms Terrington's recent shopping.

How much money did she spent on hand soap?

How much money did she save overall on her shopping?

How much did she give to the cashier?

How much money did she get back?

MENU	
FOOD	
Pizza	£3.50
Chips	90p
Home-made individual dishes	£4.00
Salad (Bowl)	£1.50
Salad (Plate)	£2.00
Assorted Sandwiches	£3.50
Biscuits	£1.50
Yoghurt	70p
Fruit/ Fruit Salads	50p/£1
Pasta / Sauce	£3.00
Beans	60p
Jacket Potatoes with fillings	£2.50
Hot Baguettes	£4.00
Paninis	£3.50
DRINKS	
Milk	50p
Fresh juice	£1
Water	Free

Ms Granger has £20 to spend today. She spends £2.00 on the bus to get to the town centre. She then goes to a cafe and orders lunch. She has a jacket potato, salad bowl, biscuits and fresh juice.

How much has Ms Granger spent today?

How much does she have left?

Zig is 16, and he is an alien who has come from another planet to live on Earth. He can choose 3 of the items you see below. Can you pick the 3 most important things you think he needs to live here?

- ☐ Water supply
- ☐ Internet access
- ☐ Tablet or iPad
- ☐ Car
- ☐ Food
- ☐ New clothes
- ☐ Mobile phone
- ☐ A house to live in
- ☐ Books
- ☐ TV

Zig doesn't have any money but he will need some so he can buy the things he will need to live here. What would be the best way for him to make sure he gets the money he needs to live here? (Please tick one only).

- ☐ Get a job
- ☐ Go to a cash machine
- ☐ Go to find a money tree in the park
- ☐ Borrow from other people
- ☐ Hope to be given some

A game you like costs £35. How many £5 notes will you need to buy it?

1	2	3	4	5	6	7	8	9	10	More than 10
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Where are good places to keep your money? (Please tick as many as you want)

- ☐ In a piggy bank or money box
- ☐ In a purse or a wallet
- ☐ In the garden
- ☐ Around the house
- ☐ In a car
- ☐ In a bank account
- ☐ Under your bed

I can buy 6 bottles of water for £2.40 or 8 bottles for £2.80. Which is better value for money?

- ☐ 6 bottles for £2.40
- ☐ 8 bottles for £2.80
- ☐ They are equally good

Questions in both primary and secondary school survey

Paul has £1000 to spend for a month. Below you can see what costs Paul has to consider for the month. Can you help Paul to create a budget by ticking which items he should spend money on?

- ☐ Phone bill £30
- ☐ New computer £400
- ☐ Transport to work £100
- ☐ New pair of shoes £70
- ☐ Electricity bill £50
- ☐ A birthday present for a friend £30
- ☐ Credit card payment £50
- ☐ Water bill £50
- ☐ Food £200
- ☐ A new computer game £20
- ☐ Dinner in a restaurant £20
- ☐ Cinema tickets £10
- ☐ Haircut £20
- ☐ Rent £500
- ☐ Internet bill £20

Which deal is better value for money?

☐ Deal A ☐ Deal B ☐ They are equally good