



## Economic Research Council

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# ERC's Response to the Department for Education Curriculum and Assessment Review

The Economic Research Council (ERC), has submitted a comprehensive response to the Department for Education's Curriculum and Assessment Review. The ERC is calling for a renewed focus on economic literacy in secondary education to better prepare students for life, work, and further study in an increasingly complex global economy.

Economic literacy extends beyond personal financial management; it encompasses a deep understanding of how economies function at personal, societal, and global levels. While financial literacy helps individuals manage their money, economic literacy empowers them to critically evaluate public policies, understand economic events, and make informed decisions that impact both their lives and society as a whole.

*"Economic literacy equips young people with essential skills to navigate modern life. It enables meaningful participation in society, informed voting, and engagement with issues that affect communities worldwide." – David Dike, Director of the Economic Research Council*

A recent YouGov survey revealed that **only 52% of Britons understood that a fall in the rate of inflation means prices are rising, albeit at a slower pace.** This example of one of many significant gaps in economic understanding underscores the urgent need to embed economic education within the national curriculum to foster a more informed and economically capable society.

### Our submission identifies a number of issues:

- **Fragmented Economic Concepts:** Economic topics are scattered across Citizenship, PSHE education, and Geography without a cohesive framework, leading to redundancy and often shallow coverage.
- **Absence of Fundamental Ideas:** Essential concepts like scarcity, opportunity cost, and market dynamics, are often missing or only implicitly referred to, leaving students ill-equipped to understand how economies function.
- **Structural Barriers:** The low uptake of GCSE Economics, and a shortage of specialist teachers due to limited Economics PGCE places hinder the subject's accessibility and quality.



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To address these issues, the ERC proposes the following actions:

- **Embed Economic Literacy Across Subjects:** Integrate economic principles into existing subjects to create a cohesive learning experience.
  - **Citizenship:** Strengthen content to better elucidate public aspects of economics, and their relationship with key economic concepts.
  - **PSHE:** Emphasise personal economic wellbeing through deeper engagement with economic concepts such as those involved in the process of decision making. Ensure economic content is made a statutory part of PSHE education.
  - **Geography:** Build on the focus on economic development, to explore wider macroeconomic ideas that help to shape students' understanding of the world.
  - **Mathematics:** Strengthen financial numeracy through direct links to economic concepts such as inflation. Encourage data interpretation and manipulation to promote analytical skills.
- **Develop a Cohesive Economic Literacy Framework:** Economic content across subjects should be mapped out to avoid redundancies and gaps in provision of content. There should be a collective understanding of the economic content that is required to enable young people to be economically literate and live a functional life in society, much like the Voluntary National Content Standards in Economics in the USA.

By establishing a foundational level of economic understanding across these subjects, all students will acquire essential knowledge that prepares them for active citizenship. Optional courses like GCSE and A-Level Economics can then delve deeper into more complex concepts, allowing interested students to explore the subject in greater depth.

We invite educators, policymakers, parents, and the public to support the integration of economic literacy in schools. For more information, please use the contact information below.

### About Us

The Economic Research Council (ERC) is the UK's oldest economics think tank, dedicated to advancing economic understanding and literacy. Our mission is to ensure that individuals and communities are equipped with the knowledge and tools needed to navigate the complexities of modern economies.

Through our research and advocacy, we strive to shape the conversation around economic education, ensuring it is inclusive, accessible, and relevant for all. Together, we are working to empower society with the skills and knowledge people need to thrive in an ever-changing world.



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