

Financial Education Forum

Hosted by
RBS NatWest

Friday 18th October 2019

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Introduction

Russell Winnard
Young Enterprise & Young Money



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Welcome

Caroline Edwards
RBS NatWest



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Viewpoint

Sharon Davies
Young Enterprise



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Care to Talk about Money?

APPG on Financial Education for Young People

Russell Winnard
Young Enterprise & Young Money



Care to Talk About Money?



Chaired by Julian Knight MP, the inquiry consisted of:

- Written evidence from 25 organisations
- Two oral evidence sessions within parliament with key stakeholders
- One oral evidence session with a group of recent care leavers

Inquiry focus



- To understand the measures that are being undertaken to support children in care and care leavers in their financial education.
- What more can be done to support those in care and recent care leavers to form positive financial habits.

Children in care background

- As of March 2018 there were 75,420 children in care in England
- For 19-21 year old care leavers:
 - 6% were known to be in higher education
 - 20% in other education
 - 25% in training or employment
 - 39% not in education, training or employment (compared to 12% of general population)
- 73% of children in care live with a foster carer
- Academic attainment within writing and mathematics is significantly lower than non-looked after children, and both of these are linked to lower financial capability
- Looked after children are four times more likely to have special educational needs than other children

Key findings

- Young people in the care system generally leave care and reach independence at a younger age than their peers – most are fully independent by age 18 (compared to 90% of the general population still living at home with parents at the same age).
- Those in care have more limited opportunities to gain financial learning within a family setting.
- Young people in care are much less likely to have consistent and reliable financial support, or ongoing financial mentoring when they reach independence.
- Care leavers are more likely to fall into debt and face financial difficulties.

Overview of recommendations

1. Improving the provision of financial education in schools
 - Statutory financial education for primary schools and within PSHE at secondary
 - Financial education is an integral part of the alternative curriculum
 - Designated teachers are trained in, and monitor provision of, financial education
 - A template be developed which Virtual Heads can use to track CIC financial education provision
2. Providing more support for foster carers
 - Foster carers have access to training, tools, and resources to support financial education
 - Foster carers receive guidance on opening appropriate financial products in which to place savings
3. Improving local authority provision and Government support
4. Supporting charities, business and guidance

Overview of recommendations

3. Improving local authority provision and Government support

- Review guidance provided to local authorities to ensure financial education receives a high level of priority in the development of Local Offers and Pathway Plans.
- A reporting framework to ensure all Local Authorities deliver financial education as part of their Local Offers and Pathway Plans.
- Government should ensure Personal Advisers, social workers, children's home staff and other support workers working with children in care are trained in providing financial education skills at the earliest opportunity.
- Care leavers should not be penalised for building up savings and should be exempt from Council Tax and TV Licence until the age of 25.

4. Supporting charities, business and guidance

Overview of recommendations

4. Support from charities, business and guidance

- Banks should have clear policies in place to ensure that children in care can get access to a bank account (including consistent application process).
- A 'one stop shop' for the financial education of care leavers should be made available.
- Funder and commissioners should consider the needs of **potentially** vulnerable young people, including children in care.
- The Money and Pensions Service should undertake a study providing a list of the range of opportunities available to children in care.

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The Money House

Madeleine Berry
MyBnk



MYBNK - THE MONEY HOUSE

PREVENTING YOUTH HOMELESSNESS WITH FINANCIAL EDUCATION

MADELEINE BERRY, PROJECT MANAGER



THE NEED

- ⚡ Homelessness prevention - A third of care leavers lose their first home in the initial two years after move-on. 10,000 young people leave care every year. NAO
- ⚡ Preparation for independence - 52% of those seeking help with homelessness are under 25 and lack the skills they need to live independently. Homeless link
- ⚡ Financial vulnerability - 18-24 year olds have average unsecured debts of £1,460, are the UK's fastest growing group of debtors and are the most susceptible in society to fraud and scams. FCA & The Policy Network
- ⚡ Lack of provision - Half of UK local authorities fail to offer financial education. The Childrens Society

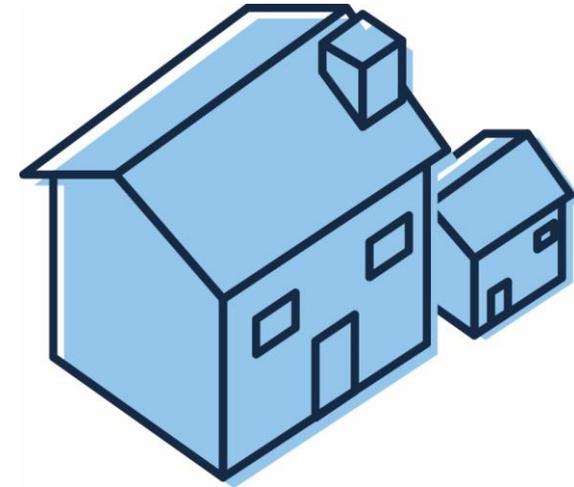
WHY? WHO BENEFITS?

⚡ Young People

Statistically more likely to sustain their tenancies and feel more in control of their lives and finances.

⚡ Landlords/Housing Providers

Direct cost savings to providers housing young people with better financial management.



WHAT?

- ⚡ Three real-life flats: Greenwich, Newham and Westminster.
- ⚡ Monday to Friday 10:30-15:30 (25 hours).
- ⚡ Nine modules. Accreditation - Level 1 - Personal Money Management qualification. Entry Level Award – Skills for Employment Mandatory – social housing pathway.
- ⚡ Funded by the Berkeley Foundation, JP Morgan and L&Q.



WHO? THE CRITERIA

1. 16-25

2. At risk of homelessness:

- ⚡ Care leavers.
- ⚡ Young parents.
- ⚡ Ex-offenders.
- ⚡ Those in temporary/semi-independent accommodation.



WHO? MAIN PARTNERSHIPS

- ⚡ Children's and Housing Services in home boroughs
- ⚡ DePaul UK
- ⚡ Centrepont
- ⚡ One Housing
- ⚡ Single Homelessness Project (SHP)
- ⚡ Peabody
- ⚡ HMP Isis



WHERE?



HOW?

- ⚡ Understanding tenancies.
- ⚡ Preventing rent arrear build-up.
- ⚡ Reducing the risk of eviction. £7,056 cost to landlord.
- ⚡ Preparation for welfare changes.



IMPACT = INDEPENDENT EVALUATION

- ⚡ Nov 2018 – Money and Pensions Service’s What Works Fund.
- ⚡ Externally produced report by ERS Ltd.
- ⚡ Sample: 451. Control group: 604. Two years worth of data.
- ⚡ Self reported outcomes at baseline, endline and 1,3 & 12 months follow ups.
- ⚡ Cross-referenced with landlord rent data.
- ⚡ Outcome measurement across a range of financial capability & housing outcomes.

Nov 2018 – Money and Pensions Service’s What Works Fund



Impact – Financial Capability

Increased money knowledge, skills and confidence, relating to better financial capability



17%
increase in
those with
a plan to
cover
upcoming
costs

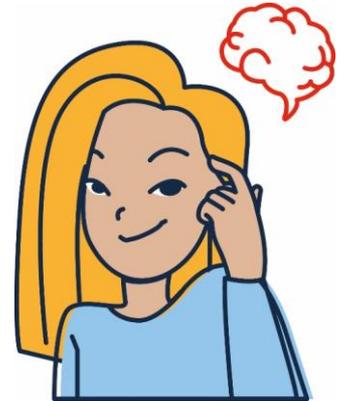
21% increase
in
understandin
g benefit
entitlements

35% of
those not
regularly
budgeting
now are

28%
increase
in those
comparin
g
products
online

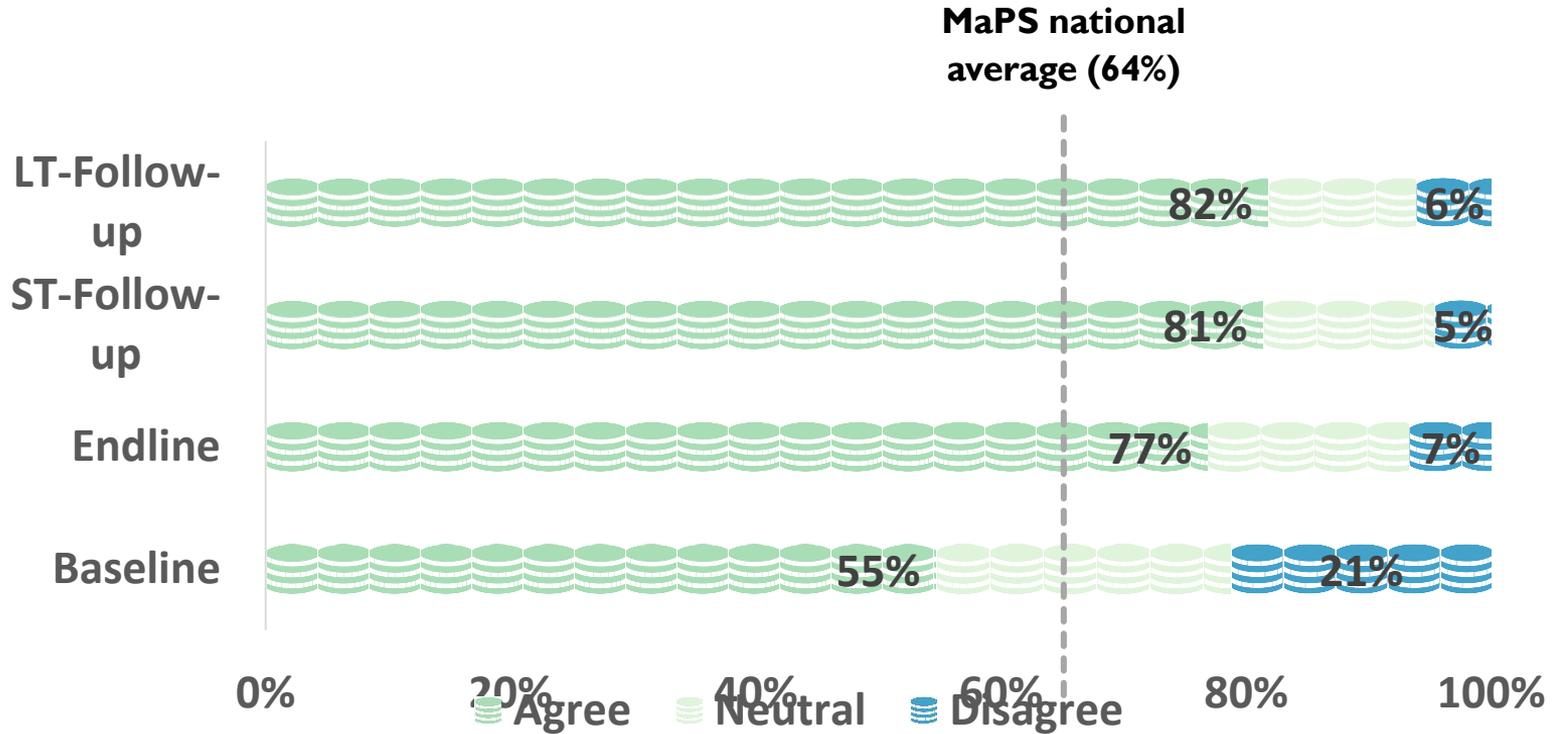
30% feeling
more
confident
making
financial
decisions

26%
Increase
in those
willing to
seek
advice



Source: ERS. Sample: 421 Young People

EXAMPLE - CONFIDENCE MANAGING MY MONEY



Impact – Financial Habits

Young people who are more financially capable are more likely to have better financial habits



27%
Increase in
keeping up
with
priority
payments

54%
Increase
in paying
off debt
regularly

Of those
missing or
delaying
bills we
saw a 45%
reduction

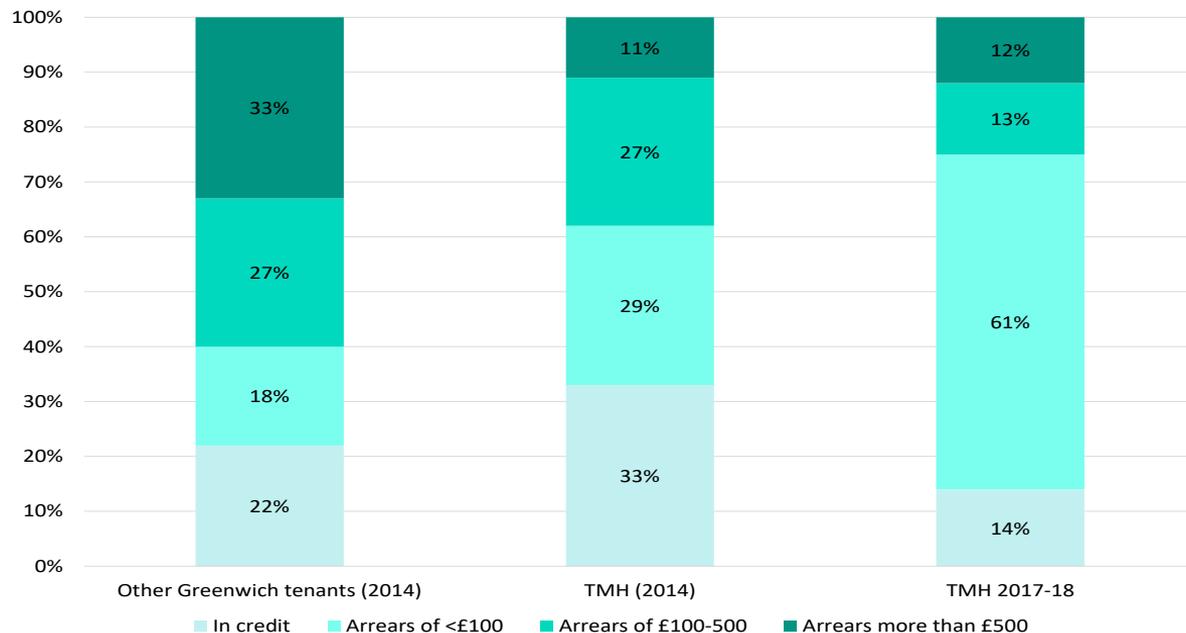


Source: ERS. Sample: 421 Young People



Impact – Housing outcomes

Young people who have better financial habits are more likely to have better housing outcomes



3x less likely to have problem arrears

YP in full tenancies
Average £169 less arrears than comparison

YP in semi independent living tenancies
Average £273 less arrears than comparison

Source: ERS. Sample: 421 Young People



Impact – Cost benefit

Better financial capability & housing outcomes can be monetised

TMH graduates in semi independent tenancies are 64% less likely to be evicted than YP in neighbouring areas.

9 in every 100 TMH participants

30 in every 100 from local comparison group

HACT
£1 = £3.36

New Economy
Housing providers
have benefitted
from a *minimum* of
£300k direct
savings



Source: ERS. Sample: 421 Young People



IMPLEMENTATION

Policy

Social Action
Research Report
CICC

Westminster
Homelessness
Prevention Policy

APPG for Looked
After Children &
Care Leavers

Operational

Pathway Plans

Local Offers

APPG Financial
Education -
Children in Care

RECOGNITION

**The
Guardian**



**Children &
Young People Now**
For everyone working with children, young people and families

TheObserver



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25 Years of MoneySense

Caroline Edwards
RBS NatWest



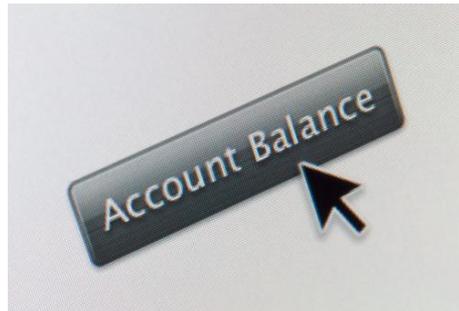
21st century MoneySense

Innovating & digitising financial education



NatWest

Innovation is at the heart of banking



MoneySense

Making sense of money



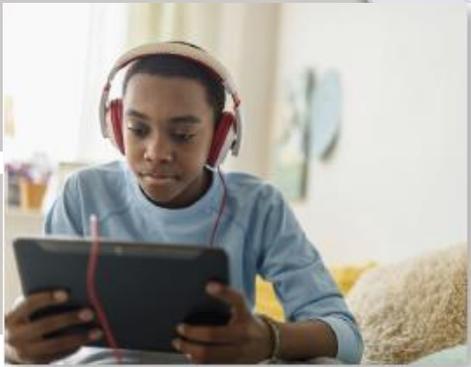
Young person at the centre

Landscape

Research

Content

Delivery



Keeping it real and relevant

My money management

How can my money choices affect my mental wellbeing?

This topic explores two important issues that put young people at risk: online gambling and money mule schemes.



Money themes:

- Borrowing & debt
- Money & wellbeing
- Staying safe online

Lesson resources:

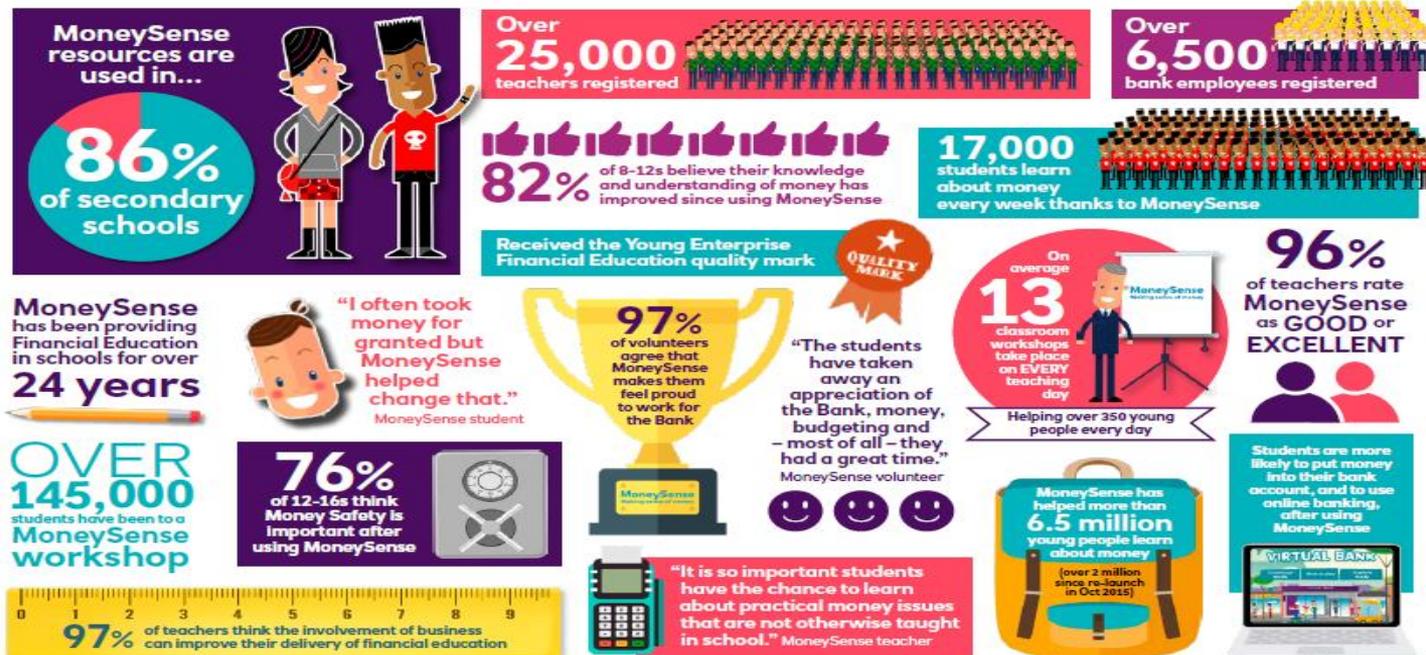
- 🎥 Video
- ✍️ Activity ideas
- ✍️ Activity sheet
- 📺 Presentation



Making good progress

The UK's longest running Financial Education programme*

MoneySense
Making sense of money



*of the UK banks

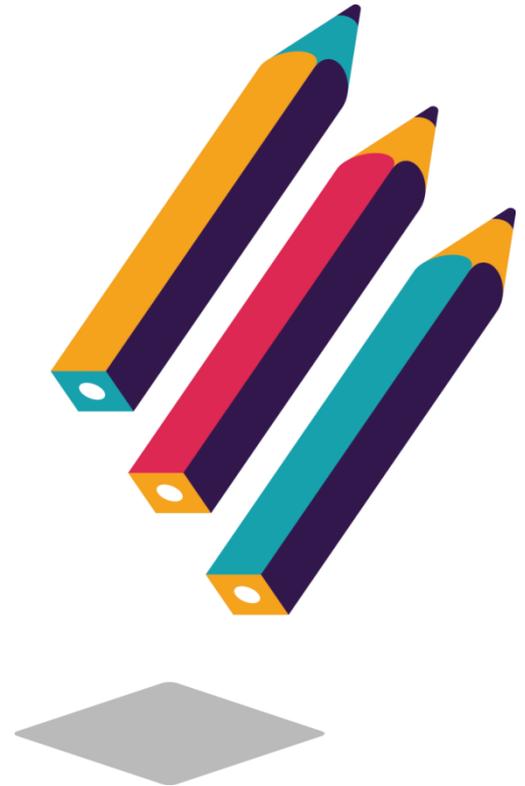
How old is MoneySense?



How old is MoneySense?

25

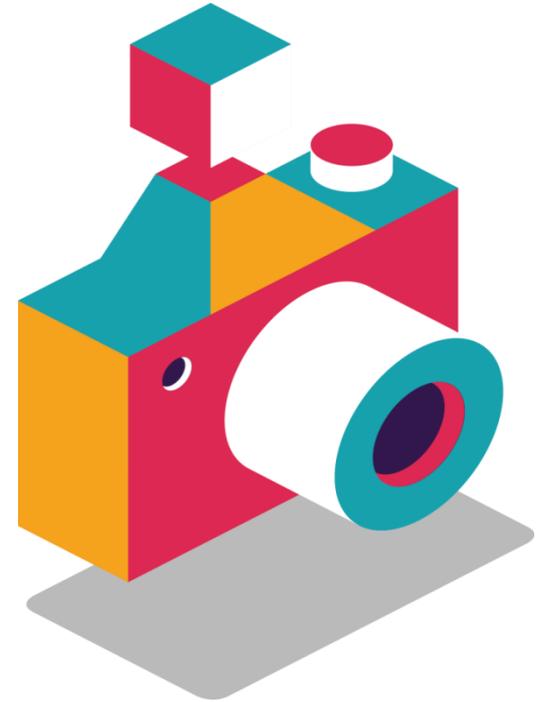
How many young people
have had a MoneySense
lesson?



How many young people have had a MoneySense lesson?

7500000

How many games
consoles are there in
the UK?



How many games consoles are there in the UK?

2000000

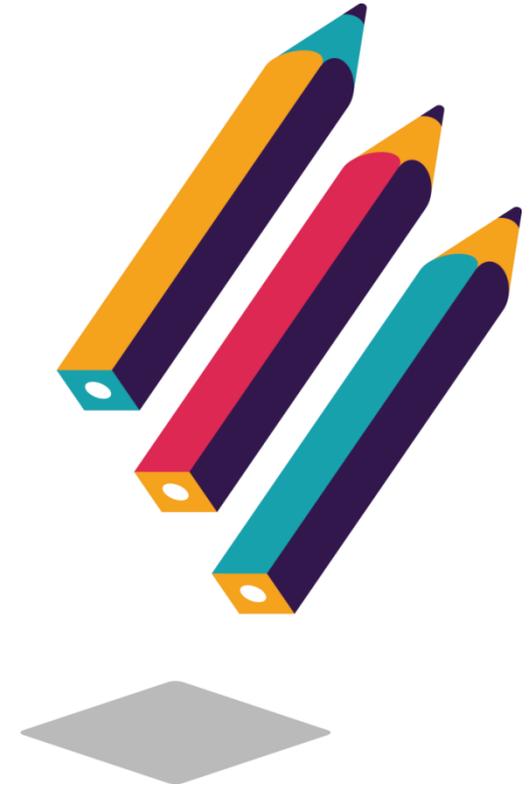
What percentage of 8-11
year olds play console
games?



What percentage of 8-11 year olds play console games?

66%

What happens when you
combine MoneySense and
games consoles?



Introducing... NatWest Island Saver



“Studies have shown that games outperform textbooks in helping students learn fact-based subjects... while also improving visual coordination, cognitive speed, and manual dexterity” Peter Diamandis, Abundance



The world's first financial education console game



Genre & gameplay

- Open world, first person, living simulation
- An adventure set on a colourful island, with an ecosystem based around money, populated with 'piggy bank' animals
- It's the player's job to look after the island and its inhabitants

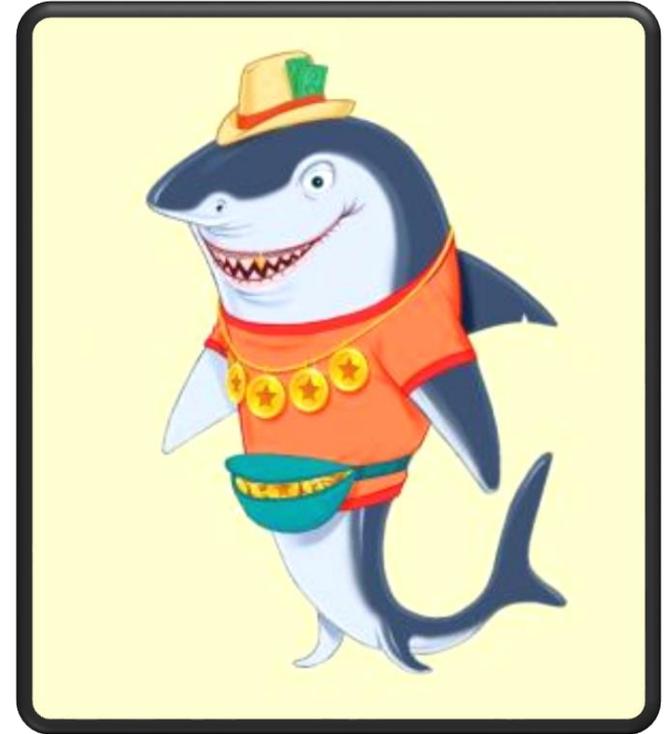
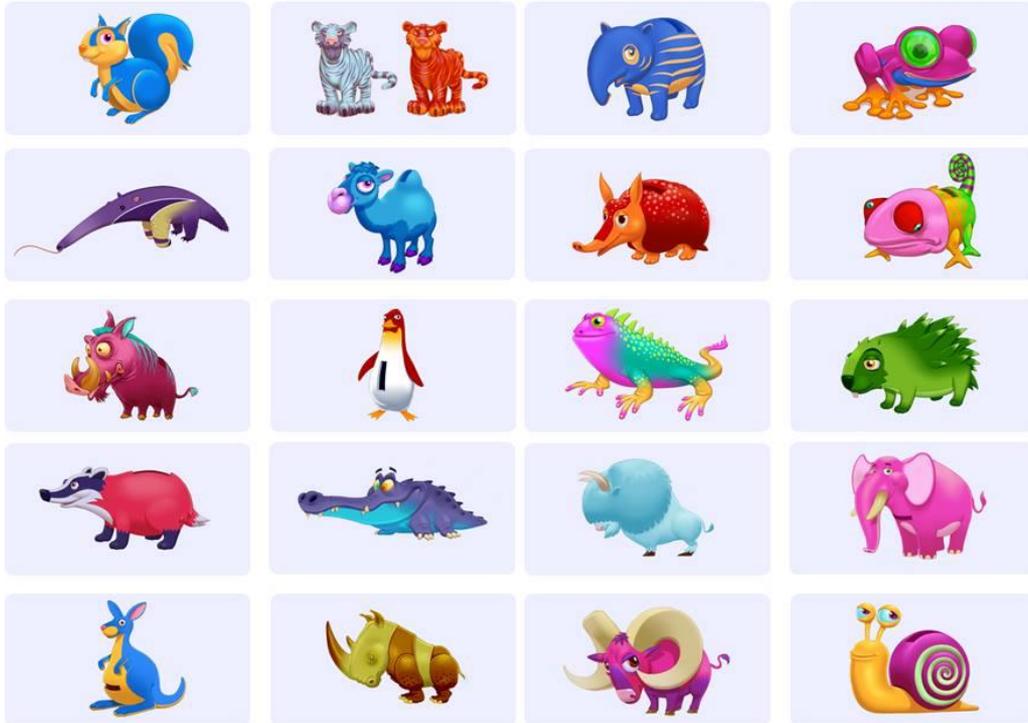
Main learning points fit to KS2 (8-12):

- Work for pay
- Needs and wants
- Budget management (spend / save / give)
- Saving and borrowing
- More advanced learning includes tax, foreign exchange and loan sharks

Introducing... NatWest Island Saver



Characters



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The State of Financial Capability in Higher Education

Vivi Friedgut
Blackbullion



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Money & Pensions Service National Strategy

Jake Eliot
Money & Pensions Service



Money and Pensions Service: Financial Education Forum

Jake Eliot
18 October 2019

Money and Pensions Service



Our vision: “everyone making the most of their money and pensions”

Core functions: pension guidance, debt advice, money guidance, consumer protection, and a strategic function

National Strategy for Children & Young People will be central to our **National Strategy for Financial Wellbeing, to be published in November**

Our long-term approach



Vision: All children and young people receive a meaningful financial education, as an essential part of creating a financially well nation

Work through **schools, homes, and communities**

Seek to: work towards **delivery at scale**, high quality **products and services**, and create **culture** of wanting to be good with money

Immediate priorities where evidence strongest: **parenting, teacher training, 16-17** year-olds (preparing for independence)

Current priorities and activities



- **National Strategy**, preparing the ground: discussions with UK Finance on Fin Ed collaboration + wider engagement including Department for Education and HMT.
- **Pathfinders** developing sustainable, scalable models for financial education:
 - Parenting
 - Teacher training
 - 16-17 year olds
- **Insight and Evaluation**
 - CYP Financial Capability Survey 2019
 - Qualitative Research with 4-6 year-olds
 - How families teach children about money

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Panel





Thank you for attending.

**We look forward to
seeing you at the next
Forum meeting in
February 2020.**

Details to follow.