

## Mind the money gap! Northern youths lag behind Southerners in financial knowhow

**11-18 year olds in London and the South East have more money smarts than young people in the North, according to a new study.**

The charity, MyBnk, crunched the data on the 33,000 young people taking part in their financial education workshops in England in 2014/15.

Youths were measured on their skills, knowledge and confidence covering everyday personal finance issues such as budgeting, banking, pensions, tax and public finance. They were also assessed on how they applied this knowhow.

On average there was a near 10% detrimental gap between Northern and Southern youngsters, leaving them less equipped to deal with other regional inequalities in jobs, poverty, and social mobility. The stakes are high. If this gap is maintained into adulthood it can both increase the risk of unsustainable debt and lead to poor decision making.

Personal debt in the UK is currently edging towards £1.5 trillion.

### **Lowest capability - Biggest response**

Young people in Hartlepool and Haringey appear to struggle the most with money matters.

Yet, after MyBnk sessions, this skills gap is closed, with young people in the same areas showing the most improvement.

Young people from Southwark, London, demonstrated the country's highest proficiency in money matters.

### **The UK's most effective youth money project**

MyBnk will be tackling the issue of poor money skills head on in workshops across the UK as part of Global Money Week (March 14th-20th) when millions of young people will be taking part in related events across the globe.

The government's Money Advice Service has given MyBnk's flagship schools programme, Money Twist, the UK's highest effectiveness rating for improving young people's financial capability. Post-session, students see a 40% increase in understanding credit, interest rates and inflation, an 18% rise in positive attitudes towards money, and a 25% jump in skills.

Money lessons form a limited part of the national curriculum, and 59% of pupils do not receive any financial education, as academies and free schools can opt out and sixth forms do not have to teach it at all.

## Quote:

*“Our data shows young people are a lot more aware of the world of money than you may think, but they don’t necessarily understand how it effects them or how to manage it. It also demonstrates how the effectiveness of financial education varies widely across schools and regions.*

*This study reveals the huge potential of young people when they receive relevant expert-led financial education that works. Funding is tight and it is becoming harder to deliver frontline projects like ours which help narrow the inequality gap and fuel the Northern Powerhouse.*

*The time has come to properly fund effective financial education for young people in UK schools.”*

**Guy Rigden, CEO MyBnk.**

## Top 5 local authorities, in terms of youth financial capability:

1. Southwark.
2. Redbridge.
3. Kensington & Chelsea.
4. Tower Hamlets.
5. Sutton.

## Bottom 5 local authorities, in terms of youth financial capability:

1. Haringey.
2. Hartlepool.
3. Wandsworth.
4. Middlesbrough.
5. Newham.

## Top 10 most improved local authorities:

1. Wandsworth.
2. Newcastle upon Tyne.
3. Newham.
4. Hillingdon.
5. Middlesbrough.
6. Lewisham.
7. Merton.
8. Hartlepool.
9. Plymouth.
10. Cornwall.

## Methodology:

We monitored 8,000 young people who were asked 14 questions, answering on a scale of 1-4. 1 being 'Definitely No' and 4 'Definitely Yes' before and after our sessions.

## Examples:

- I can use a budget to help me make effective use of my money?
- I feel confident managing my money?
- I can identify the risks of financial decisions?
- I know how pensions work?
- I know how to prioritise my wants and needs?

## About MyBnk:

MyBnk is the UK's leading trainer, designer and direct deliverer of financial and enterprise education programmes for young people. Its experts bring a range of workshops covering topics such as saving, tax, budgeting and university finance, to 11-25 year olds in schools and youth organisations.

Programmes are created by its in-house team and young people. Education Officers are rigorously trained and are assessed by young people and teachers after every session.

For more information or to attend a MyBnk session, please contact [declan@mybnk.org](mailto:declan@mybnk.org) or call 0207 377 8770