



Numeracy for Life Committee inquiry

IFoA Response

The Institute and Faculty of Actuaries (IFoA) is a royal chartered, not-for-profit, professional body. We represent and regulate over 34,000 actuaries worldwide, and oversee their education at all stages of qualification and development throughout their careers. Actuaries are big-picture thinkers who use mathematical and risk analysis, behavioural insight and business acumen to draw insight from complexity. Our rigorous approach and expertise help the organisations, communities and governments we work with to make better-informed decisions. In an increasingly uncertain world, it allows them to act in a way that makes sense of the present and plans for the future.

- The IFoA's [Great Risk Transfer campaign](#) highlighted how many risks that were previously managed by institutions (such as the state, financial services providers and employers) are now the responsibility of individuals.
- Since adults are now expected to own a greater degree of risk in their financial lives, it is important that they are equipped with the necessary skills to manage this and have a level of financial literacy. This includes basic budgeting skills, understanding financial products, managing credit to ensure affordable borrowing as well as building financial resilience to manage risks of negative life events. Numeracy skills are only part of financial literacy, but a crucial part.
- The impact of low numeracy can be felt by an individual throughout their life- from where to put your savings and whether to go to university, requiring student loans, to budgeting and managing life events like buying a house or having a child.
- 2026 research conducted by the financial education charity Money Ready found that [financial illiteracy costs the average person £641 per year](#).

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Introduction

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The Institute and Faculty of Actuaries (IFoA) welcome the opportunity to respond to the Numeracy for Life Committee's inquiry into Numeracy for Life.

It is important to note that, as with any IFoA consultation response, we have considered the committee's inquiry from an independent, public interest perspective.

We are only answering a subset of the questions, reflecting our financial education expertise.

Questions

Numeracy skills

3. What are the essential numeracy skills and knowledge needed throughout life?

The IFoA's [Great Risk Transfer campaign](#) highlighted how many risks that were previously managed by institutions (such as the state, financial services providers and employers) are now the responsibility of individuals.

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4. What are the effects of low numeracy throughout life on 1) individuals, including their career, financial and health outcomes, 2) the economy, and 3) society?

The impact of low numeracy can be felt by an individual throughout their life—from where to put your savings and whether to go to university, requiring student loans, to budgeting and managing life events like buying a house or having a child.

2026 research conducted by the financial education charity Money Ready found that [financial illiteracy costs the average person £641 per year](#). The biggest mistakes include leaving money in a low or zero interest account (made by 28% of people), not switching to cheaper deals such as for energy or broadband (22%) and paying for unused subscriptions (20%). Money Ready asked the 3,000 respondents to estimate how much they had lost because they had put off making a decision or made the wrong choice. 43% said that better budgeting knowledge could have saved them money, while 34% admitted they had avoided making a financial decision because they were confused about what to do.

The report found that almost 4 in 10 UK adults (39%) report feeling anxious when thinking about money, while 27% feel ashamed of their financial knowledge. This stress translates into tangible consequences: 21% lose sleep, 21% make poor financial decisions in response to stress, 15% experience strain in relationships, and 14% withdraw from social circles. Stress is often linked to a lack of clarity or confidence about finances. Many adults feel overwhelmed (24%) or unsure where to start (20%), which can create a cycle of avoidance

and costly mistakes. People frequently struggle with big financial decisions: 15% delayed mortgages or loans due to confusion, while 28% worry they overpaid for major purchases.

5. How is numeracy likely to change in the future, in particular as a result of technological developments such as AI? How can the curriculum, teaching and maintenance of numeracy skills through life keep pace?

The IFoA has been considering the impact of AI on our members as well as new opportunities it may bring. We noted in response to a recent consultation: “It is likely that AI will lead to considerable displacement of roles within the financial services sector. There is, however, scope for individuals to reskill and focus on alternative, value-adding roles, including interpreting AI-generated outputs, model governance, risk management and AI ethics”. ([ifoa-response-to-fca-mills-review.pdf](#))

We would expect a similar mixture of disruption and opportunity in relation to maths education. In a [letter to the Education Secretary](#), Lord Mair CBE, Chair of the House of Lords Science and Technology Committee wrote the following in relation to maths and AI:

In the medium-term, there is a case for reforming the curriculum properly to reflect the widespread use of computers in practical mathematics, for an AI and data-driven age. This would put a higher value on coding, as well as high-level conceptual abilities in mathematics: abstracting real-world problems into mathematical problems that can be computed by machines and interpreting the result. Without this, there is a risk that maths education is increasingly seen as irrelevant. However, changing the curriculum overnight will prove difficult. Both the Royal Society Mathematical Futures project and the Maths Horizons project are working on suggestions for curriculum reform, and the Government has announced an expert panel to advise on changes needed to the educational system to improve digital skills.

Numeracy education

8. How effective is the maths education system, both in terms of curriculum and teaching, in providing students with numeracy skills? What are the key barriers to gaining a strong foundation in numeracy at school?

We support a more prominent role for financial education in schools, both for its own sake and to boost motivation for improved numeracy. In responding to the Government’s recent consultation on its Financial Inclusion Strategy we said. “On financial education and capability, the Strategy includes proposals to make this compulsory in the primary school curriculum in England, a measure we advocated in evidence to the House of Commons Education Committee in 2023.” ([ifoa-response-to-treasury-select-committee-consultation-on-financial-inclusion-strategy.pdf](#))

Numeracy for adults

12. What is the current provision of numeracy education and skills training for adults, and how accessible is this? What examples are there of work in this area, particularly since the end of the Multiply programme?

The UK risks a problem on the supply side, with the conclusion of the [Multiply programme](#) leaving a significant gap in provision. Much can be learned from the experience of the Multiply scheme, both in its successes and limitations. As Lord Mair wrote in his letter:

Solutions must engage with people where they are—both in terms of ability, need, and physical location. There is a need to devolve funding to employers and local authorities, who are best placed to identify helpful interventions, while also holding them to account for adult numeracy outcomes. Skills England provides an opportunity to coordinate adult education (at least for England), but is still in the process of being set up, and what it will cover remains unclear.

14. What are the key challenges in addressing low numeracy in adults and how can adults be motivated and supported to participate in education and training to improve numeracy levels? What role does financial literacy and inclusion play in providing motivation and improvement in numeracy?

As we identified in our report on the [Great Risk Transfer](#) mentioned earlier, numeracy skills are crucial in helping consumers make informed decisions around financial services such as pensions and insurance. People could be encouraged to be proactive in improving their numeracy skills if they see this as a means to the end of being more confident with their finances.

15. What steps might be taken to improve adult numeracy?

In 2023 the then IFoA President encouraged the previous Government to go beyond proposals for maths education to age 18 and “to address the maths capability of those who have already left school, supporting them in developing appropriate numeracy life skills, such as household budgeting, as well as looking at adult reskilling in association with employers.” ([Government must collaborate to deliver on maths initiative](#))

Should you have any questions or wish to discuss any of the points raised above, please contact Olivia Fox: olivia.fox@actuaries.org.uk in the first instance.