

YOUNG PEOPLE, ECONOMIC WELLBEING AND FINANCIAL CAPABILITY

PROJECT REPORT

1. Background

The National Youth Agency undertook a project to bring young people's experiences and views into the heart of a conference on young people's financial capability organised by the Financial Services Authority (FSA) and sponsored by Barclays Bank. There was a particular focus on involving young people from disadvantaged backgrounds and increasing understanding of the barriers they face.

'Economic wellbeing' is one of the five Every Child Matters outcomes which, since 2004, have formed the basis of children and young people's policy. It is fundamental to young people's transition to wellbeing in adulthood, and the aim is that young people:

- ▶ engage in further education, employment or training after leaving school;
- ▶ are ready for employment;
- ▶ live in decent homes and sustainable communities;
- ▶ have access to transport and material goods;
- ▶ live in households free from low income; and
- ▶ parents, carers and families are supported to be economically active.

'Economic wellbeing' is the least attended to of the five outcomes; the project therefore aimed to explore ways of increasing economic wellbeing through improving young people's financial capability.

2. The process

The project focused on young people experiencing different forms of disadvantage. There were four different groups:

- ▶ young people on vocational learning programmes run by Nacro Newcastle;
- ▶ young people supported by Richmond upon Thames Looked After Service;
- ▶ young people in supported housing or living independently supported by Centrepont, London; and
- ▶ disabled young people supported by Oxford Youth Enablers (OYE), Oxfordshire County Council.

The project had three stages:

- ▶ desk research on the experiences of the identified groups and of other research on money and money management;
- ▶ four focus groups to explore the financial experiences of specific groups of young people and identify

themes for conference workshops, which took place in October 2008; and

- ▶ 'Right on the Money', a national conference on young adults' financial capability and economic wellbeing, which took place in March 2009 and included workshops run by young people from the organisations which supported the focus groups. The conference was attended by over 200 delegates from a wide range of statutory, voluntary, private and financial agencies.

The young people taking part received vouchers to recognise their time and effort, and members of one group (homeless young people) were helped to go on to a personal development programme. The projects also received funding in recognition of their time and costs, which in some cases were substantial. It took two days, for instance, for the OYE young people to prepare their presentations.

3. The conference programme

The conference consisted of a mix of presentations on aspects of financial capability; two panel discussions on why money matters from the perspectives of professionals and



from young people, and workshops, including the four led by young people and others on 'money mastery', devolving budgets to young people and YouthBank (supporting grant-making by young people).

4. **Headline messages from the focus groups**

The National Youth Agency had prepared a paper giving headline findings from the four focus groups to help those running the workshops at the national conference to identify the key issues for participants to explore. These included:

- ▶ Many young people believed that although money is necessary for a decent life, it does not in itself make people happy.
- ▶ The combination of young people's living situation (whether with family, in supported housing or living independently) and whether they are in education, employment, training or unemployed are the critical factors affecting their economic wellbeing.
- ▶ Young people living at home, receiving financial support from parents or carers, disability benefits and the Educational Maintenance Allowance (EMA) were the best off financially in all four groups. The most vulnerable young people were those dependent on benefits who were living independently or in supported housing and who had not previously been in care.
- ▶ The young people involved in the focus groups and conference reported experiences of both absolute and relative poverty. Young people dependent on benefits such as Job Seeker's Allowance could not meet essential costs such as rent, food and utility bills, let alone engage in positive activities or go

out with friends, resulting in social isolation and depression. This level of hardship also made it very difficult to obtain suitable clothing or meet travel costs to work or training, creating a vicious circle.

- ▶ All groups identified a job as their main aim, and the only way to achieve economic wellbeing. Education and volunteering were seen as a passport to securing work. The current recession was seen to make it much more difficult for young people to find work.
- ▶ Groups identified that having 'enough money' meant being able to:
 - ▶ pay bills as they fell due;
 - ▶ eat every day;
 - ▶ stay on in education and training;
 - ▶ pay for travel for education, work and leisure activities;
 - ▶ buy toiletries for personal hygiene and afford cleaning materials;
 - ▶ take part in some leisure and social activities with friends;
 - ▶ save for clothes, presents and special trips and holidays; and
 - ▶ not to have to worry about money.
- ▶ Some young people borrowed money from family and friends but this could result in strains on all-important relationships.
- ▶ Young people reported varied experiences of support from adults. They recognised the importance of learning how to manage their money, and stressed that youth workers, social workers or other support staff need to have the skills and information to support them in developing financial capability.
- ▶ Young people identified a range of difficulties resulting from inflexible systems, including barriers to them opening bank accounts or securing concessionary bus passes, and delays in paying benefits or EMA.

5. **Conference and focus group recommendations**

Following their discussions, young people in the focus groups identified some potential solutions to the experiences they reported. They then asked conference delegates to make recommendations for action to address these issues. Some of the issues and identified solutions were reported across more than one group. They included:

- ▶ **All agencies and individuals** should recognise that young people from disadvantaged groups have aspirations which are similar to those of their peers, although they may need some specific support to achieve them.
- ▶ **Banks** should give young people more support in opening accounts, including being more flexible about the ID required, not requiring young people to pay bank charges, and ensuring that young people know about overdrafts and interest payments.
- ▶ **Banks and other financial agencies** – in conjunction with other agencies such as local authorities, schools, youth support and social services – should provide information and training in financial management for young people and the adults that advise and support them, such as youth workers, social workers and support staff.
- ▶ **Government departments** (such as Work and Pensions) should provide better and clearer advice on the different benefits and allowances available and how they impact on each other.
- ▶ **The government** could introduce a variety of actions to reduce living costs for young people, including free or subsidised travel (similar to that for the over-60s), reducing



student fees, abolishing the age distinctions in the minimum wage.

- ▶ **The government** should encourage employers, through financial incentives, to offer young people from disadvantaged groups placements and other opportunities to gain work experience, with support as appropriate to their different circumstances.
- ▶ **Statutory and voluntary agencies** should develop a range of mechanisms and processes to ensure that the young people they work with have opportunities to express their views.
- ▶ **Local statutory and voluntary agencies** should review and improve their support, including better information, advice and guidance, for young people accessing adult services once they reach the age of 19.

'Young people need to be more of a priority, because we are the future of the nation. Not giving the young people the right support now will have consequences on the community later on.'

'It would be good for youth workers to be trained on how to help us manage our money and economic wellbeing.'

'Banks and the private sector should be involved in the training of young people – they should come out more.'

'It can be really difficult sometimes just to get information, you have to keep on hassling.'

Each workshop also explored issues and made recommendations to improve the experience of specific groups of young people. These included:¹

Disabled young people

- ▶ **Transport:** the young people and conference delegates made a range of suggestions to improve awareness and take-up of concessionary bus travel, including posters, adverts, use of electronic databases to contact disabled young people and simplified application procedures. More accessible information about routes and timetables is also needed at bus stops and on the buses themselves.
- ▶ **Employment:** young people reported being discriminated against by employers who could not see past their disability, and by being required to see specialist staff at job centres which meant that they had to wait longer for an appointment. They recommended that the Department for Work and Pensions should ensure that all staff receive training in working with disabled young people, know what they are entitled to, and can communicate clearly with them. The government should also encourage employers to offer placements to disabled young people, including support, flexible hours and opportunities to job-share.
- ▶ **Money:** young people with disabilities may need personalised support in managing money. While the young people had different experiences of controlling their money, most wanted to manage their spending, but with support.

'We are all different – and if we have special needs then this should be put aside and we should be able to have the same things as others – we all need things like bank accounts.'

'Before I got my bus pass I didn't

have a life. I couldn't go and see my family, or do my volunteering, or see my solicitor about my little girl. My carers and social workers didn't know about free passes for disabled people, and I needed a lot of help in getting one.'

'When I go to the job centre I have to see someone who is trained in special needs. In the whole job centre there is only one person who is trained, and she has a waiting list of a couple of months.'

Looked after young people

- ▶ **Money and money management:** looked after young people did not have adequate incomes, and they suggested that local authorities, in partnership with looked after young people, should undertake a review of the real costs of living independently. Local authorities should also ensure that young people and those working with them know about their entitlements and how to access them.
- ▶ **Support and transitions:** young people highlighted their vulnerability without parental support. They stated that more resources are needed to support post-18 foster care, and that there should be explicit expectations that foster carers help prepare young people for independent living. Conference delegates highlighted the need for consistent educational and social care support for looked after young people, ideally with the same professionals providing continuity. Peer mentors would offer useful support.
- ▶ **The corporate parent role:** conference delegates made various suggestions on how local authorities



could be more effective corporate parents. These included providing job opportunities and apprenticeships specifically for looked after young people; financial support (eg through savings accounts) to meet future needs such as housing or further/higher education; and working with financial services to help young people access bank accounts and develop money management skills.

'You do what you have to do to make sure you cover rent, food and electric. You often don't have a life.'

'If you are in education there is more help from Social Services. But this requires you to be on the ladder already.'

'There are difficulties about the support we need to help set up our house. We don't have the backing of parents.'

Homeless young people

► **Lack of support:** young people living in supported housing or independently who were not looked after by the local authority – and therefore entitled to social care – were highly vulnerable.² They reported varying experiences with social workers and other adults; while some felt that they had been well supported, others felt that they were stereotyped and judged negatively by the adults providing services. Conference delegates identified the need for local authorities to offer more support for 16 and 17-year-olds who are in need but not in care.

► **Systems compounding problems of low income:** young people's situations were often made

worse by inflexible or unreliable systems. These included delays in accessing benefits, waiting times in job centres, and problems in getting back into the hostel system if they moved away temporarily. Conference delegates noted the need for young people to receive support when making the transition from unemployment into work, including managing the period before they receive any pay.

► **Support for buying clothes:** Being able to buy decent clothes was seen as important in improving young people's quality of life and sense of wellbeing, and in helping them get jobs, but was not possible when on benefits. Recommendations to address this included young people on benefits receiving vouchers, clothes allowances (including seasonal allowances) and schemes supported by voluntary organisations.

'I manage the money the best I can, but no matter how much I budget, it's just not enough because the figures are not realistic.'

'You have to start somewhere when it comes to a job, but no one gives me a chance because I have no experience and I can't get experience until I work.'

'No one here has a family to rely on and turn to. Christmases and birthdays are spent alone so you feel abandoned. No support from family drives you to do things you don't want to.'

Young people in vocational learning

► **Learning how to be 'good' with money:** young people recognised

that while many of their problems stemmed from low income, they also needed to make responsible choices about spending. They felt that they had not had family support to learn about money. They acknowledged that they and other young people often spent money on impulse, but saw this as the result of not having enough money; if they had more money they would have more chance to think about how they spent it.

► **Educational Maintenance Allowance (EMA):** EMA was the primary source of income for most young people in this focus group. While they were positive about receiving it, they identified problems including the level of the allowance, conditions related to attendance and behaviour, complicated forms and bureaucratic processes. Recommendations from the young people and conference delegates included reviewing the level of EMA as part of the move towards raising the age of participation in education; reviewing the rules about attendance so that young people did not lose the whole week's allowance for one day's absence; and introducing an online form which flags up errors or omissions.

'Young people have to attend all week to receive EMA – adults don't lose a whole week's worth of pay if they can't make it in one day, it's discrimination.'

'Banks should be easy to figure out.'

'The forms are too hard, even our parents have problems.'

6. Conclusions

The NYA, the FSA and Barclays Bank thank the young people and their



organisations who put significant time and effort into the focus groups and workshops. The combination of their personal stories, aspirations to work and achieve economic wellbeing and their enthusiasm and energy for solutions and change were challenging and inspiring.

This report and the accompanying four briefing papers identify clear actions to be taken by all those who work with young people, or whose activities affect their lives, both nationally and locally. Our intention is that this leads to change to secure better economic wellbeing for disadvantaged young

people. Readers of this report and the briefing papers may wish to consider convening one or more focus groups of local young people to find out what are the major issues affecting their economic wellbeing and to work out together how to address these.

The reports and briefing papers should be publicised both to workers and directly to young people. Production of a young people's version and an accessible version would assist dissemination of their messages.

November 2009

Notes

- 1 See the separate briefing papers for a more detailed account of issues and recommendations relating to disabled young people; looked after young people; homeless young people; and those in vocational learning.
- 2 A recent law lords judgment now requires local authorities to offer vulnerable young people accommodation until they reach 18, and support at least until the age of 21. See www.fishermeredith.co.uk/news/index.cfm?id=704 for more information.



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