



An assessment of the financial education needs of young people in the Brighton and Hove Area

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Acknowledgements

The most important acknowledgement goes to all the participants who took part in meetings, discussions, and interviews organised in order to collect data for this report. It is not an overstatement to say that all of the participants – the Local Authority, service providers, voluntary and community organisations, regional organisations and young people – shared a genuine desire to make a positive contribution to addressing the challenges associated with developing financial education in the Brighton and Hove area.

The Aldridge Foundation and MyBnk would especially like to thank the 16 young people who participated in the focus groups; their willingness to make their voices heard and to contribute their experiences in depth has shaped this report and will enable many other young people to benefit from the outcomes of this research project.

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Executive Summary

This report is structured in three main parts: firstly, it maps the young people in the Brighton and Hove area; secondly, it identifies existing service providers and initiatives; and finally, it focuses on assessing young people's need for financial education. Central to its findings are the voices of the young people who participated in the study. Our analysis attempts to understand both their financial behaviour and their perspective on the need for financial education.

This report identifies the main providers of financial education within the Local authority as well as external providers like pfeg (Personal Finance Education Group), local charities and some of the High Street Banks. It is not an extensive analysis of every service provider of financial education in the Brighton and Hove area.

There were the following findings:

- Despite the apparent wealth of the Brighton and Hove area, a large proportion of young people are living in deprived areas, and are thus affected by multiple deprivations, such as educational underachievement and extreme financial exclusion. Many of these young people fall into the categories of vulnerable groups.
- Financial education is covered more in primary and secondary schools than in further education or in out of school environments like youth clubs. Although the Local Authority is at the 'early stages' of developing an overall schools strategy for financial capability, there are concrete efforts being made to ensure that it's delivered.
- Few programmes are delivered directly to young people and most activities focus on business money management rather than personal money management.
- Out of school national initiatives, such as YouthBank, have been developed for young people in youth groups. This particular initiative provides young people with the opportunity to manage large budgets for projects that benefit the community. Housing associations, Foyers and youth groups have been extremely responsive and have expressed interest in providing their young participants with access to financial education, identifying it as one of the areas of greatest educational need.
- Service provision is relatively disjointed due to a lack of communication between providers and, their subsequent lack of awareness of the different services and initiatives. What repeatedly came out of interviews was a strong desire to work in greater synergy, to have more opportunities to communicate with each other, and to have each provider's role clearly mapped out.

The voices of Young people

When participants considered their relationship with money: stress, confusion, concern, fear, isolation and a lack of understanding were reoccurring themes brought forward. Increased confidence and more financial education were their solutions for improving their relationship with money.

Introduction

This research results from the partnership of two organisations who aim to empower the lives of young people across the country: The Rod Aldridge Foundation and MyBnk.

Existing Research

National Context

When looking at research about financial education, a lot of quantitative studies have explored young people's attitudes towards money and highlighted the need for further financial education. The main national literature reference is the Financial Capability Baseline Survey (2005) conducted by the Financial Services Authority (FSA). It established that young people have lower financial capability than other age groups, even allowing for their lower incomes and relative inexperience of financial institutions. Young people do, however, want access to financial education: 94% of 16 year olds believe it is important to learn how to manage their money.

Regarding qualitative studies, one main study has collected and analysed young people's views about money and financial services. This independent study, called MoneySense, has been commissioned by RBS. It has been conducted over a five year period, involves 10,000 young people across the UK, and aims to seek the views of young people of secondary school age. Its findings clearly highlight the increasing need for personal finance education.

Regional Context

At a regional level, there is no specific research around financial education. Nevertheless, the South East England Development Agency (SEEDA) has conducted a study on the levels of financial exclusion in the South East. This study has shown that despite its successful economy, the region is characterised by pockets of extreme financial exclusion. Brighton and Hove is a striking local example of this situation. Indeed, SEEDA has constructed an Index of Financial Exclusion which ranks Super Output Areas (SOAs) in the South East. This index allows the location, scale and intensity of financial exclusion to be identified. One of the main findings of this research is that the Coastal South East region contains the five Local Authorities with the largest number of SOAs characterised by extreme financial exclusion. Brighton and Hove is one of them, with 27 SOAs under this category¹ (see map in annexes). It has been estimated that 231,000 people in those five areas suffers from extreme financial exclusion. Access to financial services is a huge issue in some of the most deprived areas.

Financial exclusion can become inter-generational, as children grow up not knowing how to manage money, savings and credit. Education is one of the ways to promote financial inclusion. The 2007 briefing paper for Local Authorities from the Social Inclusion Partnership for the South East underlined the consequences of financial exclusion on child poverty and expressed the importance of teaching financial capability to eradicate it in the Brighton and Hove area.

Local context

There is no specific available data about financial education in the Brighton and Hove area. However, pfeg are organising a pupil voice event for secondary students in Brighton and Hove to identify their concerns about money, their experience of being taught financial capability at school, and how they would like to see it improve. This research will start in February 2010. The event is one of a series across the South East that is being regionally supported by pfeg and the national healthy schools team. The project will aim to gather data that can be used to inform teaching and learning across the region and to identify effective models of consultation that can be replicated by other Local Authorities and schools that are not taking part in the project itself.

¹ Financial Exclusion in the South East of England: Summary, conclusions and recommendations, SEEDA, 2008

² The 2001 Census, The Office for National Statistics, <http://www.statistics.gov.uk/census2001/census2001.asp>

Aims and objectives

The purpose of this research report is to assess the financial education needs of young people in the Brighton and Hove area. It starts by mapping the young people in the area; it then identifies the existing services and initiatives; and finally focuses on assessing young people's need for financial education. Central to its findings are the voices of the young people who participated in the study. Our analysis attempts to understand both their financial behaviour and their perspective on the need for financial education. Financial education means that young people receive the adequate learning experiences to become financially capable.

Target group

The target group was made up of young people of primary school age up to the age of 25. Our intention was to collect data from a range of ages, to include young people in and out of school. In keeping the age range broad we hoped to get a more holistic view of young people's attitudes towards financial education.

Key questions addressed in the research

- What are the main characteristics of the population of young people in the Brighton and Hove area?
- What are the existing services and initiatives providing financial education in the area?
- What are the needs and wants of young people regarding financial education?

Methodology

The research was conducted between May and June of 2009.

The research approach has been qualitative and holistic.

The needs assessment process followed three steps:

1. Mapping the young people in the Brighton and Hove area
2. An overview of existing services and initiatives providing financial education
3. Collecting the views of young people regarding financial behaviour and access to financial education

A sample of young people, representatives of educational institutions, members of the Local Authority, service providers and local organisations working with young people were selected for the data collection process.

The table below details the different data collection processes used:

| Sample groups | Data Collection Process |
|------------------------------------------------------------------|----------------------------------|
| Young People | Focus Groups |
| Representatives of educational institutions/ the Local Authority | Face-to-face or phone interviews |
| Service Providers | Face-to-face or phone interviews |
| local organisation working with young people | Face-to-face or phone interviews |

Face-to- face interviews

20 representatives of educational institutions, members of the Local Authority, service providers and local organisations working with young people were interviewed. The framework for these interviews was based on a semi structured open discussion. The purpose of these interviews was to map the existing services and initiatives providing financial education.

Focus groups discussions

Two focus groups were run in two different locations. They targeted two different populations of young people, which have been characterised by different levels of education as well as socio and economic conditions:

Stopover one, the 1st focus group:

The first focus group was run at StopOver which is a two-step supported housing scheme: Stopover One, is 24 hour supported housing for young women aged 16-21 in Brighton and Hove. Stopover Two is semi-independent housing for young women 16-21 and is staffed for only 30 hours per week. Stopover provides safe accommodation and offers support with accessing more secure accommodation, acquiring independent living skills, securing benefits, accessing health care, accessing education and training and acquiring a range of other emotional and practical support services.

The 9 young women who took part in the focus group are part of StopOver One and are aged 16-21.

The 67 Centre, the 2nd focus group:

Situated in Moulsecoomb, an area identified by the Local Authority as having one of the highest levels of deprivation, the 67 Centre is one of the Connexions Youth Centres. It provides careers and job advice along with general support and guidance for 13 to 19 year olds. 9 young people (3 girls and 6 boys) aged between 12 and 20 took part in this session. Some of them were living at their parents' homes and some had moved into independent living. They were all attending school, college or university and 5 of them were part of the YouthBank project (see section 2).

The Process of the focus groups:

The guidelines for these focus groups were developed to address four key issues:

- Measuring the level of financial literacy
- Evaluating young peoples' opinions, feelings, attitudes and behaviour towards money
- Mapping where they access financial education
- Identifying their needs and wants regarding financial education

Mapping the young people in Brighton and Hove

There are 52,842 children and young people in Brighton & Hove aged 0-19. This represents 21.3% of the total population. This is a relatively low percentage in comparison to the UK average of 25%. Boys and girls constitute even numbers of children and young people in the city².

Pockets of severe deprivation, some in areas of relative wealth, directly affect a large proportion of young people in the Brighton and Hove area.

Based on the Index of Deprivation 2007, Brighton and Hove is ranked as the 79th most deprived Local Authority in England (out of 354 Local Authorities). This means the City is in the top 25% of the most deprived authorities in England.

25% of young people live in SOAs that rank in the most deprived quintile in England for income deprivation affecting children.

Brighton and Hove is also characterised by educational gaps and under achievement.

72 maintained schools are serving approximately 39,000 pupils (DCSF, 2005).³

² The 2001 Census, The Office for National Statistics, <http://www.statistics.gov.uk/census2001/census2001.asp>

³ Brighton & Hove has a total of 72 maintained schools (56 primary, 2 nursery, 9 secondary and 7 special), 3 independent special schools, 2 independent secondary schools, 2 sixth form colleges and City College, serving approximately 39,000 pupils (DCSF, 2005).

Nevertheless, only 66.7% of schools in the Brighton and Hove area have at least 50% of pupils achieving Key Stage 3 Targets, which is below the total percentage for the South East (92% of schools). According to Ofsted's Joint Area Review 2006, the proportion of young people going into higher education is also low at 23%.

Comparative analyses show a huge educational gap between schools in the area, whilst the Index of Multiple Deprivation highlights the lack of access to 'education, skills and training' for young people living within areas of severe deprivation.

The number of young people not in education, employment or training (NEET) is relatively high.

In March 2006, 11% of young people were not engaged in education, employment or training, a higher percentage than the national average at 10.4% (DCSF, 2006).

The proportion of actual NEET young people is highest in East Brighton, with 27% of 16-18 year olds not currently engaged in employment, education or training.⁴ This is also the highest rate of NEET young people in the South East.

Apart from NEET young people, the Children and Young People's Plan 2006-2009 developed by the Brighton & Hove local authority also expressed concerns for the following groups of vulnerable young people under the Every Child Matters 'Achieving Economic Wellbeing' outcome:

Young people with special educational needs⁵

- There are approximately 3,646 children with disabilities or special needs in Brighton & Hove., 2,545 of them are under 16.⁶
- The Special educational needs charity, Amaze, has reported that the proportions of children on the Compass are *several times* higher in the more deprived areas of Brighton and Hove than in the least deprived areas⁷.

Youth offenders

- The LA Youth Offending Team reports working with over 350 young people and their families each year.

Youth homelessness

- Levels of youth homelessness in Brighton and Hove are higher than the national average. 12% of all homeless acceptances in 2006-07 were aged 16-17. Eviction from the family home remains the main cause of homelessness accounting for 23% of all homelessness acceptances.⁸
- The 2006 Ofsted Joint Area Review reported that 25% of young people in the Brighton and Hove area were living in social housing.

⁴ Targeting young people not in education, employment or training (NEET): Brighton and Hove, South East Learning and Skills Council, 2008

⁵ (SEN): "children who have learning difficulties or disabilities that make it harder for them to learn or access education than most children of the same age", www.teachernet.gov.uk

⁶ The 2001 Census, The Office for National Statistics, <http://www.statistics.gov.uk/census2001/census2001.asp>

⁷ *The population of disabled children and young people in Brighton and Hove* (2007), Amaze, 2007

⁸ National Youth Homelessness Scheme

Black and Minority Ethnic Young People

- The black and minority ethnic population is small in the city at 5.7% of the total population.
- However, black minority ethnic groups make up a larger proportion (over 8.8%) of the 0-19 population in Brighton & Hove.⁶
- In 2002, the ethnicity of school pupils in Brighton & Hove read as follows: 0.89% declared themselves African, 0.73% Bangladeshi, 0.48% Indian, 0.31% Chinese, 0.13% Caribbean⁹.

Young parents

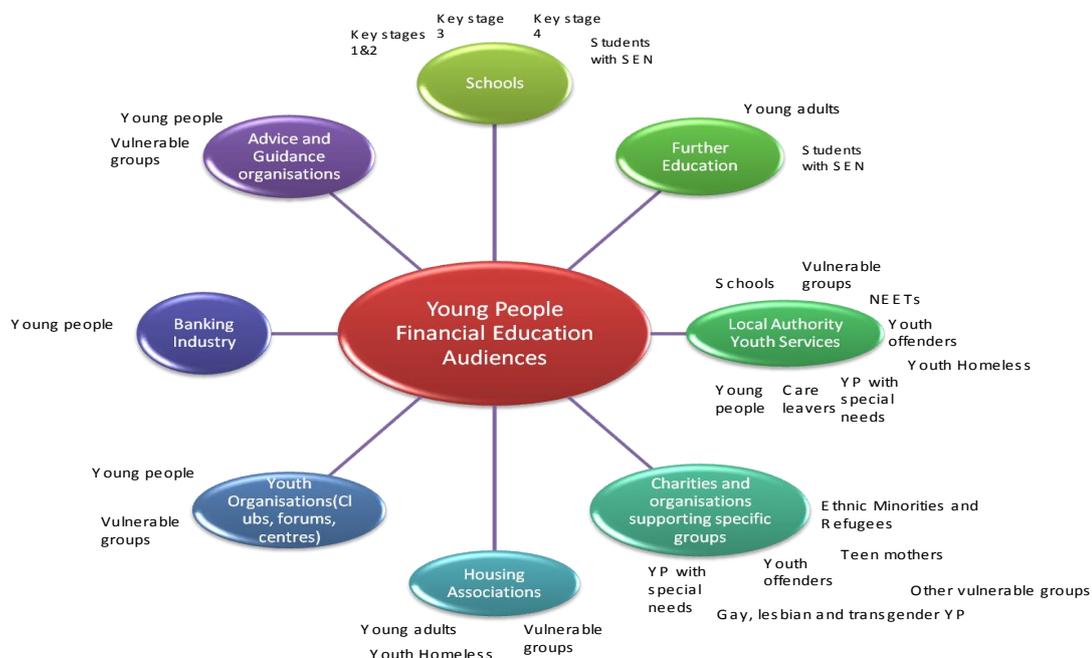
- According to the NHS, teenage pregnancy rates in Brighton and Hove currently run above the national average. A specific strategy has been developed by the Local Authority to reduce teenage pregnancy. Young single parents, especially teen mothers, are more exposed to financial exclusion in the South East. The SEEDA report on financial exclusion in the South East reported that young single parent households did not have access to a savings account and affordable credit.

Conclusions

A large proportion of young people are concentrated in the most deprived areas in Brighton and Hove. These areas are characterised by multiple deprivations including a lack of access to 'education, skills and training'. Some groups of young people have been identified by the local authority as more vulnerable. This is the case, for example, for NEET young people and for young homeless people.

There is a clear need for greater financial education in the most deprived areas of Brighton and Hove. Understanding the circumstances and issues affecting young people in these areas will help identify those who would benefit most from greater access to financial education.

Access to young people in Brighton and Hove



This is not a definitive chart

⁹ Kirby, P, Moore, and Pettitt, B (2002) *Black and Minority Ethnic Young People's Access to Education, Training and Employment in Brighton and Hove: A consultation Report*. Brighton Hove YMCA and Connexions.

Existing financial education resources and initiatives

Provision and resources in schools

Financial education is part of the non-statutory Personal, Health, Social and Economic Education (PSHEE) curriculum. However, following the Rose and MacDonald Reports, the DCSF has launched a public consultation to make PSHEE compulsory in 2010. This national strategy means that at local level, financial education will acquire a position of high importance as part of the schools agenda.

The Local Authority's initiatives and partnerships

- At Local Authority level, economic wellbeing is a priority issue as both an aim of the Every Child Matters programme and a principal target of the Local Authority Children and Young People's Plan. The 2007 Joint Area Review indicated that the work of all local services in helping children and young people achieve economic wellbeing was good.

The Healthy Schools Team

- The implementation of financial capability in primary and secondary schools is the responsibility of the healthy schools team which is in charge of the PSHEE strategy. The strategy for financial capability in Brighton and Hove is in its 'early stages'. However, the team have recently initiated the development of financial capability as a curriculum area.
- The healthy school team provides support to teachers by giving them access to learning resources about financial capability and by providing them with training and twilight sessions.

The Healthy Schools Team and pfeg

- The healthy schools team's main partner is pfeg. In 2010, together with pfeg, the Local Authority will lead research into the financial needs of secondary school pupils through the Pupil Voice project. This partnership is based on the national My Money programme. My Money is a £10m financial education programme developed and executed on behalf of the DCSF by pfeg and its partners.
- The My Money programme represents the first major attempt to help Local Authorities to build a strategic plan for personal finance education. It works through a range of networks and helps specific staff in Local Authorities to better support and champion personal finance education across their schools. The Programme highlights how personal finance education connects with and supports a number of key Local Authority plans and desired outcomes for young people and their wellbeing.

The Learning Partnership

The work of the Education Business Partnership

The Learning Partnership which also includes the Education Business Partnership focuses on creating links between the business community and schools/colleges. It provides young people with a range of work-related learning activities. Nine secondary schools are currently benefiting from such activities. Business and enterprise skill development are key to these activities and financial education is touched on in relation to managing business budgets.

The Key Stage 4 Engagement programme

One of the main projects of the Learning Partnership is the Key Stage 4 engagement programme (KS4). This national project focuses on the students most at risk of disengagement from education. The programme aims to build young peoples' self-esteem and confidence by offering them work-related learning. Following KS4 these young people may be enrolled with a mainstream school, a special school, be missing from education or be home educated. Some may be known to specialist agencies such as the Youth

Offending Team, the Children in Care team or the Educated other than at School team. All are at risk at becoming NEET when they reach the current compulsory school leaving age of 16.

The 14-19 Partnership

The Local Authority has set up a 14-19 Partnership Board, coordinated by the Learning Partnership, which implements all efforts to develop vocational learning. The Information Advice and Guidance Group has been created as part of the 14-19 Curriculum Group, which operates within the Partnership. In 2010, it will be in charge of disseminating information around the PSHEE curriculum.

The Local Authority Trading Standards Office

The Local Authority Trading Standards Office delivers occasional one off workshops on 'value for money' in primary and secondary schools.

An overview of some of the main external providers

Personal finance education group (pfeg)

- Pfeg's experience is that the Brighton and Hove Local Authority has made significant progress in supporting its primary and secondary schools to develop programmes of personal finance education, and in developing the necessary confidence and skills within Local Authority teams that advise and support school staff. Brighton and Hove has been identified as one of a limited number of emerging Centres of Excellence.
- Pfeg provides support to primary and secondary schools through an existing programme of free, one-to-one consultancy support called Learning Money Matters. This FSA supported programme is currently running in (eight state secondary schools and one college in the Brighton and Hove area. It is delivered by a network of consultants and dovetails with My Money. Pfeg, with support from HSBC, has already been working with a number of Local Authorities through a project called What Money Means. This project supports and encourages clusters of primary schools to develop materials and approaches that help to integrate financial education into the national curriculum. Since 2007-08, nine primary schools in the Brighton and Hove area have been involved in What Money Means.
- Pfeg also works with three special schools. In November 2009, they will make a contribution on financial capability during a one-day PSHEE development day for Special Schools.
- Each year, pfeg deliver an annual activity week called My Money Week.
- A Major part of the work of pfeg is to provide support to teachers and give them the confidence to teach financial capability. For this purpose, pfeg delivers different workshops for primary and secondary school teachers. In June 2009, a one day workshop was delivered to primary school teachers to help them create a set of money themed numeracy word problems. This involved a Pupil Voice consultation in the participatory schools, which aimed to identify real life contexts through which children would like to develop numeracy skills.

NatWest/RBS Money Sense Programme

NatWest/RBS' Money Sense Programme is also being taught in a number of primary and secondary schools. The programme is a free personal finance education website that provides teachers with lesson plans, activities and resources. Delivered in 4 modules, it covers such basics as how to open a bank account, how to manage money on a day to day basis, budgeting and how to run a business.

Other providers

Other providers include Young Enterprise who are an enterprise education charity. They offer a range of programmes to children and young people aged 4 to 25. The programmes can be classroom based or company based and involve volunteers from a variety of backgrounds acting as mentors to students. Their programmes vary according to age group, but their main aim is to encourage business enterprise with a number of the programmes offering opportunities for young people to run their own companies. Whilst they do not exclusively focus on improving young people's personal money management skills, they do have programmes that challenge students to consider money management, such as their Personal Economics programme.

New potential projects

Pfeg, East Sussex Credit Union, Downland Housing Association and the Illegal Money Lending Team are currently exploring how agencies in the community can work together to provide joint support to schools in developing financial capability.

Initiatives outside of school

NEET Strategy

Decreasing the number of NEET young people is one of the top priorities for Brighton and Hove Council. Many efforts have been made in the last few years to develop access to vocational learning and training for this group, most notably through the 14-19 Partnership, the Connexions services and the Learning and Skills Council. A pilot is currently exploring more personalised support for NEET young people, including initiatives aimed at developing money management skills.

Family Learning

Under the Learning Partnership, the Family Learning project provides access to financial education for young parents.

Youth-led granting projects

- Several national initiatives in the area allow young people to apply for grants for their own projects. The applications are evaluated by a board of young people who decide which projects to approve or reject.
- The Youth Opportunity and Capital Funds are national funds for Local Authorities to further youth activity for young people aged 13 to 19. Young people are at the core of this grant allocation. They must come up with the ideas, complete the application form and a Youth Panel is also responsible for distributing and monitoring the funds.
- Similarly, YouthBank is a young person led initiative that provides small grants to projects led by young people, to help benefit the community. Young people themselves make decisions about how local YouthBanks are managed and run through a board of young people. The East Brighton YouthBank is run by a group of young people aged 13 to 24 from Whitehawk and Moulsecomb, and was set up about 4 years ago. The group underlined the need to refocus the YouthBank next year to extend its reach to other areas of the borough. Young people participating in this initiative are very enthusiastic about it. The five that took part in the second focus group MyBnk reported that it enables them to talk about money, write budgets and analyse entrepreneurial risks. Their fear is that the initiative will not carry on.
- Other local community organisations have developed interesting initiatives in the same way. For example, Community Development Workers from the East Brighton Trust for Developing

Communities use participatory and empowerment methods to assist young people in identifying and meeting their needs. This often involves the young people establishing their own groups and committees where they organise, fundraise for and implement projects. This process has often required young people to be aware of their finances, budget and manage resources themselves.

- Another example is the work of the Novas Scarman Group which runs the Children Can Do programme, providing support to new or small community groups by offering grants, practical support and advice, information, access to training, networking and information. The programme involves children and young people devising activities, researching costs, and writing funding applications, so that they have a real influence on how funds are allocated in their own community.
- All these initiatives provide an opportunity for young people to explore business money management issues and to develop their budgeting skills.

External providers

- Delivery provisions and opportunities are very low for youth clubs and youth centres. NatWest provides some financial education to scouts and teen mothers. As part of What Money Means, pfeg have developed resources that use football and cricket as a context for developing financial capability. A set of Key Stage 2 numeracy word problems have also been developed through the Playing for Success partnership based in Brighton and Hove Albion and the Sussex County Cricket ground.
- A local youth club called the Crew club delivers simulation workshops on how to get a driving license or open a bank account. They also run practical activities that help young people back into employment. 25 young people aged 16 to 18 are involved in these activities.

The FSA

The FSA distributes some resources in locations other than schools, such as a guide for parents which is provided in maternity centres and can be used by young parents. Also, some housing association use the resources provided by the FSA. However, there are currently no workshops about financial capability offered in housing association by external providers.

Financial advice

There are different places where young people can find some financial advice like the Youth Advisory Centre, JobCentre, Prospects and the Citizens Advice Bureau. Last year, only 44 young people addressed their concerns to the CAB service in charge of legal help about debt and welfare benefits.

Conclusions

Provision in Schools

- Financial education is mostly covered in primary and secondary schools.
- The Local Authority is at the 'early stages' of developing a schools strategy to increase financial capability. Real efforts are being made to this effect.
- The main external providers are pfeg and RBS/NatWest MoneySense.
- Most of the learning resources are directed at teachers. Few programmes are delivered directly to young people.
- Most activities focus on business money management.
- Interesting partnerships between external providers, the Local Authority and the community are being explored.
- Nevertheless, at this stage, initiatives are relatively disjointed. There is lack of information and awareness of the different projects.
- There is a lack of provision of financial education.

Provision outside schools

- Some local initiatives have been developed for young people giving them the opportunity to be involved in implementing community projects.
- These initiatives allow young people to explore business money management issues and to develop their budgeting skills.
- There are very few projects about personal money management.
- Youth clubs and housing associations have been particularly responsive to this study and very interested in incorporating financial education into their services.
- Youth clubs and housing associations generally do not have access to financial education.
- Many Local Authority projects involving money management focus on NEET young people leading to a lack of provision for young people not in this category.
- Some local actors would like this research to be used as part of a planning process for a clear and harmonised delivery strategy. A strong desire was expressed by all providers, to work in greater synergy, to have more opportunities to communicate with each other and to have each provider's role clearly mapped out.



Chart 2. Mapping existing providers and resources



Chart 3. An overview of young people audiences reached by providers

Voices of young people regarding financial behaviour and education

Central to this report are the voices of the 16 young people who participated in the study. Our analysis attempts to understand both their financial behaviour and their perspective on the need for financial education. Here we present our main findings:

Me and My Money

My money falls through a black dark hole and I never see it. It is like a vicious circle.

A resident from StopOver

Young people used different metaphors to illustrate their relationships with money. These metaphors exposed the ambivalent nature of these relationships. One participant from StopOver associated money with a 'hole' – which demonstrated the perpetual struggle she was facing in controlling her financial situation. Some participants from the Connexions centre described their relationship with money as 'stressful'. While money was very much desired, thinking about the process of earning money made them feel stressed and anxious. Some metaphors revealed confusion and disorientation around money issues. One participant describing her experiences with money as being: 'like walking on the highway, there are a lot of distractions'.

Family, friends and money

My parents help me out when I have money problems. Even if they earn less than I do!

A resident from StopOver

Family emerged as a central aspect of our discussions about money. One participant told us that their parents earned less than they did but always provided them with money when they were in trouble. Another mentioned that, had their father not paid off their £6,000 debt, they would have had to go to court. In their own words, 'my father is my saviour.' For some participants, when relationships with their parents were difficult, they would generally ask their siblings for loans.

However, money also appeared to be a sensitive subject within families. Some youths from the Connexions centre expressed their unease regarding money issues in their family. They pointed out that their parents were often stressed by money problems. The participants had differing relationships with their parents when it came to money. While most of them described their parents as 'helping', a few thought their parents were not supportive enough.

Young members of the StopOver and the Connexions centre emphasized the importance of having good friends when there was an immediate need for money. One participant said, 'we have trust in our friendships. We lend and borrow amongst our friends.' Likewise, participants at StopOver informed us that it was quite common to lend and borrow money amongst their friends. A number of them even came up with examples of the practice of mutual lending and mutual support amongst their friends. One participant said that if she was having a crisis with money and could not afford to buy food she could go to her friend's place to have dinner. This demonstrates young peoples' creativity in building their own social networks.

Messages from banks

Banks provide too much information. It's hard to find the necessary information.

A young man from the Connexions centre

Young people are constantly exposed to messages from banks in their everyday lives. According to our participants, most of the time, when they see advertisements from high street banks they are quite sceptical about them. A number of participants described messages displayed by bank adverts as 'misleading'. For them, banks provide too much information and they find it hard to extract the simple information they are looking for. Importantly, some of the participants did not regard banks as a 'trustworthy' provider of information: 'I don't take them seriously, I just ignore them,' was one statement. When asked if there were other providers of trustworthy information most of the participants could not think of any.

Young people as economic actors

Save as much as you can when you are young before moving into independent living otherwise you will get nothing

Advice from an older participant at the Connexions Centre

Go for the cheapest stuff when you are skint

A girl at StopOver

Overall young people like spending their money on socialising, clothes, food, and sometimes cigarettes and alcohol. External factors influence them in the way they spend their money. At the housing association it was reported that peer pressure, socialising and advertisements influenced them to spend more. At the Connexions Centre, participant's spending related directly to the stage of their education. We received many accounts of how spending increased while in Further Education (FE). The most common reasons for this change were increases in the cost of socialising, transport and purchasing learning materials such as books.

They expressed their dissatisfaction at not having been taught earlier about the cost of living while in FE. At the Connexions centre, one participant said: 'I didn't know when I was in school, what the cost of life would be after school'.

On many occasions during the session youths at the Connexions Centre complained about the Educational Maintenance Allowance (EMA) not being enough. They explained that £30 per week does not cover basic needs such as travel costs and does not permit them to have a social life. The issue was due to the expectations associated with EMA; some felt that EMA was, exclusively for purchasing books and learning materials whilst the majority of the younger participants thought that it was for socialising, travel and books. The latter group often felt a sense of disillusionment. Finally, the participants stated that they had not received any education about how to understand or make the most of the financial assistance available to them,

As they get older, young people also have to face the money issues associated with independent living. A number of our older participants reported that most of their money went on paying their rent, bills and basic food.

At StopOver, participants had experienced the costs of independent living earlier. They reported struggling with regular payments and related money issues to their employment situations. They found it difficult to manage their money when employed as it entailed new payments such as taxes. One participant explained that it was sometimes easier to live on job seekers allowance because 'when you go to employment, spending rises'.

While they were aware of the difficulty of controlling their expenditure, the participants from StopOver did not have real budgeting habits and spent money as they got it.

Nevertheless, they could see the benefits of budgeting and sometimes tried to budget, but felt they lacked the skills, time and sometimes the will to do it. One participant confessed, *'I used to do budgeting but it didn't work'*. Budgeting is not an easy exercise for them and it is not something they feel comfortable with. Nevertheless, they try reducing their expenses by going to the cheapest stores.

Overall, it was really hard for the participants to think about the future and establish long term savings goals. This was especially true for the younger participants. On the other hand, they all experienced saving towards short term goals, like cloths, video games, a night out, or a holiday with friends.

At StopOver, many of the participants used self-devised saving schemes such as saving pennies regularly and cutting down on habitual spending on things like cigarettes. One important finding is that they do not trust banks. Indeed, they prefer asking their friends or relatives to keep their money if they have to save it. One participant reported that it is a more *'secure'* place. Only one of them had a savings account with the Credit Union. They had chosen this account due to its high interest rate, whilst the others were not aware of the different types of savings accounts.

At the 67 Centre, although they had never heard of the Credit Union, the older participants all had current and savings accounts with other banks. They appeared more informed and aware of how savings accounts, interest rates and ISAs work.

Both at the Connexions centre and at StopOver, the older participants regretted not having understood the benefits of effective money management earlier and they were adamant to pass this message onto their peers.

A participant gave this advice: *'Save as much as you can while you are young before moving into independent living, otherwise you will get nothing'*

Also, they reported that understanding the benefits of saving earlier would have made them aspire to greater educational goals. Among the 4 young people over 18 at the Connexions Centre, only one went to university. His peer expressed his regret of not having enough money to continue his studies.

One participant wished MyBnk had come when they were younger to help them start managing their money at a young age.

Access to financial services and advice

I have no bank account anymore

A resident at StopOver

If you need to draw money you just use your cards. We don't have to go to the bank very often

A participant at the Connexions Centre

One notable finding from the participants at StopOver is that access to financial services is relatively limited. Three of the nine participants did not have a bank account. This was either out of personal choice having been misled by banks in the past, or as a result of having a bad credit history. Two of the older participants had a very bad experience with banks when they were younger. As an example, a 21 year old participant reported that, when they were 16, NatWest offered them an Advantage Gold bank account without clear explanation of the fees involved. In the following few years they accrued a debt in excess of £6,000. They no longer have a bank account, confessing: *'When I was 16, I didn't have proper knowledge about how banks work. I was over charged!'*

Also, financial exclusion can be a consequence of young peoples' lack of confidence in dealing with banks and financial services. Most participants explained that banks offered them things they did not need, or want, like travel insurance. Only two participants had a bank account that they regularly used and felt comfortable with.

At the Connexions Centre all of the participants had a bank account. The bank's location seemed to be an issue as the nearest bank was 25 minutes away from their area. All the banks in the Brighton and Hove area are situated in town or on the University campuses. It was discussed that one of the biggest factors influencing financial exclusion was that they lacked the confidence and ability to go to these locations.

Places and people they trust...or don't trust

JobCentres are inefficient

A girl from StopOver

Due to their specific situations, the residents from StopOver had been receiving financial advice from third parties. There was a resistance to seek advice from organised structures such as banks in favour of more personalised forms of advice.

Most of them acknowledged JobCentres as a source of money advice, but they rated them as 'poor', 'useless' and 'inefficient'. Nevertheless, it is obvious that there is a high reliance on JobCentres for necessary information. Interestingly, participants did not consult the Citizens Advice Bureau and, furthermore, they did not regard it as a place to seek financial advice. The one participant who did attempt to get advice from them said they 'don't help so much'. Some participants did not even know what the CAB was.

On the other hand, they had a high regard for social and key workers. Participants particularly mentioned the friendly services they are provided with at StopOver. All participants very much trust the StopOver staff and often ask them for information.

Beyond these services, the participants improvised and sought advice from people with reputations for being good at managing money. One gave the example of a nun and another quoted her solicitor.

At the Connexions Centre, all participants asked their parents for financial advice. This was partly due to the fact that most of them were still living with their parents. Two of them also reported that their relatives worked in banks.

Financial education

Nothing, that's probably why I spend my money.

A boy at the Connexions Centre answering a question about the financial education he has already received

When we asked them about financial education, the first place they talked about was schools. None of them received any specific teaching on personal financial management.

At StopOver, it took a little time to remind them of the financial education they received at school. The relevant school courses they remembered were more orientated towards enterprise building and life skills. One participant directly associated financial education with mathematics, saying, 'I was bad at maths so I am bad with money'. Lacking confidence in maths at school made the participants underestimate their capacity to deal with money.

At the Connexions Centre, only one participant had undertaken a course related to personal money management. Others had access to different courses orientated towards business money management when in secondary school. Some attended enterprise days with external HSBC consultants coming into their secondary school. Some attended enterprise courses and one participated in Young Enterprise.

Participants found youth led initiatives outside of school highly valuable. Five participants at the Connexions Centre took part in the YouthBank project. They placed great emphasis on the benefits of being involved in this project. They reported that whilst it was more about business money management, the experience had enhanced their confidence in managing their own finances.

The needs for financial education

Young people should be more aware of the realities: it is about messages and expectations

A young man from the Connexions centre

All the young people involved in the focus groups felt they needed more financial education. In lively group discussions they actively participated in identifying areas where they need more support. The younger groups who live with their parents, mostly from the Connexions centre, expressed concerns about the future transition from economic and social dependence to economic and social independence, or self-sufficiency. Some of them referred to the transition from further to higher education. They identified the need for different forms of education to equip them for the situations they will face as they become more independent. From the opposite perspective, the participants from StopOver, who had already made the transition into independent living, felt they would have benefited from learning about personal money management earlier. Moreover, the interactive format of the discussions allowed some of the older participants to give helpful advice to the younger members of the group, and raise their awareness of how important financial literacy is for their futures.

The young people who had experience with YouthBank showed a high level of confidence and had a better understanding of personal money management. Some of them had knowledge of basic personal money management skills like budgeting. Yet, they all felt it was necessary to learn about personal money management in a more comprehensive and exclusive way. A few admitting they had made mistakes in managing their money. Their need for a more comprehensive financial education was particularly highlighted by their accounts of careless shopping habits. The majority of participants from StopOver had not had sufficient access to necessary financial education and had misunderstandings regarding aspects of money management. They expressed the need for greater financial education for young people, especially with regards to budgeting and saving.

Life skills education

A number of participants expressed their concerns about financial issues associated with their future lives. Those who will be enrolling in college felt they needed to start saving for the extra expenses they will incur when they begin studying. They were also interested in a range of financial matters relevant to economic and social independence, such as rent and taxes. They wanted to equip themselves with the necessary knowledge and skills to deal with, what they referred to as, the 'real costs of life'.

Changing perceptions and empowering young people to deal with financial services and institutions

There was an overall lack of knowledge and confidence restricting participants from effectively dealing with financial services and institutions.

Analysis of their relationships with money revealed that changing their attitudes and approaches to money is a central requirement in giving them the confidence to deal with financial issues. Young people speak negatively about their relationship with money, highlighting the ambivalent, stressful and disorientating

nature of it. To change these perceptions, young people need to develop the knowledge and confidence to be active in this relationship so that they can navigate the financial maze that surrounds them.

Few of our participants seemed to have the necessary knowledge to make informed and aware consumer choices. At StopOver, they clearly expressed the need to understand banking jargon as a number of them had been misled by banks. They confessed that they struggled to understand banking terms and conditions and had made poor decisions that had led to financial difficulties. At the Connexions Centre, levels of understanding were higher but there was still a lack of awareness about the different banking options. None of the participants had heard of the Credit Union and there was a clear difference in the financial capability of those living independently and the younger participants. One younger participant's approach to saving was: 'if you want to store money, why don't you store it at home!'

Changing attitudes means increasing young peoples' confidence. At StopOver, the participants did not trust banks and consequently, did not use many available banking services. There is a definite need to develop young peoples' skills, knowledge and confidence to manage their money effectively and make the financial world work for rather than against them.

Raising awareness about organisations providing financial advice

There is a lack of awareness about the different providers of financial advice in the area. At StopOver, they all agreed on the inefficiency of the JobCentre, and few considered the Citizens Advice Bureau a place to seek financial advice. There is a need to raise awareness of the existing providers so that young people can benefit from more than one source of financial advice. There is also a lot of value in ensuring services are personalised and friendly, so that young people decide to access them.

Developing financial education

There is a need to develop opportunities for young people to access financial education. At the Connexions centre, they felt that schools should deliver financial education as this would ensure access for young people. However, the participants also came up with the idea of providing financial education in community centres located near schools. At StopOver, participants thought there should be more access to training and workshops about specific money management issues. There is a clear need to provide access to financial education in places such as housing associations, Foyers and youth groups. It also appears that youth led and participatory activities such as YouthBank are a good way to develop young people's confidence.

Conclusions

The young people involved in the Focus groups identified the following important needs regarding financial education:

- They expressed the need for education about personal money management, especially budgeting and saving.
- A number of young people expressed their concerns about the financial issues associated with their future lives. They want to be equipped with the necessary knowledge and skills to deal with the next phases of their lives.
- The need to develop young peoples' confidence in their ability to make financial services work for rather than against them. Few young people have the necessary knowledge to make informed and aware consumer choices. There is an expressed need to clarify financial jargon and a definite need to raise awareness about the different banking options and services available to them.
- More information and awareness about the different providers of financial advice in the area.
- More youth led and participatory activities to enhance young peoples' confidence.

Report Conclusions

Despite the apparent wealth of the geographical area, a large proportion of young people are living in deprived areas. This group is affected by multiple deprivations and is facing huge challenges regarding education and economic well-being.

The main finding of this report is the existence of a discrepancy between the supply of financial education and the demand for financial education. It establishes that financial education is taught more in primary and secondary schools than in further education or in non-school environments like youth clubs.

More support should be provided to young people in transitional periods of their lives such as preparing for further education, employment, entry into supported housing and university. An analysis of resources and initiatives clearly show a need for financial education to be taught at further education level as well as in youth groups and housing associations.

The report highlights that although the Local Authority is at the 'early stages' of developing an overall schools strategy for increasing financial capability, concrete efforts are being made towards the development of this strategy.

Outside schools, national initiatives such as YouthBank have been developed for young people in youth groups and Connexions. Some of these initiatives involved the management of large budgets for community projects. However, these initiatives tend to focus on business money management rather than personal money management.

Housing associations, Foyers and youth groups have been extremely responsive to this study and have expressed interest in providing their young participants with access to financial education, identifying it as one of the areas of greatest educational need. There is a huge gap between available provisions and demand particularly for vulnerable groups. There needs to be more opportunities for vulnerable young people to build their confidence and knowledge to deal with financial matters.

There is a disjointed landscape of service providers, characterised by a lack of communication between providers and a lack of awareness about the different services and initiatives. What repeatedly came out of interviews was a strong desire for all providers, to work in greater synergy, to have more opportunities to communicate with each other and to have each provider's role clearly mapped out.

We propose this report be used as a starting point for increased dialogue between service providers and young people, with the aim of developing a more holistic approach to financial education for young people in Brighton and Hove. In the eyes of the young people who took part in this report, this approach would be a system of continuing support, from primary school through to adulthood, that would see them develop the knowledge, skills and confidence to manage their money effectively.

Recommendations

- Much greater focus on personal finance should be developed at all levels, with particular focus on skills such as budgeting and saving.
- More support should be provided to young people to enable them to seize educational opportunities and deal with periods of transition.
- Users of housing associations, Foyers and youth groups need access to financial education programmes and a greater awareness of services like the CAB.
- Communication between external providers, the Local Authority and the community should be increased to ensure initiatives are less disjointed.

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