Introducing financial capability skills: A pilot study with Fairbridge West, Bristol.

An evaluation report from the
Personal Finance Research Centre,
University of Bristol

Adele Atkinson
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Executive Summary

Introducing financial capability skills:
A pilot study with Fairbridge West, Bristol

Introduction

Fairbridge is a national charity that works with young people aged 13 to 25 who are amongst the most vulnerable or disadvantaged in the country. The vast majority of Fairbridge clients are not in education, employment or training.

'I just slipped through the system.'

Fairbridge, through its Bristol centre, Fairbridge West, is one of six organisations that have received funding from the Financial Services Authority to pilot a financial capability initiative with disadvantaged young people. The pilot is intended to identify best practice and create a toolkit for use by other Fairbridge centres nationally and other organisations working with similar client groups.

Fairbridge West has received support from several external partners during the pilot. Partners including Bristol Debt Advice Centre, Royal Bank of Scotland and the Money-go-Round Credit Union have worked with the young people on a range of financial skills and money management techniques. They have also provided training and advice to Fairbridge staff.

The Personal Finance Research Centre at the University of Bristol has evaluated the financial capability pilot using qualitative research techniques. The evaluation was conducted in two phases. The first phase involved collecting information about a) the levels of financial awareness and inclusion amongst 19 clients at Fairbridge West, and b) the hopes and concerns of the staff and partner organisations involved in the pilot. The second phase consisted of interviews with 20 clients who had been involved with Fairbridge West between January and June, 2005, and further interviews with partners and staff.

Levels of financial awareness and inclusion

- Most of the young people served by Fairbridge West arrive at the centre with some experience of handling money. They typically carry cash and spend it without much planning. Most, but not all, of the young people seek immediate gratification. This is made worse in some cases by a dependency on drugs, alcohol or cigarettes.

'As soon as I get money it just burns a hole in my pocket.'

- Many of the clients do not know much about the services provided by banks and other financial institutions, even if they use a bank account regularly.

- A few young adults have found it impossible to open a bank account to receive income or benefits.

'They said I wasn't allowed… 'Cos I had to prove where I lived.'

- Saving is seen as important by staff and partners, but is not a priority to most of the clients.
- The vast majority of clients borrow money from friends and family. Very few have access to formal credit facilities.
- A small number have grown up accustomed to and unquestioning of the relative high cost of money lenders and rental-purchase shops.

'We pays it 'til it's finished but when it gets to like 50-100 quid… we can ask for more after that.'

<u>Introducing financial skills</u>
Fairbridge West has approached financial capability training in two ways. First, it has embedded money management and other financial skills into existing courses and one off sessions. Second, it has created a stand alone course entitled 'On your own 2 feet', which combines financial fact finding with film making. Both methods have focused primarily on budgeting, saving and borrowing.

Only one course is compulsory at Fairbridge, the initial residential 'Access' course. This course offers a range of outdoor activities but also involves all participants in menu planning, budgeting and shopping for their own meals. The clients we interviewed agreed that there was a budgeting element to the Access course when it was brought to their attention. The lesson they learnt from this was to buy the cheapest items in order to make the money go further.

Generally, we found that young people were not aware of the financial elements of the courses they took until they were brought to their attention. Despite this, some young people told us that they had learnt new ways of shopping and planning their spending that might be useful to them in the future. This was particularly true for those who covered the same skills on more than one course.

Clients who went on trips to the Credit Union and Bristol Debt Advice Centre learnt some important information about savings and about bailiffs. Those who had visited on more than one occasion benefited from the repetition.

Regarding a loan from the credit union: *'The interest is only like six pounds something; it's not like real high extortion rates, so that's really good.'*

Some of the clients who took part in 'On your own 2 feet' were only interested in the film making process, but were still exposed to the financial capability components. This allowed Fairbridge to reach clients who may not have chosen a course on money management or financial skills.

Staff and partners recognised that the young people would learn more about finance if the course was relevant to them. Partners in particular told us that the wide age range and varied living circumstances of the clients at Fairbridge West made it difficult to deliver a course that met the needs of everyone present.

Conclusion

Fairbridge West has the respect of a wide range of organisations and has created successful working partnerships in order to access expertise in a variety of subjects, including financial capability. It has a very special relationship with the young people it serves that enables it to broach subjects that may be unpalatable from elsewhere.

Fairbridge West has made a small difference to the levels of financial capability amongst clients over a fairly short space of time, but it needs continuing help from partner organisations to maximise the benefit.

By integrating financial skills into existing courses Fairbridge West has been able to repeat important messages. For example, several courses now incorporate elements of budgeting. Some partners, such as the Money-go-Round Credit Union have been able to host Fairbridge clients on more than one occasion. This has enabled the same clients to make return visits and become familiar with the services they offer. Clients tell us that this repeated exposure is a good way of learning, and our research backs this up.

'Not straight away, cos it's been a learning curve.'

The film course provided a platform for six young people to research financial information and meet organisations that could offer support and advice. The films that this group produced may be of use in reaching a wider audience for a relatively small additional cost. However, it was a particularly labour and resource intensive course that involved staff in a considerable amount of work after the sessions with clients had finished. This should be taken into account when considering its overall value.

'If other people are going to see it [the film], *it sends out a message doesn't it?'*

Recommendations

1. **Continue to involve Fairbridge in a national strategy**

Fairbridge has got the skills and experience necessary to access young people who may otherwise be excluded from such support. We feel that it would be appropriate for the Financial Services Authority to continue to work with Fairbridge to provide financial capability training to disadvantaged young people. We also believe that Fairbridge should run the pilot for at least 18 months in order to facilitate a full evaluation.

2. **Identify the needs of individuals**

Some organisations working with similar client groups encourage all entrants to take basic skills tests in order to assess their need for support. We believe that the clients at Fairbridge could benefit from this.

We have also identified four types of clients that we believe have different levels of capability and different needs. Two of these types are primarily differentiated by the level of household income and awareness of mainstream financial products, whilst the other two types have special needs that override their personal circumstances.

Fairbridge should work with partners to design courses that meet the needs of different types of client. Partners should also help staff to recognise when a client needs help to deal with specific financial problems.

3. Work intensively on a few skills

The young people who were able to tell us some of the things they had learnt had benefited from repetition. Generally they had been on the same course or trip on more than one occasion. Fairbridge does not always have the opportunity to work with young people for long periods of time. It may therefore be better to work on a few skills across a wide range of courses in order to build up the repetition needed in a short period of time.

4. Build up the capacity of key partners

The partner organisations have the subject knowledge needed to guarantee that the young people are given the right information, and to recognise the needs of the clients even when the clients are not aware that they could benefit from such information. However, the partner organisations that worked on this pilot do not all have the facilities and time available to offer more intensive or regular help, and would need additional resources to make this possible. Equally, Fairbridge does not have the funding necessary to pay partners to continue to provide the level of support that they would need to guarantee repetition and learning. This funding gap must be filled if Fairbridge is to continue providing financial capability skills.

5. Strengthen the review process

Fairbridge works to the Kolb model of ‘plan, do, review, apply’, encouraging course participants to consider their aims and to review their progress. It is important that staff use this process to help the young people to recognise improvements in their financial capability as well as their other skills, and that these are highlighted during the review process. We anticipate that this will help clients to feel more confident about their own financial skills – thus meeting one of the aims of the pilot.

Partners have told us that they also welcome being given clear aims and feedback. We suggest that Fairbridge staff involve partners when planning and evaluating courses in order to strengthen the relationships between the organisations. It is particularly important that Fairbridge provides feedback to partners.

6. Retain the balanced approach

By identifying the needs of clients and being able to offer courses that do not include financial skills Fairbridge will be able to continue to meet the needs of those clients who are receiving adequate financial help from other organisations. A failure to do either of these things could drive certain clients away from Fairbridge before they have received the help they need in other aspects of their lives.

Introduction

In 2004 the Bristol based Fairbridge centre, Fairbridge West, obtained funding from the Financial Services Authority (FSA) to pilot a financial skills initiative. The pilot involved embedding money management and other financial skills into existing courses and the creation of a stand-alone course entitled 'On your own 2 feet', which combines financial fact finding with film making. The aim of the pilot has been to improve clients' financial capability - and in so doing increase their self confidence and control over money. Various partner organisations such as Bristol Debt Advice Centre, Money-go-round Credit Union and Connexions have been involved in developing the pilot and offering specific advice and support.

Fairbridge West invited the Personal Finance Research Centre (PFRC) at the University of Bristol to conduct an independent evaluation of their financial capability pilot. PFRC conducts research under three key themes, each of which is relevant for this evaluation: 1)trends in financial services provision, 2)the processes of financial and social inclusion and exclusion and 3)household money management and financial decision-making. It is also involved in the Financial Services Authority's baseline survey of financial capability.

The following evaluation of the pilot scheme is intended to provide information to help with the development of a good practice guide for general use with Fairbridge clients, and with other young people who are not in education, employment or training (NEET). The research also documents the personal finance issues relevant to the young people, and the attitudes of staff and partners involved in the project. It is intended that it should be used to gain a better understanding of some of the financial issues faced by young people and the challenges faced by those working to support them.

This report begins with background information about Fairbridge and the partner organisations that supported Fairbridge West during the pilot. It also briefly introduces current thoughts about the concept of financial capability. It then presents some headline figures about young people nationally, in order to put the young people described in this evaluation into context. The evaluation itself is split into three sections. Section 1 describes the methodology and the findings of the initial interviews (before the introduction of 'On your own 2 feet'), whilst Section 2 describes the findings of interviews conducted at the end of the pilot period. In Section 3 we draw conclusions from the previous two sections in order to evaluate the effectiveness of the pilot scheme, and draw out important lessons for others working on financial capability skills with similar clients.

Fairbridge

Fairbridge is a charitable organisation working with some of the most disaffected and disadvantaged young people in Britain. It supports 3000 clients each year, aged between 13 and 25. Fairbridge has regional centres in 16 inner city areas including Bristol, Liverpool, Cardiff and Glasgow.

> *These young people often face a range of problems and may have been excluded from school, endured long-term unemployment, faced homelessness or become involved in criminal activity. Many are without the support of their family and on the margins of their local community. (Information from Fairbridge Website)*

Fairbridge has been developing effective methods for working with challenging young people for over 20 years, and recent evaluations suggest that the current methodology is highly effective at improving long-term education and employment prospects. All young people who choose to become involved with Fairbridge must attend an introductory course (the 'Access' course), which is usually residential. When they return from this course they work with a member of staff to identify their personal targets. They are given advice about other sources of support and training such as colleges or housing associations that might be able to help them meet some of their goals. They are also provided with a timetable of courses and sessions run by Fairbridge West and encouraged to sign up to those that might help them with their personal development.

Paid and voluntary staff work alongside each other to provide a wide range of experiences and opportunities for the young people they support. It is clear from talking to current clients that Fairbridge has a positive impact:

' I didn't used to have no self-esteem…\now I've got into a position where I'm ready to go, don't care what people think of me…\if they think something good of me then I'm proud'.

During the research for this evaluation we have made numerous visits to the Fairbridge centre in Bristol, sometimes at agreed times to meet with staff or clients, and other times without prior arrangement. We have been invited to social occasions and sat in on staff training. We have also observed and participated in a number of the courses on offer. We have seen the ways in which staff and clients interact during these sessions. We feel it is valuable to briefly describe some of our general observations.

It is abundantly clear when entering the centre that there is a unique mixture of structure and informality. Staff are ever present, rules are posted around all the rooms and expectations are high. The structure extends to everything they do. Staff encourage the young people to consider their own aims and fears for each course, and to review their experience at the end of the session. They make it very clear that Fairbridge is about personal development, and is not simply an excuse to join in fun activities. Alongside this structure, staff treat all clients in a friendly and casual way, chatting to them about their lives and giving them the individual attention they seek.

Younger clients have considerably more freedom than they would in most schools or colleges; for example they are allowed regular cigarette breaks and they choose when to attend the centre and what courses to take. Given that many of them have been excluded from mainstream education it might seem strange that these young people are generally behaving well without the rigid formality and routine of school. The key to this seems to be the respect that the clients have for the staff who work with them, and the fact that they have chosen to attend Fairbridge. They know that Fairbridge can ask them to leave if their behaviour becomes intolerable.

The age range of clients is wide, the backgrounds of the clients are diverse, and yet there is a high level of tolerance and acceptance between the young people present and between clients and staff. For example, we noted how some young people walk into the Fairbridge centre with their baseball cap pulled low, and slowly push it back or remove it as they become more comfortable. It is also clear that the clothes that young people wear to identify themselves outside are virtually irrelevant in group settings once they are inside Fairbridge. In our experience the atmosphere is always positive and individuals are happy to help less experienced or confident peers. In fact, one client commented to us that it is this that sets Fairbridge apart from other local providers.

It is perhaps difficult as an outsider to understand the working of such an organisation. Staff are clearly extremely busy, it is difficult to cover absences and funding appears to be tight. It is easy to come away with the impression that this is a very fragile and rather chaotic organisation. Despite these hurdles the staff always manage to offer a high level of professional care and personal attention to the young people who come through the doors. It must be concluded that the organisational structure is a result of the needs of the client group and the people supporting them. Nevertheless, we feel that staff would welcome more colleagues and regular sources of funding to ensure continuity of provision and make their day to day work less pressured.

Partner organisations

Fairbridge West has worked closely with the Financial Services Authority throughout the pilot process. It has also asked a range of organisations to become partners, providing information, training and support across a range of issues relating to financial capability. The following organisations have been involved in this pilot initiative.

- <u>The Financial Service Authority (FSA)</u>

The FSA is developing a national strategy for improving financial capability. It is addressing the needs of particular sections of the population under the following headings: Schools, Young Adults (aged 16 to 25), Workplace, Families and Retirement. It has formed working groups for each stream. The Young Adult stream working group includes representatives from Citizens Advice, the British Bankers' Association, Fairbridge West, National Union of Students and the Department for Education & Skills.

- <u>The Royal Bank of Scotland (RBS)</u>

RBS is one of the world’s largest financial groups, and includes the well known high street bank, NatWest. RBS is committed to delivering financial skills to young people through a programme designed for schools, called ‘Face 2 face with finance’. It offers free teaching resources to all schools and colleges and can provide trained branch staff to teach some of the lessons.

The Money-Go-Round Credit Union

All credit unions serve people with a common bond, such as home town, workplace or a shared interest. Money-go-Round Credit Union serves people living and working in the inner city areas of Bristol, including St Paul's, Easton, St George and Lawrence Hill. Credit Unions are regulated by the Financial Services Authority. They offer a more flexible, personalised service than many banks which may be better for some young people and adults on low incomes. Benefits and wages can be paid into a credit union account, and members can apply for a loan once they have built up some savings.

- Bristol Debt Advice Centre

Bristol Debt Advice is a registered charity, based in the same building as the Money-go-Round credit union. It provides information, advice and education around debt awareness and prevention, financial literacy and money management. It also runs outreach sessions around the City of Bristol.

- Connexions

Connexions is a government service, providing multi-agency support to young people aged 13 to 19 in England. It brings together the support of six government departments and various private and voluntary sector groups to provide help and advice on a range of issues including careers, personal development, sexual health and homelessness.

- The Foyer

The Foyer is a supported housing project for young people aged 16 to 25 in Bristol city centre. It is aimed specifically at those who are unemployed, homeless or feeling excluded, and offers a range of support including basic skills training and job-search.

- Citizens Advice

Citizens Advice Bureaux (CAB) offer members of the public support and advice about a range of problems including both financial and legal issues. Most advisers are trained volunteers. Bristol has four bureaux, situated around the city. Citizens Advice is one of the organisations working with the Financial Services Authority to develop a financial capability strategy for young adults. It is piloting skills training to agencies working with 16 to 25 year olds. It is intended that the CAB pilot will lead to the publication of a report and training materials in November, 2005.

Financial Capability

There is much debate about the ever increasing complexity of managing personal finances and the wide range of choice available to individual consumers. The financial sector is subjected to regulation and chooses to be held by voluntary codes of conduct, but it is still widely believed that the consumer must also take some of the responsibility for making wise choices and being alert to their own financial situation. This has led to the acknowledgement that some of the difficulties faced by individuals are due to their own lack of financial skills and knowledge and that the solution must therefore lie in targeted training.

As the importance of consumer knowledge became more apparent, so the concept of the *financial literacy* was suggested. It has recently been renamed *financial capability* but it is still a relatively new concept with no widely accepted definition. In 2000, Carolynne Mason and Richard Wilson from the Business School at Loughborough University reviewed existing literature in their attempt to find a workable definition. They concluded that financial literacy must be a process that leads to a range of desired outcomes:

> *Financial literacy could therefore be defined as an individual's ability to obtain, understand and evaluate the relevant information necessary to make decisions with an awareness of the likely financial consequences. (Mason and Wilson, 2000).*

Mason and Wilson concluded that financial capability is a process that leads to desired outcomes. The Adult Financial Capability Framework then began the process of identifying what the desired outcomes are, in other words they looked at what a financially capable person might be expected to do. They found that financially capable people have a) knowledge and understanding to make sense of financial matters, b) skills and competence to apply their knowledge, and c) financial responsibility to be able to appreciate the wider impact of financial decisions (Basic Skills Agency, 2004).

The Adult Financial Capability Framework also identifies levels of financial capability but says nothing about which level is appropriate for people in different circumstances. The research undertaken by the Personal Finance Research Centre for the Financial Services Authority (PFRC, 2005) makes it clear that people differ in the extent to which they use or need to use financial products, their financial circumstances and their life stages. They suggest that 'the nature of the financial capability required will be determined to a great extent, by the individual's financial circumstances'. This indicates that financial capability should be seen as a relative concept.

The Personal Finance Research Centre (2005) also note that when they asked focus groups what they thought was meant by the term 'financial capability' the respondents spoke about *behaviours* rather than *knowledge*. The authors comment that '*This behaviour, however, involves knowledge, understanding, skills of various kinds and the confidence to use them as and when required'*.

If people do not have the skills they need for their circumstances they are very likely to face difficulties. A report by the National Association of Citizens Advice Bureaux shows the consumer detriment that can arise through low levels of consumer financial capability (NACAB, 2001). Financially incapable consumers find it difficult to identify products and services that are appropriate to their needs; they are unsure about how best to access and evaluate independent advice; they make inappropriate financial decisions, and they fall victim to abusive practices and mis-selling.

In 2003, the FSA launched a new initiative to develop and implement a national strategy for financial capability (FSA, 2003). They established a Financial Capability Steering Group, which identified seven priorities that are being explored by specially convened working groups. These priorities cover: schools, young adults, families, work, retirement, borrowing and advice (FSA, 2004).

Young people nationally

Housing and Employment

It is helpful to consider the clients at Fairbridge within their peer group. We will describe the circumstances of the majority of young people so that the reader can appreciate the differences between the national averages and the extremes seen within Fairbridge. However, most data covers a slightly different age range of 16 – 24 and this should be taken into account when making comparisons.

There are just over six million young adults aged between 16 and 24 years old in Britain, most of whom are single and live with their parents. Young people living independently are most likely to rent their home. Three quarters of young householders aged between 16 and 24 rent their home – 44 per cent from a private landlord, 31 per cent from a local authority or housing association (Family Resources Survey, 2003-2004).

The Labour Force Survey (LFS) shows that, in 2003, around 46 per cent of young adults aged 16-24 were in employment; 38 per cent were in full-time education; 10 per cent were economically inactive for reasons other than full-time education (most of whom were young women and likely to be caring for children) and just 6 per cent were unemployed and looking for work (LFS, 2003). Despite the pressures of their studies, around four in ten full-time students aged 16-24 were also working - 35 per cent of males and 43 per cent of females - and a further six per cent were seeking work (LFS 2003).

Government statistics suggest that the decision to continue in education still depends very much on social class. In the academic year 2001/2002, 50 per cent of young people from wealthier families (non-manual social class) participated in higher education, compared with just 19 per cent of those from a working class background (Social Trends 34).

Basic skills and financial literacy

The *Skills for life survey* found that 43 per cent of 16 to19 year-olds and a similar proportion of those aged 20 to 24 achieved level 2 or above (Department for Education and Skills, 2003At this level people are judged to be able to understand a range of texts of varying complexity, accurately and independently and obtain information of varying length and detail from different sources.

Only 50 per cent of the 16-19 age group and 51 per cent of 20-24 year olds achieved (at least) level 1 in numeracy, where people can understand straightforward mathematical information used for different purposes and can independently select relevant information from given graphical, numerical and written material. Furthermore, young women aged between 16 and 24 performed less well than their male peers (48 per cent compared with 53 per cent at level 1 or above), but rather better on the literacy ones (46 per cent reached level 2 compared with 40 per cent of young men).

A Financial Services Authority study of young people, aged 15-18, showed that parents were the main source of information about financial matters. It was, however, parental behaviour rather than their advice which had the greatest impact on young people's decisions. Levels of shopping around for financial products were very low, in contrast to their behaviour when buying clothing or mobile phones (FSA, 2004b).

Knowledge and awareness of financial services

As a result of the work of the Personal Finance Education Group (pfeg) and Financial Services Authority, personal finance education is now seen as an important part of the school curriculum. However, it takes time for the enthusiasm to trickle down to the classroom, and research indicates that young people aged 15 to 19 believe that schools could and should be doing more to inform young people about financial matters (Jarvis 2002; Samson et al 2004).

Recent research in secondary schools commissioned by pfeg has shown that the extent and quality of teaching in this area varies greatly. On the whole, teachers did not feel that they had the skills or knowledge to teach this subject and required extensive support and training to do so. When this was provided, teachers' levels of confidence increased. Moreover, the research found that secondary school pupils expressed very low levels of confidence in all areas of personal finance. For example, between 60 and 80 per cent (depending on their age) said that they lacked confidence in their knowledge of loans, overdrafts and mortgages; a similar proportion lacked confidence in their knowledge of interest rates; while between 40 and 60 per cent did not feel confident about their knowledge of current and savings accounts, bank statements and wages/pensions. In contrast, secondary school pupils did have a strong familiarity with many everyday financial matters, with their knowledge and attitudes gleaned from family, friends and the media. Unfortunately, the research concluded that young people's experiences outside school lead to very firmly held beliefs and attitudes on financial matters that can impede personal finance education in schools (Thomas, 2004).

Other research has highlighted gaps in knowledge of, and access to, financial services. For example, a recent survey by MORI[1] found that 24 per cent of 16 year olds in England do not have a current account or savings account into which benefits or salary can be paid. Loumidis and Middleton (2000) found that from an early age, children have quite different levels of exposure to financial matters. Poor children know far less about banks and banking services than their better-off peers. On the other hand, if their family is poor, children tend to have a much greater awareness of the budgeting techniques used by their parents, and they are acutely aware that their parents have to pay regular bills.

Research undertaken for the Financial Services Consumer Panel has found that a lack of confidence amongst school children is carried forward into early adulthood. Drawing together replies across a range of questions, the research concluded that

[1] MORI interviewed a representative sample of 723 16 year olds between January and December 2004.

around a third (35 per cent) of younger adults aged between 21 and 24 could be considered financially literate, compared with nearly half (45 per cent) of adults overall. In particular, younger adults were much less likely to agree with the proposition '*I have a clear idea of the sorts of financial products I need'* (9 per cent, compared with 33 per cent overall) On the other hand they were judged to be much less risk-averse (39 per cent compared with 52 per cent overall). This is a worrying combination, particularly given that younger adults (21-24) were also less likely than average to review their finances regularly than adults overall (23 per cent compared with 33 per cent) or to keep a written record of their finances (35 per cent compared with 57 per cent) – putting them at greater risk of falling into financial difficulties (Collard 2001).

Section 1

Methodology

This analysis uses a combination of qualitative semi-structured interviews, informal discussions and observations. It was conducted in two phases in order to first capture baseline data and then evaluate the impact of the pilot scheme.

Phase 1

We interviewed 19 young people at Fairbridge West in Bristol, between December 2004 and January 2005. Each of the interviews lasted approximately 20 minutes, and included discussion about banking, income, expenditure, savings and borrowing as well as more general attitudes towards money. Questions were adapted to take into account the range of abilities and concentration levels encountered.

We conducted the Phase 1 client interviews in two waves. Initially, five young people were interviewed in December 2004. These interviews were analysed to check that the topic guide was appropriate to the needs of the evaluation and to feed back some information about current levels of financial awareness to the course co-ordinators. In January 2005, we interviewed a further 14 young people using slightly amended questions.

We also interviewed partners of the pilot project and some members of the Fairbridge staff between January and March 2005. Partners were invited to be interviewed confidentially (in most cases by telephone), and staff asked if they would take part in confidential interviews either at work or outside work time, over the telephone. In total five partners and eight members of staff took part in these interviews, which lasted around 40 minutes, and included questions relating to the financial expertise of the interviewee, and their expectations of the interest, experience and capability of the young people.

Phase 2

We discussed with Fairbridge and the co-ordinators of the financial capability project whether it was appropriate to try and re-interview the clients that we had spoken to in January. We decided that we did not have the time and resources to actively follow up these clients, but that we would not avoid speaking to them again if the opportunity arose. The information that we needed could come from any clients who had been involved with Fairbridge during the period of the pilot, because we were interested in the client's perception of the courses that had been run, and whether clients felt that Fairbridge had helped them with financial issues.

We achieved twenty interviews in the second phase, of which four were with people we had interviewed previously. In total we were able to speak to about half of the original group either during a second interview or on an informal basis. The others had moved on, and no longer had regular contact with Fairbridge.

We asked clients about their income and spending, and then discussed the courses they had attended and used a variety of prompts to ascertain whether the focus on financial capability had impacted on these young people in any way. Interviews typically lasted for slightly less than twenty minutes.

We were particularly interested in the opinions of the young people who had been involved in the stand-alone financial capability course, 'On your own 2 feet'. We therefore sat in on the course review, conducted by Fairbridge staff and asked our own supplementary questions. We had already met some of the participants of this course and interviewed them one-to-one, but this provided valuable information about the interactions within the group and the overall attitude towards the course.

In addition to evaluating the impact of the course on the young people, we wanted to know how the staff felt about delivering financial capability as an integral part of their tasks, and how the partners felt about supporting this work. We therefore interviewed four members of staff, and four partners. The partner interviews were conducted over the telephone whilst the staff were interviewed in person.

We made a number of visits to Fairbridge West to observe and participate in some of the courses on offer. We also spoke to members of staff and management who were not formally interviewed, visitors, other partners and young people involved in a range of activities. All of our observations have been included in the evaluation process.

Confidentiality and sensitivity

Young people, staff and partners were given the option to participate or not, and told that if they did participate they could stop at any point. Participants were also told that they did not have to answer anything that they did not want to. Staff generally helped us to recruit young people, and we found that clients were most willing to be involved if they were told that their cooperation would help Fairbridge.

Fairbridge guidelines were used to explain to clients that any information they gave would be confidential but that interviewers may ask the advice of staff if they were concerned that the young person was in danger, or if they felt the young person was putting someone else at risk of harm.

All interviewees were asked if the interview could be recorded. When this was not permitted we took notes to help with the analysis process. Information from the notes and recordings (including verbatim quotes) was then entered into thematic grids, used to facilitate analysis.

Participants

Client Characteristics

The clients who participated in the first phase interviews ranged in age between 13 and 23 (most were 15), and just three were female. During the second phase we spoke to 14 young men, six young women. Most of these respondents were aged 16, but the ages ranged from 14 to 24 years old. We refer to them in the text as either young people or clients.

Some clients were new to Fairbridge, whilst others had been attending courses for some time. Fairbridge encourages young people to visit the centre as often as they like for as long as they need until they reach 25 years of age. Some clients may choose to attend just one or two days a week for a few weeks but Fairbridge is committed to offering continued support to young people for many years where necessary.

Clients lived in or near Bristol; the vast majority lived in the poorer neighbourhoods of the city. Some told us they had moved from other areas, including London and Wales, and some had moved many times within the city of Bristol. Most lived with one or both parents, but some lived alone in flats or hostels. Most appeared to be living in relatively settled conditions. A few were keen to move on in the near future, either because they were dissatisfied with their accommodation or they wanted to leave home.

Some clients told us that they could not read and several appeared to have some learning difficulties. Some clients clearly found it difficult or impossible to concentrate throughout the 20 minute interview despite being in a private room, and in some cases interviews were stopped momentarily whilst they took a break. We know from talking to staff that this lack of concentration is a general problem amongst many of the clients and did not reflect any particular issues with the research.

Client types

Whilst all the clients we met had problems of one kind or another we felt that these were not necessarily the most relevant factors in identifying their financial needs. Rather, for most their background and living circumstances had more affect on their access to mainstream finance and the opportunity to pick up aspects of financial capability at home. Some however had special needs or difficulties that appeared to override most of the effects of their living circumstances.

In discussion with staff, we have identified four types of clients. We are aware that the young people come from a range of personal circumstances, but for many there has been little opportunity to learn about subjects such as personal finance at home. In particular staff have told us that some of the clients have families that are struggling with their own difficulties, and other young people have conditions or behaviours that challenge their families to such an extent that they cannot provide the breadth of support and advice that other children might expect to receive. A few clients have been in care for some of their childhood and may have missed out on a family support network.

> **Type 1:** Many of the young people came from households with some form of earned income, and had grown up aware of the role of banks. They also had some very basic knowledge of mortgages, and credit cards, and may have been told about the dangers of getting into debt.

Type 2: Some of the young people came from homes with no wage earner, or with very low household incomes. They were used to observing financial transactions made in cash, and knew more about doorstep lenders than credit cards and mainstream financial services. This group included some of those who had been in care, or had lived alone for some time.

Type 3: Some young people had particular learning difficulties or other problems that had resulted in them being given extensive support by family or by professionals. They had someone else who took responsibility for their financial situation. They often had other overriding issues such as low levels of literacy. Some of the young people who had been in care for many years fitted in this group as they had become very dependent on, and accepting of, state provision. For these young people, living circumstances were not the most relevant factor in the development of their financial capability skills.

'I have never used money.' (Male, over 18).

Type 4: These clients were similar to Type 3 above, but had become skilled at taking care of themselves, or had a reasonable level of financial understanding despite leaving the decisions to other people. As with Type 3, this group included care leavers, but more independently minded individuals who had not become overly reliant on external support.

We are aware that the typology has been based on a small number of people, and does not provide mutually exclusive categories. In particular, it should be noted that it is very difficult to factor years of education, or academic ability into this typological framework. However, where appropriate we will refer to these types in the following text and quotes, but being cautious not to provide enough information to identify individuals. It must also be emphasised that we do not have detailed information about the young people's personal circumstances, and so these categories are based on our observations and discussions with the young people.

Partner characteristics

During the first phase of this research we interviewed staff from five of the partner organisations working with Fairbridge to develop the financial capability initiative. In the second phase we re-interviewed three of the partners, and one other was interviewed for the first time. We will refer to the individuals as the partners in this report. Additionally, as five of the six partners were female we will use female pronouns when discussing their views in order to preserve confidentiality.

Three of the partners had previous experience of working with Fairbridge, and two had experience of financial capability training. Most had worked with young people in other settings, either through their current employment or in previous roles.

Staff characteristics

Eight members of staff from Fairbridge were interviewed for the first phase of the research. At this point we did not know what the responsibilities of each person would be. During the second phase we re-interviewed one member of staff and spoke to three others, who all had experience of implementing the pilot scheme. These staff included some who were voluntary workers and some salaried. Some of them work regularly with Fairbridge but are funded from elsewhere.

The staff we interviewed ranged in age between 26 and 37 years old. Some had been involved with Fairbridge for just a few months, whilst others had been working there for many years.

Young people and financial capability

We start below by summarising how staff and partners described financial capability. Under each of the headings that follow we then summarise the comments of the staff and partners before describing in detail the clients' responses. Most of the findings reported in this section relate to the first phase of interviews. Some of the information under the headings Income and Banking aggregates findings from all the interviews (Phases 1 and 2); this will be noted in the text.

Financial Capability - understanding the concept

We asked staff and partners to tell us what they thought the term 'financial capability' might mean. For some this was the first time they had thought about it, whilst others had heard the term repeatedly and considered what it meant over many months.

'A bit of a misleading term in some ways… certainly a bit of a mystery to me'.

Virtually everyone felt that it was not an absolute concept. Most felt that financial capability would vary depending on the age and circumstances of the individual, although it was pointed out that getting older wouldn't necessarily make a person more competent. One felt that people managing complicated products like pensions needed to be considerably more capable than average. Another commented that the *consequence* of not being financially capable was the same for everybody (the consequences suggested included financial difficulty and a greater propensity to suffer from poor mental health).

The following quotes from partners and staff we interviewed indicate the general understanding of the term:

'Being able to manage your money effectively and understanding how you are using [it].'

'How to be in control, I suppose, of money.'

'Confidence and basic knowledge that you can work with, and get information and make a fair judgement.'

It was noticeable that most of the partners and staff talked about financial capability in terms of actions or behaviour, such as management and control, rather than in terms of knowledge and understanding. The one who mentioned knowledge went on to talk about 'making judgements', suggesting that they considered that the knowledge under laid the behaviour. This finding mirrors those in the 2005 report 'Measuring financial capability: An exploratory study' (PFRC, 2005). The authors of that paper suggest that the behaviour that individuals refer to encompasses the skills, knowledge and confidence.

Attitude to money

Staff and partners

Staff were asked how they felt about money themselves, and how they imagined the young people would feel. We identified three attitudes amongst staff; some were entirely disinterested in money and financial issues, some had ongoing financial problems and had low confidence in their own ability, and some were very financially aware and confident. Those members of staff who were most negative or showed low levels of confidence were also more likely to assume that the young people would be disinterested. This is important to remember when suggesting that staff incorporate financial capability into the work they do with clients – it may be difficult for those adults with low levels of interest in money matters to summon up sufficient enthusiasm amongst clients.

Partners and staff told us how they thought young people would react to discussions about 'money' and about 'finances'. They clearly believed that finance was a more sophisticated word and may cause the clients to switch off. Conversely, most felt that if someone told clients they wanted to talk about money they may think they were going to be given some, but would ultimately focus on what they had in their pocket at that particular moment. This leads us to wonder whether there is another term that might relate to the clients skill at using and managing their money.

Clients

The attitudes of the young people confirmed the expectations of the staff and partners. It appeared that the young people were not used to talking about money or their financial position and several seemed surprised to be asked to be involved in this research – one commented that it seemed *'weird'*. Despite mixed levels of interest in talking about money they all answered the questions willingly and most engaged in the topic over the course of the interview. We believe that the main reason for such high levels of co-operation with the research is that the participants were asked to 'help with the project' by Fairbridge staff; clients clearly have a great deal of respect for the staff and therefore perhaps want to give something back.

Most of the young people felt that money was not an interesting topic, but several of those who were not personally interested believed that it could be a useful area for Fairbridge to cover, and it was not uncommon for respondents to distinguish between being interested in a topic and believing a topic was important.

Clients often acknowledged that having money could make them feel good or happy sometimes. Conversely, not having enough money could make them feel bad. A small number of them expressed frustration at the general level of emphasis on money in our society as it did not sit well with their own values.

'a lot of people think like money is not the most important thing, n' like try and like make it not the most important thing. I wish it wasn't the most important thing, like love's the most important thing, but you're fucked without money'. (Male, over 18, Type 2).

Some clients recognised that money gave them freedom to do things, such as travelling to visit family, or going out with friends. One noted that he was never really without money, because *'I always find a way of getting money, so'*. This young man was happy to have just a few pounds.

'You can do anything really when you've got money'. (Male, 14-16, Type 1).

Some clients were aware that their feelings about money had changed as they got older. For example one client remembered how excited he used to feel when somebody gave him money to spend when he was five or six years younger, and another remembered being given a large sum of money when he was younger which he spent recklessly:

'I regrets it now, 'cos what did I need that much money for when I was 13?' (Male, 14-16, Type 1).

Income

We think that it is important to know how much money the young people are getting, and how regularly they receive it. We are also interested in the amount of control that the clients have over this aspect of their financial situation. We therefore asked the young people about their income during both Phase 1 and 2 interviews. We also asked staff and partners where they thought clients might get money from, to find out how accurate their impressions of the clients' financial circumstances might be. Furthermore we asked staff if they found it easy to talk about sources of income with their clients.

On the whole staff and partners did not think that the young people had very much money of their own. They generally recognised that many of the younger clients would receive pocket money from parents, although a minority of staff did not feel that parental money was a major factor amongst the clients they worked with. One member of staff commented that some parents could not even afford to provide the basics for their children.

Most of the partners and staff thought that the older clients may be accessing benefits, and some mentioned small earned incomes. Only one partner and one member of staff suggested that young people might get an income whilst in education. Almost half the staff felt that some young people would be earning some of their income illegally or selling things they owned at a fraction of the cost when they were short of cash.

The staff did not feel confident or competent to discuss income in a group setting with the young people. Most felt it was something they could talk about during one to one sessions, but very few had any experience of doing so. They also felt there was a difference between initiating such a discussion and offering advice if they were asked about income. It seems that wherever possible, staff take time building up a relationship with clients and those we spoke to generally felt that finance would not be one of the first things they talked about during this process. Most also recognised that whilst income was an important aspect within the topic of money management, they did not have a lot of information they could offer. We feel that income may therefore be an area of finance that can be best covered by other agencies, such as Connexions.

We found that the adults were pretty accurate in predicting the clients' income sources, suggesting a good level of understanding of their clients' circumstances. Only two young people had a significant earned income that they used to support themselves. Most of the others relied on pocket money or money from Social Services if in care, and some supplemented this income with part time work. Some were also receiving extra money from other family members – including non resident or step-parents - on an ad hoc basis. Two were receiving Entry to Employment (E2E) grants of £45 a week. A small minority indicated that they may have received an income from illegal activities such as drug dealing. The finding is in keeping with the summary of Fairbridge clients by Astbury and Knight (2003), which reports that 'a significant minority reported their main income came from crime'.

School age clients

Pocket money was a common source of income amongst the younger clients (those aged 16 and below). Some were apparently receiving considerable sums, although sometimes this included bus fares, phone top-ups and money to buy lunch. For example, one boy apparently received £60 a month and another claimed to be getting £5 a day (£150 a month). A few had a second source of pocket money, sometimes because their parents were separated and in one case from a grandparent. Most of the young people were getting this money irrespective of completing household chores, but a few told us that money was withheld for misdemeanours such as being *'mouthy'*. It was noticeable that the majority seemed to take pocket money for granted and clearly saw it as a regular source of income; only one of those without any earnings mentioned that his pocket money would depend on how much money his mother had left at the end of the week.

Some of the younger people had tried part-time jobs, but were no longer working. A few were in the process of looking for work, and some did occasional paid work, such as child minding. One had just received a part-time job offer, but had not thought to ask about the rate of pay. Two of the four clients we spoke to during both phases of interviews told us *on both occasions* that they were 'just about' to start work, perhaps indicating a vague hope rather than actual intent.

Interestingly, whilst some adults assumed that paper rounds were a common source of income, there seemed to be resistance to taking on a newspaper round amongst the school age clients we spoke to.

Q: What about a paper round?
A: 'You'd only get like a tenner; I could just ask my mum for it.' (Male, 14-16, Type 1).

On further investigation it became apparent that the potential earnings were not the only reason for avoiding paper rounds. Several of the younger clients felt that delivering papers was simply not worth the effort. Indeed one used to have a round that was well paid and had given it up in preference for much lower-paid work cleaning cars. Whilst none of the clients was interested in a paper round there seemed to be little appreciation of other jobs they might do before they were 16 – although one 13 year old was earning money occasionally by babysitting for a neighbour.

Some of the respondents told us that they would find work to get more money if need be. They recognised that they needed extra sometimes, such as at Christmas, and were prepared to find ways of meeting this need. The others mostly relied on family to give them extra when they were short. Only one told us that he/she had sold possessions in order to pay for basic provisions.

It was common for the 15 year olds that we spoke to in the first phase of this research to talk about turning 16 as a hugely positive milestone because of the opportunity to look for a 'proper' job (i.e. full-time work). They clearly misunderstood the laws surrounding employment of school-age children[2]. Conversely, at least one 16 year old felt frustrated that he couldn't be legally employed until the official school leaving date.

'That is so annoying; I'd love to have a job.' (Male, 14-16, Type 1).

By the second phase, most of the young people were 16, and still unable to take on full time work. Some had become noticeably disengaged after early rejections. At least one was under the impression that he would have to wait until he was 18 to get a job – explaining to us that he was still being turned away by employers despite being 16.

<u>Beyond 16</u>

Some of the older clients were able to access a range of benefits to help with basic living costs and encourage them to participate in education or work. Some of those interviewed in Phase 1 had rejoined a training provider, and were entitled to weekly payments through the Entry to Employment scheme. (During the second phase of the research we did not speak to anyone who was receiving training, or any kind of funding related to education).

At least three of the young people we spoke to were claiming Jobseekers Allowance. Others were receiving income support or disability allowances. One was not claiming benefits, but was working cash in hand.

One of the young people had become aware of the potential burden of supporting yourself through higher education. This client's sister had decided to return to education as a mature student *'which is gonna be harder and it's gonna be extra money coming out of her pocket and she's still supporting herself.'*

<u>Controlling Income</u>

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[2] The following website gives a useful overview of the law surrounding the employment of young people. <http://www.adviceguide.org.uk >

It is interesting to consider the extent to which individuals feel in control of their financial situation; this is something we will return to throughout the report. It was clear when talking to the young people about income that most felt unable to control the amount that they received. Perhaps more worryingly one client admitted that they hadn't asked about the salary when being interviewed for a job, and neither of the two young people receiving E2E knew whether they would continue to receive the payments through the holiday periods. A benefits recipient told us that he had been sent two payments together over the Christmas period and rather than question this he had (wrongly) assumed he had been sent a bonus payment and had therefore spent it all and was left with no money for the following week.

Spending

The staff seemed uncertain about the expenditure of Fairbridge clients, possibly indicating that they did not see it as being an issue of particular interest. Two members of staff claimed to have no idea what the clients might be spending money on. Only three suggested they might buy clothes, and one explicitly said not clothes. Half thought that some of the clients would be spending money on drugs. Food and sweets were also mentioned by a few members of staff. Given the low level of thought about expenditure it is not surprising that staff did not have particularly strong views about changing spending habits. Those that did make comments about getting young people to think about their spending decisions were more concerned with impacting diet, health and self confidence than financial security.

Partners were uncomfortable generalising about the diverse range of clients in Fairbridge and were keen to temper any suggestions about what they might be spending their money on with comments about not wanting to do the young people a disservice. Despite this, the lists of items they mentioned were very similar to those given by the clients we spoke to. Most mentioned cigarettes and all suggested clothes. The only noticeable difference was that some partners thought that bus fares might be regular expenditures for most. In fact none of the young people mentioned bus fares, possibly because they were being given money for travel separately from their 'spending' money or because they only travelled to Fairbridge and knew they would get that money refunded.

<u>Regular spending</u>
It was common for the young people to talk about spending as something they had little control over, almost as though they just watched on whilst their money disappeared. One member of staff also commented that there was a tendency for low income clients to think that their finances *'happen to them'.* However another member of staff commented that:

'I think there is an awful lot of scape-goating with young people, 'they are too quick to spend their money' no, they are not, we are too quick to take their money off them, and we are the adults.'

Some clients told us that they only spent money at the weekend, but at least one found that any money he had was gone within a couple of hours.

'As soon as I get money it just burns a hole in my pocket.' (Male, 14-16, Type 2).

When asked what they spent their money on around half told us that some or most of their money went on cigarettes and/or cannabis (‘*weed*’). Alcohol and nights out featured on several spending lists, as did clothes, food (mostly junk food, sweets and soft drinks), CDs and computer games. Just one mentioned the cinema, and one other told us he/she bought magazines.

Q What do you spend your money on?
‘Junk’… ‘Sweets, cinema, taking your missus out, you know having a good time.’ (Male, over 18, Type 4).

*‘Fags, booze and clothes and CDs.’ (*Male, 14-16, Type 1).

An older respondent talked about spending from the point of view of things they chose to spend on and did not mention financial obligations such as accommodation and utilities until asked directly about these items. Similarly nobody volunteered the information that they spent money on their mobile phone, yet most had pay-as-you-go phones that they needed to top up.

The level of controlled spending seemed to be low, and the number of people with addictive habits meant that it was often difficult to see how they could make spending decisions. However, those who smoked felt they would probably borrow cigarettes from a friend if they wanted the money to buy something else, showing that they were capable of making decisions about their expenditure. It was also noticeable that some felt that the main reason they bought cigarettes or drugs was because these were the only enjoyment they could afford.

'I know it sounds a bit shit doesn’t it….I'd rather, if I had loads of money, say “I spend most of my money on, like, CDs or going out to big club nights” or something…..if I had a car I wouldn’t have to buy loads of weed, cos like I usually just buy a bit to get me out with girls .... buying a car I'd just go cruising around, like, it’s something to do.’ (Male, over 18, Type 2).

One of the clients who claimed to spend money without thinking told us in detail about the things he had bought, and how much they had cost. They all related to his hobby, and were not cheap items. It was clear that he saw himself as a spender, and that he did not respect his own ability to save the money for the things he needed. Neither did he recognise the skills he was using as he prioritised his expenditure.

<u>Occasional Spending</u>
In addition to the regular purchases mentioned above, some of the young people made occasional purchases, or infrequently had larger sums of money to spend. For example, one of the first young people interviewed anticipated getting £300 at Christmas. He/she planned to spend it all, straight away, on him/herself. This young person spoke with a certain satisfaction about spending the money *"All myself"*.

There was some awareness amongst the clients of how easy it was to spend larger sums of money without any thought. One of the young people commented that whilst his/her mother paid pocket money, she did not like to give cash as presents because she did not feel it would be spent wisely. Of those that had been given larger cash amounts, even some of the younger ones recognised that they had spent the money impulsively and had given absolutely no thought to saving any of it.

Very few of the young people mentioned spending their money on other people. Of the five interviewed before Christmas, not one told us they had been spending money on presents. Just one interviewee overall mentioned that he/she would sometimes spend money on friends (which felt good), one told us that he had bought a cinema ticket for a friend so that he could have some company, and one spoke of buying a card for a relative in hospital.

Spending a windfall

We asked some of the young people to imagine they had won £100 and to tell us what they would do with it. We then repeated the question with £1,000. Of those that discussed how they might use this imaginary money, not one felt they would behave the same way with £100 as £1000.

It was noticeable that to most, but not all, £100 did not represent a particularly large amount of money.

'Hundred pound? It's not very much'. (Male, 14-16, Type 1).

Typical purchases mentioned included clothes and electronic equipment (e.g. stereos, phones, computer accessories) – one thought he/she would have bought drugs and another one said he/she would have a party. Not all the clients felt they would spend the money immediately. One thought he might have put half in the bank, and another would have liked to give the money to his parents, for board.

Whilst £100 did not seem spectacular to many of the clients, when they started talking about £1,000 they were clearly much more in awe of such an amount. As the boy quoted above said:

'A thousand pounds, now that would be a different story'. (Male, 14-16, Type 1).

The clients were more animated when making suggestions but some of them had unrealistic expectations about how far the money might stretch. However, one was clear about the kinds of things £1,000 could buy and how these things would help in his chosen career.

For most, this amount of money represented the potential to buy some kind of freedom – whether in the form of transport (motorbikes were popular), or better accommodation. Examples include a 15 year old who felt that with so much money he would move out of the family home, and a hostel resident who would get a flat with the money.

Whilst the goals of the clients might not be met with as little as £1000, most recognised that by keeping the £1,000 intact they could achieve something more rewarding than by frittering the money away on a variety of things. Only one felt that he would spread the money across a range of purchases, and it seemed that this was possibly because he was concerned with his image more than his circumstances. That is not to say he was selfish - in fact he was the only one who considered spending some of the money on friends.

These findings indicate that the clients are aware of their needs and wants and the benefit of having a sizeable amount of money. It may be useful to keep this in mind when designing courses targeted at helping them meet those needs.

Banking

In both phases of this research we asked whether the client had a bank account and whether they were using it to manage money. As part of the baseline research during the first phase we also asked clients about their knowledge of, and attitude towards, banks and banking.

All partners recognised that most people could open a bank account easily but that some Fairbridge clients may find it difficult. However, half the staff agreed with the statement 'it is easy to open an account' and did not qualify this in any way. Most staff and partners agreed that it was not possible to manage money without a bank account or similar, partly because they were aware that both wages and benefits were paid directly into bank accounts. Some staff and partners felt that banks were mostly interested in people with well paid jobs, but not all agreed with this statement.

Partners felt that clients may know something about the facilities that a bank could offer, but would probably not know much about how they worked, or know how they might be of use. All the partners were confident that Fairbridge staff could and would work with clients to improve their knowledge of bank and credit union facilities.

The staff had similar views to the partners about the level of banking knowledge amongst clients. But, contrary to the beliefs of the partners, they were not all confident discussing banking with the young people. The range of financial capability amongst staff was particularly apparent when they talked about banking. Those who were confident generally felt that their strength would lie in being able to accompany a client to a bank, rather than inform them about their choices or about the workings of various facilities available. Some staff felt they needed more training, and some needed specific information. Examples of gaps in knowledge included a member of staff who commented that the clients sometimes talked of 'solo' but he/she was not sure exactly what this was and another who was concerned that he/she knew very little about credit unions.

Twelve of the 35 clients we interviewed did not have any kind of bank account. Most of these were under 18 and had not tried to open one because they did not see any need. The rest had at least one account, although not everyone had an account from which they could access money – some only had savings products that were being managed by their parents. One of those who only had a savings account told us he would open a regular account to pay wages into when he was earning around £200-£400 a month (no income figure was suggested by the interviewer).

Some younger clients had bank accounts that they were not using, usually because they had no regular income besides pocket money. Conversely, one of the older clients told us that he/she had several accounts, to manage bills, savings and benefits receipts.

Some staff were not sure whether clients under the age of 18 could open a current account. In fact none of the clients used the term 'current account' although some clearly held this kind of account; most considered this to be the *'normal'* one. It would be wrong to assume that they knew nothing about how accounts might differ though - one client who had not heard the term current account concluded that it must be different from a savings account, and would probably therefore be one with '*low interest, take money out and put money in quite a lot'*.

The reasons amongst clients for not having an account varied. Some young people did not feel that they needed one, and indicated that their parents dealt with money issues. In one case the respondent couldn't see any benefit from having an account, and just wanted to *'to have the money in my pocket'* even once he started work. However a small number did not have an account because they had not been able to open one.

Opening an account was assumed to be straight forward by most of the clients who already had one, although some were unsure how old you had to be before you could open an account without parental consent. Most were aware of the need for proof of identity (ID) and some told us that they remembered providing evidence of date of birth and address. Most told us that their parents had opened the account for them. Those who had not been able to open one had almost all faced difficulty with ID requirements (one claimed he had a bad credit history). One 18 year old told us about his experience trying to open an account, as required by E2E, in the branch where his mother was a regular customer:

'They said I wasn't allowed… 'Cos I had to prove where I lived, like a letter or something, and I needed a, like, car licence or passport, and I haven't got a driving licence haven't got a passport so I cant open one, so that's hard…I said to them I don't really have bills 'cos I live at home, so my mum pays the bills - not me. They wouldn't take anything – I did have like a college ID card but they said it's not good enough.' (Male, over 18, Type 2).

Similarities are apparent in this second account by an 18 year old trying to open an account where his father banks:

'I need a bill with my address on it, [correcting himself] *with my **name and address** on it. Until I get something that I order and then I get a bill with my address on it, and then I can go in and get a bank account, but until then I can't. It's not easy, they could make it easier'.* (Male, over 18, Type 4).

We asked clients whether banks were offering a service for everyone, and it was generally agreed that they were, **even amongst those without an account at present**. There were a few exceptions – a small number of clients thought that banks treated their wealthy customers better. Another small group felt that banks would be most interested in serving customers who worked because they would be more likely to borrow money. They realised that this was one way in which banks made a profit.

'Like they probably hate me because I've got five quid in there and that's exactly how much you need to keep it open and its been in there for about three years and I haven't added or taken away'. (Male, 14-16, Type 1).

It was apparent that there was little knowledge of the services that a bank might provide. For example one of the respondents knew how to draw money out of the bank through the cashpoint, but not over the counter, and did not know how to find out the balance on the account, other than knowing the account was empty when the cashpoint refused to give any money.

'*Got the bank card innit, type in my PIN number and I ask for how much I want and it gives it to me* [spoken gleefully].' (Male, 14-16, Type 2).

Another younger client questioned whether a (current) account could be set up to automatically transfer money to a savings account. There was little use of terms such as 'direct debit', 'standing order' or 'debit card'. Only one young person volunteered any of these terms and then did not understand what they related to. A few used the brand name 'switch' as a verb to mean any kind of electronic access to funds. One clearly knew something about solo cards and switch cards, but also claimed to have a cheque book despite being under 18. Perhaps more surprisingly, very few of those we asked had ever handled a cheque, and some did not appear to understand how to pay one into the bank. One understood that without an account it would be difficult if he received one, but assumed his mother could help out. As we did not discuss cheques with every client this may be an area worthy of further investigation.

It was clear that some of the younger clients we spoke to would have benefited from access to a debit card with real-time banking (such as solo or electron), but they did not know that such facilities were available to their age group. This means they are currently unable to take part in activities such as online shopping or making card payments in shops.

Some of the clients had thought about the relative safety of keeping money in the bank and accessing it in various ways. One younger client was nervous of cashpoints because he had heard that there were devices being set up that captured people's PIN number. He wasn't prepared to take that risk and would only get money over the counter. Another client felt that a *'switch'* card was much safer than carrying cash around because it could be replaced if it was lost.

Our interview did not specifically ask about the correspondence received from banks but one client under the age of 18 who was living in a hostel told us that he regularly received junk mail from his bank talking about things such as *'driving lessons'*. We can only assume that the bank was trying to encourage either savings or future use of credit. We understand from 'Too much, too young', a report written by Centrepoint in 2005, that young hostel dwellers are targeted by loans companies and feel that this finding is relevant to the implementation of the course and to wider concerns about financial marketing amongst vulnerable groups (Nandy, 2005). Again this may be an area that warrants further investigation.

Credit Unions

Only one of the young people that we spoke to in the first phase of this research had any knowledge of credit unions. He remembered visiting the local Credit Union with Fairbridge, and described it to us as a community centre that locks away your money for you. This indicates that more could be done to reassure young people that credit unions are safe and regulated.

'Because it wasn't a bank so I just thought "Oh no, I wouldn't trust them"\…/banks seem more professional, safer.' (Male, 14-16, Type 1).

Saving

Partners and staff unanimously agreed that it was important for young people to save, even if it was difficult on a low income. Just one commented that saving should not be prioritised over debt repayment, and one thought that the savings habit should be started when young people are *'tiny'*. They were less sure whether the clients felt it was important to save. Staff tended to think that most clients would not feel that they should be saving, and most would not have any savings. One partner thought it would depend on their role model at home, another thought it might depend on access to credit, whilst the other partners felt it was unlikely that many considered saving at all. Most staff and partners thought it was a useful area to discuss with young people but one partner was wary of making *'value judgements'* about how money should be used. Some members of staff saw savings as a way of improving circumstances and breaking away from the buy now pay later culture – again indicating that they saw the introduction of financial skills as a part of their overall desire to offer the clients increased hope and future security.

When discussing savings with young people it became apparent that some of them were very negative towards the concept, and a few would use spurious arguments to justify their insistence that they did not need to save. For example, one told us that he was not in control of his spending but claimed he did not to need to save for a car because they are '*cheap'*. Another told us he had savings, but then admitted that he owed this money to someone else. Some felt they had grown out of saving and that now they knew they had a regular income they didn't need to bother. This suggests that they perhaps hung onto a childhood image of putting money aside to buy sweets or a toy and may benefit from greater awareness of the advantages of regular savings.

Only one client was saving their own money for anything more than a treat at the weekend. One specifically told us that he considered saving to be just keeping hold of money for *'a few days'* because even that is just so hard to do; another said saving was keeping a £20 note without breaking into it. Interestingly, one younger client started off assuming a very negative attitude towards savings, then decided during the course of the interview that he might try saving a small amount of money each week, for a few months, but he wasn't sure how easy it would be to open an account to do this.

Several respondents felt that it was too easy to draw money out of a bank, and that this would make it a poor option for longer term savings – they wanted a '*proper savings account where it just goes in there and I can't touch it'*. This indicates that the clients are not shopping around for suitable products, as limited access savings accounts are widely available. However it also suggests that young people realise that they lack self control and actually want to find ways to overcome their own ‘buy now’ attitude to spending.

Some of the teenage clients had savings accounts set up and paid into by family which they could not access until they were older. Most were expected to use the savings towards specific purchases such as a ‘*car*’, or ‘*holiday*’. None of them was putting their own money into these accounts. Most recognised that there was some advantage to having money they couldn’t access, because they would just spend the money if they could. It should be noted, however, that in some cases the parents’ choice of financial products did not necessarily match the needs of the young people. For example, the parents of one young man who was living independently and in receipt of benefits had set up an ISA on his behalf. When we asked him what the benefits of an ISA were we were told:

'You don’t have to pay tax - surely you know!' (Male, over 18).

Borrowing

Staff and partners were all aware that clients would be most likely to borrow money and other items from friends or family. It was noted that this was partly because of the age of the majority of clients (18 is the minimum age to enter into a credit agreement), and partly because of their low incomes.

Few members of staff or partners though that any clients would be borrowing money from formal lenders, although the social fund, store cards and pawn brokers were mentioned as possible sources of credit by a minority.

All the partners were concerned about levels of borrowing amongst young people nationally and they all felt that young people would not have the knowledge or skills necessary to weigh up the pros and cons of particular deals. Staff were less certain whether clients would understand the pros and cons of borrowing. Some felt they would have learnt from those around them, but others felt that they would only know what they had experienced themselves.

Staff and partners were wary of identifying the benefits of having access to credit. The only suggestions given were that clients might be able to buy specific items such as a scooter to get to work or a washing machine, or they may wish to use some additional money to get out of a difficult situation.

Older clients (aged 18+) varied in their knowledge and experience of gaining access to credit. Overall they were perhaps more aware of the negative aspects of borrowing than the staff and partners expected them to be. Younger respondents were also fairly clear about the negative aspects of borrowing even though they had no personal experience. The younger clients tended to feel that it was not something they needed to know more about as it was not relevant to them at this time. They found it hard to imagine themselves borrowing money from anyone other than friends or family in the future.

<u>Family and Friends</u>

'*My mum is my visa card.*' (Male, 14-16, Type 1).

Only a small minority of the respondents claimed that they never borrowed money from anyone including family or friends, and even some of these felt that lending £5-£10 to good friends was OK. The others generally 'borrowed' smaller amounts from family; some rarely paid it back. Some were less comfortable than others about taking money from their family, partly because some felt that their parents needed the money too.

'*My ma's like my lifeline, so I don't need to ask my mates for money.*' (Male, 16, Type 2).

'They like me a lot and they give me money even if they don't really have it and can't afford it.' (Male, 14-16, Type 1).

The older clients were less likely to still be borrowing from friends or family. One told us how difficult it was to feel fully independent when he needed to ask his father for money.

'I don't like asking him though because I'm 19 and I should have the money myself, but I can't help it if I need £5 here and there you know – living on my own'. (Male, over 18, Type 2).

Amongst those that were repaying money borrowed from family, one client said he would pay family back as soon as possible, and would never borrow more than around £10. Just one borrowed **only** large amounts (£100+) from close contacts, but also described prioritising repayment over a period of time above spending money on other things. One other felt he might borrow larger amounts in the future from family (unprompted response: maybe £500 but not as much as £1000).

Informal borrowing from family had helped some young people form opinions about how it felt to owe money. At least one showed a mature attitude to repayment, commenting that he wouldn't borrow more money whilst there was still an outstanding amount to be repaid.

'*Owing money, obviously it's not good is it cos that's your money and you think, oh I have to give it away.*' (Male, 14-16, Type 2).

<u>Dealers</u>

Another type of informal borrowing mentioned by a number of the young people was borrowing from drug dealers. They were very aware that this was the most risky form of gaining credit and spoke of the risk of extreme violence including the use of guns. Some were very afraid of this kind of borrowing but did not appear to have first hand experience, whilst others claimed to have owed a large sum of money to a dealer. One told us of the very difficult situation that he had personally faced as a result of this kind of borrowing. He did not intend to take the same risk again.

'*It makes me feel sick because people end up dead and things like that.*' (Male, over 18, Type 4).

Sub-prime lenders

Very few young people knew whether there were money lenders operating near their home but one discussed this mode of borrowing in a way that made it clear that the lender was well known to the family (on first name terms). The amounts being borrowed were relatively small (around £200) but the respondent had no understanding of how the repayments would mount up, and commented that it was quite good to borrow this way because the weekly amount owing was very low and the lender always allowed the family to take on more credit once they had paid some off. It was striking however that the repayment was discussed as a family and the respondent seemed to feel some sense of it being a family responsibility to pay it back.

'We pays it 'til its finished but when it gets to like 50-100 quid… we can ask for more after that.' (Female, under 18, Type 2).

An older client told us that Provident regularly called, but he/she sent them away, whilst one claimed to have tried to borrow from a 'money shop' but didn't have the information they needed.

Non commercial lenders

None of the young people mentioned credit unions as a possible source of credit. One under 18 told us that he might use a '*crisis loan from down the social'* if he needed money, and another remembered a family member borrowing from '*the social'* for a cooker and fridge. This young person thought that the amount borrowed was about £1000 and the repayment was around £10 a week, which suggests they had paid attention to some parts of the process and may know what to expect if they needed to borrow in this way themselves.

Commercial lending

Only six of the young people we spoke to were old enough to borrow money from a bank or other formal lender. For the others discussion around borrowing therefore related to how they saw themselves in the future as well as their current attitudes.

Some of the young people initially tried to give the 'right' answer to questions about borrowing. It was noticeable that one of the boys said that he would tell the bank he should not have an overdraft because he was worried that he would spend the money, but then relaxed and said '*nah, I wouldn't!'*. Another hoped that he could manage without credit cards, but reflected that most people have them. Some felt that they would wait until they could afford to buy something rather than borrowing the money, but this was not consistent with their current attitude towards saving.

Q: *Would you ever borrow money to buy a car?*
A: '*I just wouldn't have one if I couldn't afford one on my own, I'd just catch the bus'*. (Male, 14-16, Type 1).

Two clients told us that they had been overdrawn on their bank balance. One 15 year old told us that he used his solo card to pay for goods in a shop with a minimum transaction limit, and this made him go into '*the red'*. He says he had to pay it back. A 19 year old claimed to be around £900 overdrawn, having being sent a cheque book and guarantee card. He said he had realised that the bank wasn't actually preventing him from going over his limit and so *'just had to use it really'*. His talk alternated between bravado and fear as to what the bank might do, but he had little knowledge of what might happen, and was relying on family to help him out of his situation. Generally, respondents had little idea of what would happen if they stopped making repayments to a bank. Sending the bailiffs around was a common (mistaken) suggestion. One went as far as to say that borrowing from a bank might be worse than borrowing from a dealer because it spelled the kind of trouble that you can't escape from – official trouble. (The respondent clearly identified borrowing with debt, rather than with access to funds).

The young people did not tend to talk about bank loans when we discussed borrowing money. Indeed, one young adult was asked if he would consider borrowing money from a bank and answered '*I don't know, I've never really heard of or done that so I don't know*' (Male, over 18, Type 3).

It was common for clients to reply to questions about credit cards with answers that related to debit cards. Of the younger ones who did go on to discuss credit cards, most clearly felt that credit cards got people into debt–they were worried that credit makes it too easy to spend without thought of repaying. One commented on how he might have mood swings which meant he would find it hard to control his spending, and that if he took on a credit card he would have to *'hide it from myself'*. This young person also felt that he would be less sensible with his spending as he got older than he is now.

Some commented that it was difficult to think about things like credit cards, because they were too far into the future; '*miles far away'* said one. This respondent was aware that whilst it was possible that he/she would be more mature by the time they reached 18, there would also be more tempting things to spend money on.

Older clients had usually thought about credit cards, even if they had not been offered one, but some still started to talk about debit cards and the advantage of easy access to their own money. One told us that credit cards were safer than cash because if their wallet was lost or stolen nobody could get hold of the money. This young adult said he/she would probably say yes if somebody offered him/her one.

One young person felt that once his income increased he would be much more comfortable borrowing money, because the repayments would be less of an issue. Nevertheless he commented:

'*It's all good spending the money when you've got it but it all has to come back and that's how you get in debt.*' (Male, 14-16, Type 2).

Mortgages

The young people did not spontaneously mention mortgages when asked about borrowing money. We talked to a few clients about them, and it seems that mortgages were seen as a relatively safe form of borrowing, and again some reference was made to the alternative of borrowing from drug dealers.

‘*They* [mortgage lenders] *ain’t gonna come round your house with a gun’*. (Male, over 18, Type 4).

One client asked the interviewer whether it was possible to sell a house before the mortgage had been paid off. This young person was interested in the reality TV programmes that showed people making a lot of money very quickly by buying and improving homes then reselling them.

Debt

Staff generally assumed they their clients would only be in debt by small amounts, and only to friends. Partners were more aware of the potential difficulties that clients might face and mentioned a range of potential debtors including drug dealers and formal lenders. They were clearly concerned about this.

Staff had a good understanding about what might happen if certain bills were not paid, and most appeared comfortable with the prospect of negotiating with utility providers and other agencies if the clients needed help. Three members of staff told us that non payment of gas and electricity might result in the utility company insisting on fitting a coin meter – two of them were aware that this was a more expensive way of paying.

Staff had little idea of what they hoped the clients might learn about debt. Some vaguely mentioned interest rates, and a few thought clients might benefit from knowing where to turn to if they need support in the future. Partners hoped that Fairbridge could work with the clients to improve their knowledge of the issues surrounding credit, bill payment and debt and make sure they knew where to turn for help. Both staff and partners also mentioned the importance of knowing which bills were priorities and dealing with problems as soon as possible. Some partners suggested that by telling clients more about the reality of being in debt they may become less scared and more able to face up to their situation if they were ever struggling to meet their obligations.

Partners were unsure whether young people would seek help voluntarily if they were struggling to make payments and they were concerned that some may assume things were worse than they really were and not face up to the problem. One identified that young people do not always take responsibility for their own financial situation, and may be tempted to blame others if they get into debt.

Some of the young people had clear ideas about debt, and were definitely more informed than staff expected. Some differentiated between money that was owed to someone, and money that was not paid on time (basically credit repayments and unpaid bills). However, few suggested places they could go to ask for help, other than Fairbridge or their support worker.

Some clients had learnt about the problems faced by people who were overcommitted financially by watching friends or family. One younger client told us how a family member had been left responsible for unpaid household debts whilst living with friends. Even though family had been able to help the young woman it had still taught the respondent a valuable lesson about the level of stress and worry caused by being unable to meet bill payments.

Budgeting

We asked partners and staff to consider what clients might already know about budgeting. Responses varied, some felt they might be good at planning and may have learnt some points at school, whilst others felt they would know nothing about budgeting unless they were paying bills. It was common for partners to feel that because they would be working in cash, they would know when they were about to run out, even if they made decisions to buy drugs or cigarettes over food. Only one member of staff shared this view. There were mixed views on the extent and usefulness of skills clients may have picked up from watching people at home manage their money.

There was no consensus about the value of teaching budgeting skills – whilst they felt these were vital skills they questioned whether the young people would be sufficiently interested and whether they could even remember everything they spent money on. Some staff felt that it was essential that clients were aware of budgeting techniques even if they didn't use them, whilst others felt that on such low incomes the skills would be of limited use. As with the discussion about spending habits, some members of staff focused on how the budgeting process could be used to impact on health issues faced by heavy smoking or poor diets.

Not one member of staff or partner commented that clients might find the practicalities of budgeting difficult, yet amongst the clients we spoke to a significant minority appeared to have learning difficulties and both literacy and numeracy skills were a problem for some. Our finding mirrored that of Astbury and Knights (2003) evaluation of Fairbridge which reported that a third of clients had difficulties with literacy and numeracy.

The lack of skills was clearly an issue that hampered clients in any attempt to plan their spending or to try and understand how a budget worked. Even some of those who had basic skills did not appear to like the idea of writing, indeed one told us that he/she was happy to count money because numbers weren't a problem, but he/she did not like writing things down. Another was apparently happy to use a computer but not a pen. Given this lack of confidence in basic skills it was also interesting to hear how one had been taught to budget. The thing that stuck in the young client's mind was that you *'just write down the things you wants and puts next to it the round – like it if comes to £9.75 …and then round it to the nearest ten then it's easier to work out'* (Type 2).

Most clients aged 16 and over were aware of the concept of budgeting but only three were attempting to plan their spending and only one was looking over their actual expenditure. Some remembered that they had been taught some budgeting skills at school. A client living in a hostel remembered his parents budgeting, but was also supported by hostel staff, who filed his bank statements and went through each one with him. He was fairly sophisticated at living within his means (and claimed he was probably better at budgeting than most people!), and stuck to a plan which included paying rent and spending on food shopping once a fortnight, then keeping some money for himself:

'I do have a smoke occasionally so I have to put some money aside for that.' (Type 2).

The client above knew that he might be tempted to blow his money on something he didn't need, despite his careful budgeting. In fact it was quite common for young people to tell us that they might know what they wanted to buy but that their mood would ultimately control their spending patterns. Low moods were clearly associated with impulse buying, regardless of formal budgeting or informal plans. Given the focus on personal development at Fairbridge this may be an interesting topic to investigate further.

Around half of the school age participants seemed to feel they probably could have a go at budgeting if need be, but most had no interest in doing so – other than to plan in their head how they would get through the weekend. The others claimed to have no idea what to do, and most seemed disinterested. One felt it was enough just to put money to one side in case it was needed, and another had a good idea of the money in his/her pocket which was enough for him/her. Later discussion about living independently did suggest that many were aware of the need to prioritise certain expenditure, and even if they did not write down a formal budget they felt they would aim to put bills before personal expenditure.

'First thing you take care of is bills, 'cos they're the most important – I would say.' (Male, 14-16, Type 2).

One young person felt that putting money somewhere safe was the first step in budgeting, and considered a bank to be the best place to do this. None of the others suggested this starting point.

Living independently

Partners and staff were only vaguely aware of the living circumstances of clients. Most recognised that very few of the young people would be living independently, and assumed that the others may only know very basic things about the cost of setting up a home. A few recognised that young care leavers would have different circumstances and may not be used to providing for themselves. One member of staff also commented that hostel dwellers would be given basic advice on food shopping and budgeting.

All of the young people were able to consider some of the costs of setting up a home. Some had been involved in family discussions around money and had an idea of the kinds of bills paid and the amount being spent on mortgage or rent. Others had personal experience of living independently, or had observed siblings setting up home. A few had seen older siblings leave home at a very young age (16-18) and watched them struggle. They were particularly aware of the enormity of providing for themselves and listed a range of requirements.

'Bills like water bills, tax, getting the house running, getting… kettles, ironing boards, everything.'

'Food, mortgage, furniture, clothes, bills, internet – everything.'

'Baked beans! Bills, rent, horrible things like that.'

Observing family members finding it hard to move out and struggling financially seemed to have taught the young people something about the difficulty of living independently, and may have encouraged them to put off making such a move themselves.

'I'm not going to rush into it' cos that's how you get into money problems… if I sort myself out, get my job, get my education done, then I'll move out'. (Male, 14-16, Type 2).

For some the move away from family was not necessarily considered to be permanent. One said he would go back to *'ma´* if he couldn't afford to live alone, and others were aware of friends or family who had not been successful in their first attempt to move out.

A very small number of those interviewed were already living independently. One had a studio flat. He paid rent and bills directly from his bank account before the money could be spent elsewhere. This young man believed that he could end up on the street if he did not keep up to payments and this was an important incentive to be responsible.

'My living arrangements are serious and I believe I have to come to some sort of arrangement of paying that.' (Male, over 18, Type 4).

The conversation with this individual led us to believe that he had not considered what could happen if he was unable to make a payment for any reason, and it seemed unlikely he had any money to draw on in times such as this.

For young care leavers there was some expectation of financial support from social services. One commented that 'social' would pay for everything except a bed. This young person recognised that in time he/she would be working and self supporting, but did not focus on what this meant in terms of planning or paying bills.

We asked some of the clients how much they might expect to pay for rent near to where they lived, and the responses varied from about £100 a month to over £300 a month[3]. Some recognised that there were many variables, including the condition of the flat being rented. Most thought that if they couldn't afford to continue paying rent they would *'get chucked out'*.

The clients apparently knew little about mortgages and few discussed them. However, one thought that mortgages were taken straight from salary on a percentage of earnings – an easy mistake to make since they tend to be calculated as multiples of

[3] Typical rents for one room within a shared house are around £200 per month in the cheaper areas of Bristol. Studio flats start at around £350pcm (source www.rightmove.co.uk July 2005).

earnings. This young person knew that mortgages were often paid over 25 years, and did not expect to have one until he/she became 25 years old.

Attending a financial capability course

All of the partners felt that money was an important topic and one that Fairbridge clients needed to know about. Staff were rather more cautious, but agreed that a financial capability course might benefit the young people. Both staff and partners felt that any training with this client group should be realistic and activity based. They wanted to see it include real life stories.

A small number of staff and partners felt it was important to have some one-to-one time with clients to find out more about their personal circumstances and how these had influenced their behaviour and knowledge. However, a member of staff noted that if this additional information became relevant it would be yet more data to collect. This member of staff also felt that some clients were used to being 'bailed out' by their parents if they got into difficulty. One partner noted that an additional benefit to working on financial capability was the increased levels of financial awareness amongst staff.

It should be noted that none of the partners felt that staff would be able to provide all the information that clients might need and that they would need to be comfortable sign-posting information and other resources. They generally saw the staff role as being there to offer options, or provide a *'stepping stone'*. However, we feel that given that staff appear to teach by example it seems likely that simply increasing their own capability will lead to benefits for the clients.

Partners were hopeful that the pilot scheme would meet its aims. They were confident of some level of success because the staff at Fairbridge were seen to be in tune with their clients and producing impressive results. The small number of concerns mentioned were that:

- Staff may be tempted to impose their own values (including their own negativity towards financial matters);
- the age range and client diversity at Fairbridge makes it difficult to design a standard course, and
- financial capability is a difficult outcome to measure.

It was clear that, in general, clients were not aware that they had any need to know about money matters and few wanted to know. Yet it was also apparent to the researchers that some clients would have benefited from better knowledge of financial products and more financial awareness. For example one of the older clients told us of specific reasons for trying to save money. It was clear to us that he actually needed access to a small amount of credit as he would not be able to save the money he needed in time.

The clients were asked whether they would be interested in a course on how to look after their money. This was not described in any particular way, leaving them to interpret it as they wished. We did not suggest that the course was combined with other activities or made 'fun' in any way. One commented that it was better to talk with staff one-to-one than to attend a course, but most accepted that they were being asked about a course and answered accordingly.

Clients noted a few practical matters based on their own experiences of working at Fairbridge. A boy commented that it was easier to learn in a mixed group, because the girls tended to concentrate for longer, and that this was sometimes a problem at Fairbridge. One client commented that messages needed repeating before they went in, and they would not learn enough if staff told them only once. This seems to us to be a very valuable observation given the relatively short time that some clients attend Fairbridge and the number of issues they face. Another client wasn't sure that the Fairbridge West centre was in an ideal place to be discussing money because it is *'really close to an arcade'*. Whilst others might argue that this is more of a reason for providing guidance it is interesting that this was the first thing that came to the client's mind.

The young people had mixed views about the relevance to them of a course on money, but even those who felt it was irrelevant said they might attend if Fairbridge was running it. Some felt it was not important to them as they were still too young and some simply had no interest- indeed one or two were very negative. One felt that the *'big boys'* who walked the street and blew their money on drugs needed the help most; conversely one 18 year old felt that the course should be aimed at younger clients because *'when you're younger, when you know more stuff it's better.'* Just a few felt that they knew enough already and would find a course boring.

Others were very keen that Fairbridge should provide training and one suggested this should include information about saving and budgeting, and should help people to identify safer ways of borrowing, and understand the range of risks involved when you owe money. Others felt that help with opening an account would be useful, and how to deal with cheques, but it should be remembered that we had discussed these things earlier, and they were therefore at the front of their minds. Other suggestions included legal issues on what to do if a cheque bounced, avoiding debt or claiming benefits. One was cautious about whether Fairbridge would be able to provide the help he needed.

'I don't know if they can help but its certainly something I need.' (Male, over 18, Type 4).

Several young people felt it was important to know how to look after your money, and some commented that this was particularly true in the place they lived – indicating the need to address issues around the physical security of their money as well as long-term money management. Few of the others had any idea of what they might want to learn in relation to money; only savings were mentioned as worth knowing more about. This was interesting given that it emerged that some clients had faced specific financial problems.

One client wanted some incentive such as money (he suggested £10) in return for participation, although he also felt it was important for Fairbridge to warn people about the dangers of getting into debt. Those who had seen family members struggle with debt were not more likely to be interested in money issues themselves, but they did seem to understand that a course might be important for some young people facing similar situations.

Section 2

The first phase of this research allowed us to gain a better understanding of the financial position and experiences of young people entering Fairbridge and the perceptions of the adults who would be working with them during this pilot. We also investigated the levels of confidence amongst the staff who would be delivering courses that included elements of financial capability. For the second phase of the research we returned to Fairbridge to speak to the staff and young people. We wanted to find out about the actual experience of working on financial issues with the young people. We were also interested to know whether the young people were aware that some of the courses they had taken had included aspects of financial capability.

The second phase of the research also involved interviewing the partners who had provided assistance, expertise and support to Fairbridge to help with the development and delivery of the pilot scheme. In this way we were able to consider any benefits or disadvantages of these approaches to financial capability training from all angles.

We feel that this second phase was too soon in the process of change to facilitate a full scale evaluation, occurring as it did just six months after the pilot project received funding[4]. It is quite probable that financial capability is not yet fully embedded in the courses provided by Fairbridge. This evaluation in the early stages has some advantages, but also puts us at some disadvantage.

On the one hand, it is good to review a new process in the early stages in order to make sure everyone is being properly supported and to check that they are all comfortable with the changes. It is also important during this time to consider whether any problems indicate that there is a fundamental difficulty with the whole concept, or simply a specific need for something that has not been provided.

On the other hand, the main disadvantage of an early evaluation is that it may capture the effect of a period of change rather than the impact of the change itself. If the change was very unsettling this may result in a general decrease in confidence and even if the change was motivating it is unlikely that all the positive effects will be picked up in the early stages. This section should, therefore, be seen as an interim review.

With these caveats we describe our findings below. The findings relate to the second phase of the research, as described in the methodology in Section 1. This involved semi-structured interviews with clients, staff and partners, and informal discussion with others. Our general observations of the courses and the interactions between staff and clients are also included in the reported findings.

[4] It is usual to allow 18 months for a new service to be established before evaluating it.

Delivering financial skills

Fairbridge West piloted the provision of financial skills to their clients in two ways. First, staff looked at ways of integrating financial skills into the existing programme, after providing staff training and developing links with partner organisations. Second, they designed a six-week film making course which they called 'On your own 2 feet'. This culminated in a film launch at the Watershed Media centre, in Bristol. Both methods called on the experience of the partner organisations and the skills of the staff. At the end of the pilot Fairbridge will document the various methods in a toolkit that can be used by others working with similar client groups, and so this report will concentrate on the experiences and outcomes of participants rather than the design and delivery of the courses.

Integrating financial capability into other courses

Fairbridge West set out to include various aspects of financial capability within other courses offered by their staff. The first stage of this was to work on staff development and arrange for them to meet the partner organisations who would be involved in the financial capability project. The staff were then expected to work at improving financial capability amongst the young people and to record their own achievements and those of the participants. Their experiences and opinions will be used to inform the creation of a 'toolkit' or resource pack for use by other professionals supporting disadvantaged young people.

We sat in on the initial staff development day in January, 2005. We were also given digital images of their ideas for integrating financial capability training into their courses. It was clear that they found it easier to include money management in courses such as cookery than outdoor activities such as climbing or canoeing. Despite this, staff were very imaginative and displayed real problem-solving skills in trying to work out how they might achieve a greater awareness of financial issues amongst their clients. Below we discuss some of the ideas for illustration, but these will be described in more detail in the toolkit.

The staff considered ways in which they could raise awareness of support already available to the young people. Rather than simply hand over information, they felt it would be more valuable if the clients actively searched out the information, or were responsible for logging it themselves in a way that would assist others. The suggestions for making the search active included an orienteering type exercise in town, with check points at each of the key partners. Suggestions for logging the information included creating a notice board designed by the clients, and making a monopoly board with advice centres for houses, and financial chance and pitfall cards[5].

These diverse solutions show how creative Fairbridge staff are at involving young people and finding opportunities to provide important skills without losing the clients' interest. They show that delivery can be part of a physical activity or a creative one.

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[5] In fact such a game has already been created. It was developed by Impact Cumbria (a housing provider) as part of the Department for Education and Skills Community Finance and Learning Initiative pilot.

They also indicate to us that Fairbridge has the expertise and experience of working with de-motivated young people that makes it an appropriate organisation to deliver financial capability training, and to work with mainstream providers to create user friendly alternatives to classroom based courses. It is noticeable that most of the solutions put forward could be achieved at little or no cost, and most could be planned in a reasonably short time. It is also clear that the same techniques and similar ideas could be used to provide information on a range of issues, from housing to drugs, sexual health to employment.

Staff were happy to look for innovative methods of delivering financial capability during the development day, but they were not universally supportive of the idea of embedding financial capability into their courses. Some felt that money management and finance would not interest the clients, and some thought that it was not a priority. Several were also concerned about the additional paperwork that such an initiative might create. It seemed to us that staff enjoyed the development session because it was delivered in an active and participatory way, and that it was this delivery method that enabled them to think creatively about something that they were not personally excited about.

Embedding financial capability

We spoke to several members of staff about the courses they ran between January and June, 2005. We also asked those that we interviewed whether they had worked on certain aspects of financial capability (for example budgeting or saving) with the young people. Some told us of specific things that they had been involved in, such as trips to the local Credit Union, and looking at the cost of setting up a flat. We were also told how budgeting skills are incorporated into cookery classes, although it seems that this initiative pre-dated the financial capability pilot.

One session that we heard about seemed to us to be simple in design but had a powerful message. It looked at the cost of providing things for a flat, and was entitled 'A place of your own'. The young people were taken to a local charity that sells donated furniture and white goods. They were also given catalogues so that they could compare prices and start to understand the amount of money they might need if they were to live independently. This course also called also included a visit to the Bristol Debt Advice centre, and the Credit Union. A number of the young people that we spoke to in the first part of this evaluation talked about their desire to move away from home and so we know that this session had relevance to the client group. We also know that whilst they could easily list the range of items they might need they were less sure of the cost of those things.

Staff also ran one-off sessions and low key courses in addition to the resource intensive film course described below. Many were run without any support from partner organisations. One of these sessions persuaded the young people to consider what it might be like to be an asylum seeker, and encouraged the young people to think about ways of earning a living. (Only one client that we spoke to remembered attending this session, and she had not realised that it covered issues about money until we asked her to describe the session in detail).

A few members of staff told us that they had become more aware of opportunities for impromptu discussion about money management within other courses. They had picked up on comments and used them to initiate debate. For example a client had made a comment about the rental-purchase shop BrightHouse, and staff were able to talk with the group about the benefits and disadvantages of buying goods on credit from this kind of store. Other members of staff had initiated discussions about money after going to see films or plays with groups of young people.

'I think what people realise more and more at Fairbridge is how much more, by simply being members of staff, you are offering young people. OK, so formally we are doing football, but informally we are going to have a discussion, because It's just come up, about how much I am paying in rent.'

We also observed an example of an unfortunate situation that was resolved in a way that led to the potential for a considerable amount of financial capability work. During the evaluation period several young people had prepared a buffet meal for guests. The guests were forced to cancel at the last moment, leaving the staff and clients in an awkward situation. Rather than waste the food, Fairbridge invited people from local organisations to visit and share the lunch. As a result of this, several people asked the young Fairbridge chefs to cater for them at events, and many people requested recipes for the dishes that had been served. Fairbridge staff recognised that this represented an ideal opportunity to introduce a 'learn to earn' course, and to get the young people involved in creating and marketing a recipe book. In so doing they not only averted a potentially demoralising situation, but also showcased the good work being done at Fairbridge West, and provided an opportunity for further development.

Staff told us that they had become more confident both in their own levels of financial capability and in delivering courses that included financial capability as a result of the pilot scheme. For some the emphasis on financial capability at Fairbridge had encouraged them to sort out their own finances. Others felt that they had learnt a lot about how to talk about finance from watching the partners. Some also told us that they now recognised the finance was an important topic for the young people that they supported. However most members of staff still felt that there were important gaps in their own knowledge, such as their lack of understanding of the benefits system. It was also clear from talking to staff that there were many things that they did not know about, that might be useful to the clients. For example, some were surprised to hear that young people could access bank accounts that would not allow them to become overdrawn. Furthermore, levels of interest in financial matters had not changed amongst the staff we spoke to. We heard that some staff were looking forward to the end of the pilot so that they could stop thinking about finance, and stop completing the additional paperwork.

At the end of the pilot most staff were still more comfortable talking to clients about money one-to-one than integrating aspects of finance into their courses. They all told us that the best way to recognise the needs of clients is to talk to them face to face. They variously told us that other ways of picking up clues about the financial needs of the young people include looking at their clothes and general appearance, and finding out when they last had a holiday, what kind of housing they are living in, and what level of basic skills they have.

It was clear that those members of staff who were not interested in finance still believed that the clients were not interested either - even when they had been responsible for running a course that included financial capability. Those who were interested themselves recognised that some of the young people wanted to learn how to look after their money, and that there were particular things that they could benefit from knowing, such as help with budgeting for court fines, or claiming benefits.

Staff who were interested in finance also noted that some of the young people were learning from some courses even if the information wasn't directly relevant to them.

'I think the important thing to note out of all this [financial capability training] *is that it's kind of preparation for the future, they'll be familiar with these topics as and when they're more relevant to them in their own lives.'*

One commented that this was because the young people were generally bright, bored and hungry for information.

'Their brains are looking for stuff to be interested in because they're not in school, they're not doing anything that's stimulating their minds and so when they come in whatever bits of information you're giving them they are just gobbling up.'

Only one member of staff told us that they had tried to run a course that had not worked as well as they had hoped. They felt that this was because of a lack of planning and insufficient subject knowledge. As a result of this they had realised that they needed to be very skilled in the subject they were discussing in order to make the course sufficiently interesting and keep the attention of the young people.

Retaining choice and control

It is very important to note that some of the courses we observed had no financial capability component at all. We believe that this is appropriate. It must be remembered that financial capability is not the only important skill that young people could benefit from, and it would be worrying if it was being provided at the expense of other relevant support. Furthermore, if such training becomes part of every course the young people might become disenchanted with Fairbridge and the overall impact could then be extremely negative.

During our observations we noticed that the mood of similar courses can vary from group to group, session to session. Some of the 'Panaramix' (art work) classes we watched were full of lively chat, whilst in others individuals worked alone and in almost complete silence. Courses like Panaramix can provide opportunities for introducing discussion, but we feel that the emphasis should remain on the members of staff running the class to judge the appropriateness of anything that might break the concentration of the participants. Staff are clearly skilled at reading the mood of their clients. Their empathy appears to be a very important part of the Fairbridge ethos and we feel that this should not be overlooked in order to meet, for example, financial skills targets.

Stand alone course

The second part of the pilot involved a stand alone course, which was given the title 'On your own 2 feet'. The aim of this course was to combine the practical skills of film making with financial fact-finding, and thus create a film about some aspect of finance or money management.

The course was intended to run for six weeks and result in the creation of a 90 second film (similar to an advert) that could be entered into a national competition. Participants were told that they needed to commit to the full course; they could not miss any of the sessions.

Eight young people initially signed up for the course, although two subsequently dropped out (one of these was offered an opportunity for work based training). The remaining six stayed committed to the project and created three finished films. The project actually continued beyond the anticipated six weeks because the editing process took longer than expected.

The young people were given time to think of some suitable scenarios and then were asked to research the financial implications of one of them. In order to get good quality advice and information they visited the Bristol Debt Advice Centre and the Money-go-round Credit Union. They were given free rein to ask the questions they felt were important. The Royal Bank of Scotland also ran a session on money management at Fairbridge for the participants, using the 'Face 2 Face with finance' resources that the bank has created for work with school age young people.

The course made full use of the facilities of the Watershed Media Centre– and benefited from the skills of a member of staff from Fairbridge who was familiar with the film making process. The necessary equipment for the film-making process came from a variety of sources; for example Fairbridge provided the camera, and the Watershed provided the editing equipment.

The staff who were involved with the project were very pleased with the films. They felt that some of the scenarios had been quite challenging, and that the young people had tackled them well. They were also pleased with the topic area, and the research that the young people had undertaken prior to writing their scripts.

On reflection staff felt that they had been slightly too ambitious in making more than one film, and thought that if they ran the course again, they would probably give each participant a role (such as actor, director and lighting technician) so that they could all work towards making a single film. They also suggested that future courses be run two days a week for three weeks, so that the process was fresh in the minds of participants, and they didn't lose their initial energy and enthusiasm.

As noted above, many of the clients at Fairbridge find it difficult to concentrate, and some find it hard to be patient. This makes us question whether a film project is the most appropriate platform for delivering financial capability. The process of film making is complex and involves a great deal of patience and perseverance. It is good to work with the young people at developing those skills but it may be too much to expect to develop several skills at one time. If the main aim of the course is financial capability it may be better to deliver this through relatively simple tasks that do not take as much concentration over prolonged periods. Staff and partners commented to us that some of the clients seemed impatient at times and that this made it more difficult for the adults to focus on the other clients.

Staff recognised that some clients had learnt relevant information by researching and producing films but they had not made any changes to their own behaviour as a result. For example one of the financial capability courses was about the dangers of gambling in the nearby amusement arcades. We were told that these arcades rarely ask for proof of age and offer welcome shelter for young people who may not be allowed into pubs. Staff saw no sign that the young people that had worked on the film project had become wary of the amusement arcades as a result of working on the project.

Developing financial capability

In this chapter we report the results of our interview questions asking whether the young people feel they have developed new financial skills during the evaluation period. We start by considering whether the young people will be aware of the skills they have acquired. We then discuss our findings under similar headings to those used in the first section, but it should be noted that the pilot scheme did not cover all the topics that we explored.

<u>Recognising learning</u>
The young people at Fairbridge are often looking to make changes to their lives and improve their skills (both social and academic). Fairbridge works individually with each client, helping them to set themselves goals and recognise their own achievements. They use the Kolb Learning Cycle, which they consider to be a very effective approach for young people who have rejected traditional learning methods. It encourages individuals to ‘plan’, ‘do’ and ‘review’, and then to ‘apply’ what they have learnt. The clients are encouraged to share their aims before each course, and review their successes at various points during the sessions, or once they have completed a course. They spend very little time being taught formally; most of the courses involve some element of practical or physical work.

'You don’t have to actually learn it, you just pick it up\…/it just stays like logged in your mind'. (Male, 14-16, Type 2)

It is intended that the review process will look beyond the primary purpose of the course (e.g. making a magazine) and consider a wider perspective of what has been learnt during the session (e.g. drawing skills, language development, market research). It is very unlikely that the majority of clients will include financial capability amongst their personal goals, but related achievements may be noted during the review. For example, young people may become aware that they have found out how to write a cheque or how much an illustrator could earn. We expected that the repeated use of reviews would make it easy for clients to recognise their own learning, and make it easier for them to think about the content of courses from different perspectives.

When we asked clients whether they had learnt anything about money from Fairbridge, we used lots of prompts to check whether people had talked to them about a range of topics including banking, credit, debt and savings. We also prompted them about particular courses that we felt might have introduced certain topics. Most clients initially told us that they did not think that they had learnt very much about money, although several subsequently responded to prompts about Credit Unions and bailiffs (one of the topics covered by the Bristol Debt Advice partner).

There are several possible reasons that might explain why most of the young people were not more aware of attempts to include financial capability training in any of the courses they took:

- Fairbridge takes new clients throughout the year, so three of those interviewed had only completed one course.
- Fairbridge teaches by stealth – clients learn without realising it (although the review process might be expected to counter this argument).
- The courses that young people choose reflect their goals and interests, and are not necessarily finance related.
- Very few of the young people turn up on a daily basis and so remembering what they did can be difficult.
- Some of the young people have such complex lives that particular details of the activities they do at Fairbridge may not be foremost in their minds.

Q: Have you learnt anything at all about money at Fairbridge?
A: 'Probably, yeah. Well if I haven't yet I probably will.' (Male, 14-16, Type 1)

We are concerned that the results of this evaluation may indicate that the review process has not been used to help the clients recognise their achievements in the area of financial capability, rather than indicating the effectiveness of the courses. The need for repeated prompting indicates that some information had been absorbed, but that clients had learnt without realising it. Whilst they will still benefit from the knowledge we feel that they may be less likely to meet the aim of becoming more confident in their skills if they are not aware of what they know.

<u>Spending</u>
We asked clients whether they had changed the way they spent their money as a result of coming to Fairbridge. We were also able to compare the earlier responses given by the four young people that we had interviewed previously.

Of the four that we had first met in January, 2005 one had been accepted on a college course and had realistic hopes for the future. He didn't feel that he was spending his money any more sensibly but he did come across as being much more confident. The others told us they did not feel they had learnt anything about finance and they had not made any changes to their spending behaviour. In each case, personal issues appeared to have been more significant than anything they might have done with Fairbridge.

We spoke to one client who was adamant that Fairbridge had changed his spending habits for the better, and had helped him in many other ways. He told us that he had learnt that he should not spend to cheer himself up. He summed up by saying:

'If I didn't have this place I don't know what I'd be like, and I really think it is important.' (Male, over 18, Type 2)

This young man felt that the way Fairbridge had taught him to buy and prepare food was the key to his improvement. He had completed a catering course at college prior to attending Fairbridge, but had not had experience of shopping and preparing good quality, fresh food. Given the focus of the staff on improving health and diet as mentioned in the first section of this report, it is perhaps reassuring that it was exactly this focus that had allowed this client to improve *both* his diet and his spending habit.

Three of the younger clients felt that Fairbridge had shown them an alternative way of thinking about spending. They had not changed their own habits, but were at least aware that they could choose a more responsible way to spend their money if necessary. Other clients told us that it wasn't enough to be told to do things differently – they would only change their behaviour when they felt ready.

A small number of clients had already developed skills to shop on a small budget, and did not feel that Fairbridge had taught them anything else about spending their money.

'I knows how to do it; I do know how to shop and that.' (Male, 16-18, Type 4)

<u>Saving, borrowing and debt</u>
Four of the clients we interviewed in this second phase were aware of the Credit Union and some of those we spoke to informally had also visited the Credit Union during at least one of their courses. They were able to explain to us some of the advantages of saving money with a credit union. They were impressed that credit unions allowed only limited access to savings (which clients felt would prevent them spending their money), and at least one was encouraged to open an account for this reason. This is important given the low levels of self control amongst clients and the earlier complaints about how banks make it too easy to get money out.

Fairbridge had taken groups of young people to both the Credit Union and the Bristol Debt Advice Centre on the same day. When the clients talked about this it was noticeable that most remembered only one of the two partners who had spoken to them, and a few were definitely not aware that they had been to two separate places within the same building. Some had, however, learnt some important points:

About credit unions:
- They help people who face difficulties similar to their own (such as drug problems, or not feeling in control of their spending).
- They are not open every day, and do not make it easy to get your money.
- The people who work there will try and help if you have a problem.

About the consequences of being in debt:
- You don't have to let bailiffs in to your home without a warrant.

- Bailiffs can take almost anything of value including your pedigree dog, but they must leave you with some essentials such as a cooker.

One young person had come away from one of the visits with the impression that the Credit Union offered crisis loans. This client had not initially appreciated that he had to save with the Credit Union before they could lend him money. Staff at Fairbridge put him back in touch with the partner at the Credit Union, and he now feels that he understands the process for saving and borrowing money from them. He liked that the loan could be paid back by *'as little or as much as you want and the interest is only like six pounds something, it's not like real high extortion rates, so that's really good'*. However, he told us *'I don't have enough* [money to start saving] *cos I'm always paying out something or another'* (Over 18, Type 2).

Another young man thought that some clients might benefit from the services of the Credit Union, but that they did not meet his needs.

Some clients had attended more than one course that took them to the Credit Union and Debt Advice Centre. They did not seem to mind this, and they had clearly learnt more than those that had only been once. Furthermore, one of those we interviewed indicated how the experience had boosted her confidence because she had been able to use some of the knowledge she had learnt to explain something to her mother. This young woman told us that she felt more in control of her money as a result of the work she had done with Fairbridge.

Budgeting and independent living

Budgeting is one of the areas of money management that appears to be most straight forward to integrate into existing courses. In fact, some budgeting skills were already included in courses prior to this pilot. For example, all the young people attend a week long course of activities known as the 'Access' course, which is usually residential. They are responsible for shopping and cooking for themselves in small groups during this course. It is an ideal time to introduce the concept of planning and spending wisely, and has been used in this way for some time.

We asked the young people questions about how they went about planning and shopping for their Access course meals. Around half of them thought they could recall roughly how much they had to spend, although the actual amount they suggested varied. They almost all told us that:

- They had been encouraged to buy the cheapest items.
- They hadn't actually been given the money to pay for the shopping.
- They had brought some food back at the end of the course.

'I understand 'cos like there's a lot of us to feed, but I was like "nah".' (Female, 14-16, Type 2).

'They didn't give us the money. I don't think they'd trust us with the money.' (Male, 14-16, Type 2).

It struck us that the message to buy cheaply had overridden the process of planning and budgeting for the items they actually wanted. However, it had certainly made them think about the cost of things. One commented that some things are *'constantly expensive, like vegetarian sausage'* and so they had to buy things like basic label spaghetti to keep expenditure down. A few noted that this was very different from the way their parents shop because few plan a meal before shopping, and some will only choose branded products. Conversely, one of the young people who was living independently found the shopping trip too slow, because he only buys what he needs and wasn't used to accommodating others.

Some clients were already sophisticated in their understanding of the benefits of shopping within budget:

'If I had any [money] *left over I could buy stuff I want as well as stuff I need'.* (Male, 14-16, Type 1).

Fairbridge aims to raise confidence as well as knowledge of financial matters and so it is valuable to consider the comments of one young client, who did not enjoy the shopping trip but was able to acknowledge a benefit:

'That was the day before we left and I didn't like it. I thought "why am I here?"\… /[but at the end of the first day}w*e were all proud of what we'd done, cooked our own meal'.* (Male, 14-16, Type 1).

Some young people concluded that they had learnt a little bit about budgeting whilst at Fairbridge, but only one felt that this had made them change their own behaviour. Most agreed that they had covered some aspects of shopping on a small budget while on the Access course, but it was shopping for the cookery course that had driven the point home.

Two of the clients told us that they had been on a 'moving on' course which looked at the cost of living independently. Neither could tell us what they had learnt, but they both remembered visiting the Credit Union.

<u>Experiences of 'On your own 2 feet'</u>
Six young people completed the stand alone course 'On your own 2 feet', designed specifically to deliver financial capability training in an accessible way, as discussed above. They researched a story line about some aspect of money and created a short film over a six week period.

It seems that most clients did not choose this course because they wanted to learn anything about money. For example, one chose it because it was running over a long period and so would keep him out of trouble for longer. Another chose it because he was starting a media studies course at college in September.

We asked if the young people if they were happy that the course included a financial element (using a range of suitable descriptions). One thought that she must have missed this aspect of the course, as she hadn't realised that this was what it was about. Another thought it was good that they were making films about financial situations because *'if other people are going to see it, it sends out a message doesn't it?'* (Male, 14-16, Type 1).

One of the young people had retained a great deal of accurate information from the visits to the Credit Union and Bristol Debt Advice. It is worth noting however that he had been with Fairbridge for a long time and had made been on other visits to these partners. One other had experience supporting himself and he did not think that the Credit Union was of any benefit to him, but he did seem able to use his knowledge to compare the services on offer against the banking services that he used.

It appeared that it was very difficult for the young people to answer our questions about this course during an interview. They did not have a clear idea about the objectives or the financial skills they had learnt. This may have been because they had not reviewed at the time of the interviews, or because they did not see their achievements as anything other than film making.

The course review took place in July 2005, once the films were finalised. We were able to attend the review, along with four of the participants. The young people appeared to be proud of their films, although they were also modest and did not like to see themselves on the screen. In this setting they were more happy to discuss how they had written the stories, and what they had learnt from the process. In fact at the end of the viewing one of the young people turned to us and asked if we had any questions.

The films were very effective at putting across simple messages. They clearly had the hallmarks of being made by the young people - their humour and observations of the world were very apparent. They covered issues around living on a low income, being unable to pay bills and the impact of overspending. It is very likely that they will appeal to other young people attending Fairbridge and similar organisations. One point that may be worth considering if the project is repeated is that some of the young people were unhappy for the film to be seen more widely. This was particularly the case amongst those who had acted in the films rather than those who had worked on other aspects. In future it would be good to go through this aspect with the clients in the initial stages so that those who wish to opt out do not jeopardise the project for the others.

One client told us that they had not enjoyed the visits to the partner organisations. They were not interested in money, but were very interested in music and film and had signed up to the course for this reason. It would be interesting in future reviews to find out whether there is any correlation between the reason for choosing the course and the aspects that were least enjoyable.

Some staff felt that the clients had not changed their behaviour as a result of the course, but one client told us that she had set up a savings account ready for college as a result of doing the course. She didn't think she was spending her money differently, but she was using different accounts to manage her money. Another client said he hadn't changed the way he did things because he liked to do things a certain way, and did not like change.

One member of staff commented at the review that it was very difficult for young people to put financial skills such as budgeting and saving into practice when they were living on a very low income. This was thought to be particularly true for the under 18s who were living independently but receiving reduced benefits payments because of the their age. One of the young people present commented that they probably received more money than the benefit level despite living at home.

Support and advice from elsewhere

Many of the clients that we met at Fairbridge had multi-agency support. Several were supported by Connexions or the Youth Offending team, some had mental health support workers, and others were in supported housing. We felt that it was important to find out whether any of these agencies were already working at improving levels of financial capability, and whether someone else was helping the young people. We asked the young people whether they had learnt anything about money management, finance or anything to do with looking after their money from anyone at all.

Just over half of the young people we spoke to told us that they had learnt something about money from somewhere other than Fairbridge. Several told us that one of their parents had taught them how to look after money either through example or by encouraging them to be sensible. Conversely, we found that a small proportion of clients with learning difficulties did not handle money at all; their parents took care of this aspect of their lives.

Those who had lived in supported accommodation such as the Foyer mentioned that they had been given some advice. One told us he had been given *'strict instructions about budgeting'* from his housing provider, but he had resisted learning from them. He found that he got on better with the approach to budgeting taken by Fairbridge (which was less dictatorial).

One of the older clients we spoke to was currently being helped by the Citizens Advice Bureau (CAB) to overcome debt problems. Nobody else mentioned the CAB as a source of help. Similarly, just one person told us that they had learnt about money management and enterprise skills from the Princes Trust. One young man told us that his Connexions Personal Advisor had helped him to open a bank account, and one told us that social services had repeatedly tried to help him look after his money *'but it never works'*.

Two clients felt that they had learnt through trial and error – one of them told us:

'Young people just spend it and spend it and spend it man...you need to save money to get food and things' (Male, 17-18, Type 4).

The television was another popular source of information – for example a couple of clients mentioned a recent programme on bailiffs. A few people also mentioned adverts during the course of the interview, often being able to quote them word for word. This indicates the power that advertising has for informing or misleading young people, and also suggests that discussion around adverts may be a way of introducing topics such as interest rates, insurance and mortgages into discussions.

We asked one of the young people how much he understood of a particular advert that he had seen. He was aware of a recent advertising campaign by a bank, offering a savings account with interest of eight per cent per annum[6] (gross). He told us that *'Whatever you put in they profit you by eight per cent.'* However, when we asked how often the bank would pay eight per cent he told us that it would be every six weeks *'because if they gave it you every month, you'd get more money, you'd get ten per cent then'*(Male, 14-16, Type 1).. Clearly this young man was beginning to understand but still had some way to go.

The partnerships

In addition to considering the methods of delivery and impact of the pilot, we wanted to understand how the relationship between Fairbridge and the partner organisations worked in practice. In the second phase of interviews we therefore asked the staff and partners about the experience and whether they could suggest improvements if the project was to be replicated nationally.

Partners' views

We spoke to four individuals from different partner organisations, who had all had direct contact with Fairbridge between January and June, 2005. All had found the partnership rewarding and all told us that they would be prepared to work with Fairbridge again.

All the partners told us that they had spent less than four days working on the partnership during this time. They considered this to be relatively little time, and most felt that it was less than they had expected. Their time had been spent in different ways; one had worked mostly with clients, one mostly with staff, and two had shared their time approximately equally between clients and staff.

It is important to know how easy it is for partners to support Fairbridge. Whilst all the partners felt that they had spent a tiny percentage of their time working on this partnership, two commented that it was difficult to free up the necessary hours – even though it was worth the effort. The message from all the partners is that they need a reasonable amount of warning about projects in order to juggle their time accordingly (one suggested a minimum of a month). It should also be noted that whilst all were happy to help, some commented that such projects are not their priority.

Given that they had only spent a few days working with Fairbridge, it is not surprising that some partners felt that they did not know the organisation well. They all talked about how they had been getting to know the staff rather than Fairbridge as a service provider, suggesting that they felt that they had received some level of personal contact. Given this, it is noteworthy that they had all observed strengths in the way Fairbridge works. These included having a clear focus, engaging young people, and finding ways to get them interested in learning. We were also told that other strengths include:

[6] The account has a number of terms and conditions including the requirement that customers have salary or retirement income paid into a current account with the same bank, and that no money is withdrawn within a year of opening the account. These conditions would make the account unsuitable the young people at Fairbridge.

- A welcoming feel
- Excellent staff-client relationships
- A sense of enjoyment amongst staff and clients
- Hiring staff who were themselves clients
- Motivating hard-to-reach young people
- Commitment to the young people they support

We asked partners which strengths made Fairbridge particularly suited to providing financial capability training. The general consensus was that the staff understood how to engage the clients by making things fun, and teaching the young people *'almost without them noticing it'*. It was felt that this approach allowed staff to *'slip in things around budgeting'* and so on, and made them a particularly appropriate organisation to deliver financial training to young people who were not in education.

Partners were also asked whether they had identified any potential weaknesses in the way Fairbridge worked. It was clear that none of them had any specific issue that they felt could be addressed, but a few suggestions were made. One queried whether it was necessary for all clients to begin their relationship with Fairbridge by going away on a residential course, as this may put some young people off and thus prevent them from accessing other useful courses. Other comments related to areas where the needs of partners may conflict with the ethos of Fairbridge. For example, it was noted that the staff do not seem to rein in the loudest clients during group discussions in order to give the quieter ones a chance to speak. Partners also commented that Fairbridge can feel strange the first time you visit, because of the laid back attitude. As we described in the first section there are enormous differences between Fairbridge and some of the other organisations working with young people that partners may be more familiar with, such as schools.

We also asked whether any weaknesses might impact on the delivery of financial capability. Partners commented that Fairbridge may find it **as difficult** as other organisations to get young people interested in financial capability. It was also felt that they may face the same problems as other providers when trying to find staff who are confident to deliver such training. The only comment that was specific to Fairbridge was that the apparent lack of structure and planning may make it impossible to ensure that they deliver the most important aspects of financial capability, or to ensure that participants complete the financial capability courses.

Partners also told us that there were a few small issues that made it difficult to work with Fairbridge clients. The first was their short attention span. Even though all the partners felt that clients were participating and asking questions, most commented that it was difficult to keep them interested. One described a group of clients as 'frenetic'. Another issue raised was that they have such different academic backgrounds and levels of understanding, which makes it hard to keep them all involved.

The partners told us about aspects of the partnership that worked well, and made some suggestions about how future links could be improved. It was clear that all of them felt that they would have benefited from more information both at the outset and as the project progressed. However they recognised that this was a pilot project and as such it was very difficult to plan ahead with certainty. Their suggestions are summarised below:

- Partners need to be really clear about what is going to happen, and when.
    - In particular they need to know what they will be asked to provide – will it be a course for young people or a meeting with staff, for example?
    - Exactly how much time are they expected to spend on the project?
    - Initial discussion is good, but written aims and objectives should be produced afterwards.
- Partners like to be told where they fit into the overall project.
- It is important to discuss payment for all aspects of the support offered, so that partners know exactly what to charge for.
- Feedback is useful and welcomed.
- Partners need to be told when the project is finished (at the moment they are uncertain whether they will be asked to do more).

They hope that they can use what has been learnt from this pilot to enable better preparation next time.

Staff views

Staff told us that they had found the partner organisations that worked with them on financial capability useful and informative. They had clearly increased their own financial knowledge as a result of the partnerships. Some felt that they had increased their own facilitation skills by observing the partners when they delivered sessions.

One member of staff was pleased that a bank had agreed to be involved. They felt that some banks have a poor image but their involvement showed that actually they *'go out of their way to discourage debt and encourage responsible spending'*.

Some of the members of staff did not know all of the partner organisations before this project. Staff felt that it had been valuable to them just to have the opportunity to visit these partners or speak to them at Fairbridge West. They felt more confident in signposting young people to places that could help as a result of being brought into contact with these organisations.

Clients from Fairbridge were taken on visits to several of the partner organisations. Staff felt that this was interesting for the young people, and that it was good to be able to take them to places they might not otherwise visit. They felt that the clients would be confident returning to those places, and that it helped that they would have a contact name should they need help. Staff also told us that the partners they visited seemed confident working with the young people, and were both accommodating and knowledgeable.

Staff told us that there were no disappointments with the partnerships, but that there were some lessons to be learned when creating such links in future. It was noted that it is incredibly difficult to find the time to read through information provided, irrespective of how relevant or important it might be. It is clear that there is a time delay between organising a course and running the sessions, and it may be worth considering the best time to ask for relevant background reading, or supporting literature. There may also be some value in considering whether the staff should receive additional direct support from partners rather than more training or literature.

All the staff felt that the ideal partner would be one who could provide their own staff and materials to run courses with as little input from Fairbridge as possible. It is clear that Fairbridge is understaffed at present and that staff find it very difficult to make enough time to design and deliver new courses. They might also benefit from a middle manager who could take over much of the co-ordination of courses and partnerships.

Staff also commented that partnerships should be long running wherever possible. They find it difficult to both manage current partnerships and arrange support for future projects. They find themselves unable to focus fully on the present relationships when support and/or funding is short term.

What next?

We asked whether staff felt that there was something that would make it easier for them to include financial capability in the programme they offer. We also wanted to find out if the young people thought it was important for Fairbridge to continue with this work.

Staff told us about the support and information they would like if they were to continue working on financial capability with clients. They suggested a range of things which might help them:

- A wide range of basic information in all the key areas.
- Advice on the benefits system.
- Information about financial support for those in education.
- Easier access to the support network available to young people.
- Opportunities to learn more.

One member of staff also commented that financial education wasn't the only solution to some of the financial difficulties faced by young people. It was suggested that more could be done to stop advertising campaigns aimed at young people, and more effort could be made to represent their needs as consumers.

'Do young people know if they have the right change when they come out of a shop? There is another way of looking at it. Why aren't shop assistants giving the right change? What do we do about that?'

The young people that we interviewed in the second phase (i.e. after Fairbridge had introduced the financial capability pilot) were asked if Fairbridge should be working with clients in this area. The responses echoed those from the first phase interviews, and suggested that the pilot had not changed people's views about the appropriateness of financial capability courses. The quotes below are typical:

'Yes because it's part of teenage life. Sooner or later you're gonna have to go into the adult world and you have to learn how to do that.' (Male, over 18, Type 2).

'Help the older ones because they are gonna move out soon and need more advice.' (Female, 14-16, Type 2).

'Some people never have any money and they're always borrowing, scrimping and saving. I don't wanna do that; I want to look after my money. I'd be happy to listen.' (Male, 14-16, Type 1).

'Some 16s are actually getting kicked out and they need some advice.' (Female, 14-16, Type 2).

One young person also felt that if Fairbridge openly talked to the young people about money it would be a confidence boost to clients, because it would make them assume that the staff thought they would eventually have enough to manage.

Just three young people told us that Fairbridge should not work on financial skills with them. One was very young and felt that the whole issue was '*irrelevant'*. The other two were being supported elsewhere. One was receiving debt counselling and wanted to make it very clear that he would be extremely unhappy if anyone at Fairbridge tried to advise him, as he was afraid that it might confuse him and make his situation worse.

Alternative suggestions for financial capability training

As Fairbridge is one of a number of organisations piloting financial capability training we felt it would be valuable to ask partners how they would approach such a task and who they would want to be involved. We gave them a large imaginary budget and asked them to suggest ways of using it to develop financial capability amongst young people.

All the partners felt that if they wanted to run a course for young people who were not in education or training they would ask Fairbridge to be a partner. They all recognised how difficult it is to engage young people and believed that it would help to work with an organisation that already had respect and a good reputation with this group. On balance, however they all felt that it was better for Fairbridge to run such a course with outside specialist help, rather than their own organisation doing so.

It was interesting that each had different ideas about the other groups they may invite to be involved in a financial capability partnership if they were responsible for running a course with young people who were not in education or training. Whilst one opted for organisations like their own, another went for supportive organisations that could provide additional information. The following list is in no particular order, and simply reflects the breadth of suggestions.

Suggested partners

Credit unions	Small businesses
Debt advice centre	Supported housing providers
Education unlimited	Self employed people
Housing association	Housing advisor

Each partner came up with fascinating and important suggestions for using their imaginary budget. We did not limit this to any particular subsection of young people, as we were interested to find out where their priorities might lie.

The first suggestion was to give 100 young people money to invest. Help them to look into accounts, challenge them over a period of six months, and help them to work on budgeting skills during this time. Encourage them to take part in particular courses during the period. At the end of the six month period there should be a reward payment.

Another respondent considered a range of ideas, including residential courses and trips that include elements of financial training, enterprise training and real life budgeting scenarios. In fact their suggestion was very similar to the Fairbridge pilot.

The third suggestion was to create a mini 'Big Brother' household, where the young people had to actually deal with the day to day activities related to running a home, such as paying rent, buying food and getting a TV licence.

The final suggestion was to increase the funding of current projects. This partner felt that some organisations were already providing effective financial capability training and that it would be good if they could afford to work with more young people.

When we talked to partners about delivering financial capability training it became apparent that it is important to have a clear idea of how many people a course is intended to support. Most partners were wary of singling out small numbers of people for special treatment, but as one partner put it:

'If it's too thin then you're wasting it, there is suddenly a point where everybody doesn't get it. Equally, to make sure everybody does understand it fully then you're just empowering a very few people.'

It was recognised that the learning process could be snowballed if the right people were empowered. If, for example, Fairbridge clients were given intensive training and later became members of staff, they would be able to pass on their knowledge to many more people[7]. It was also suggested that a great many people could be reached if they were simply signposted to existing services.

Section 3

Conclusion

The Fairbridge West centre, in Bristol is one of six organisations that have received funding from the Financial Services Authority to pilot a financial capability initiative with hard-to-reach young people.

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[7] This is much more plausible than it might sound, as approximately one third of the staff at Fairbridge were once Fairbridge clients.

Fairbridge West has tested two ways of including financial capability training in the range of support it offers to young clients with multiple problems. First it has integrated financial capability skills into existing courses and second, it has offered a course specifically designed to deliver financial skills in an imaginative way.

The pilot evaluation has provided valuable information to Fairbridge and the wider community about the financial knowledge and experience of the young people they work with. We have found that most of the young people have experience of handling cash, but typically spend their money without much planning. Most will turn to friends and family if they need to borrow money as they are too young to borrow money from formal lenders. Most of the young people have some kind of bank account, but they have little knowledge about the services that banks provide. A significant minority of those aged 18 and over have found it impossible to open a bank account.

Fairbridge has successfully drawn on the knowledge and resources of external partners to offer clients a range of experiences and courses that can increase levels of financial capability. The partnerships with Bristol Debt Advice and the Credit Union have already increased levels of knowledge among some of the clients. Staff have also been trained by the external partners so that they can, in turn, provide informal support to the young people they work with.

Fairbridge staff have made the most of their creative skills to find ways of weaving financial capability into their courses. They have tried hard to recognise opportunities for talking to clients about money matters and found novel solutions for offering financial capability skills in interesting and appropriate ways. They have been most successful where they have been able to include the same skills in different courses – for example, budgeting is first introduced on the initial 'Access' course, but is also repeated in several other sessions.

A small number of the young people that attended courses that included elements of financial capability had learnt new skills and changed their behaviour as a result. Those courses that included information about budgeting had been particularly successful in changing behaviour. The changes in behaviour happened relatively quickly, given that the pilot only ran for six months, and client turnover meant that few young people had six months exposure to it. It seems reasonable to assume that if these skills become embedded in courses more people will benefit from them.

Fairbridge has created an innovative platform for delivering financial capability, in the form of a film project, with elements of research around financial issues. It managed to improve the level of knowledge and awareness of credit unions and bailiffs amongst the clients involved. The pilot 'On your own 2 feet' film-making course appealed to young people who may not have chosen to learn anything about finance and it encouraged participation over six or seven weeks. Staff who had worked on film projects before told us that they appreciated having a topic area to focus on, and they may replicate this idea with future film projects.

As a platform for improving financial capability the film project reached a relatively small group (just six people completed the course) and it was too labour and resource intensive to be replicated frequently. However, the films can be used to reach a wider audience, which may offer long-term benefits.

Partners and most clients feel that Fairbridge should continue to offer this kind of training. They feel that the young people would benefit from knowing more about how to look after their money. Furthermore, the partners believe that Fairbridge is uniquely placed to offer financial capability training to a particularly hard to reach group. The quality of the staff/client relationship has been identified as one of Fairbridge's strengths and it is felt by the partners that this can be a powerful tool in delivering financial advice.

There are some issues that might make it difficult for Fairbridge to continue delivering financial capability training in either of the two ways tested, unless some changes are made.

Fairbridge clients come from a wide variety of backgrounds and are supported by a range of services. They are not a homogenous group. This makes it difficult to offer standardised courses which will be appropriate to their skills and interests. However, we recognise that Fairbridge overcomes this difficulty when delivering other subjects such as sexual health, or drugs awareness.

It is apparent that the clients who have repeated some aspects of the course have learnt most. However, Fairbridge is an organisation that provides a service that helps young people to move on and it might be difficult to deliver enough information and advice to some of the young people who come through its doors to make a difference to their levels of financial capability. Furthermore, the lack of structure and formality that appeals to the young people makes it difficult to guarantee to cover any particular topic or skill in any detail, and reduces the opportunity for repetition.

Fairbridge staff also come from varied backgrounds, and bring different skills to the centre. They do not all arrive at Fairbridge feeling confident or interested in financial capability. We know from general discussions with the staff that some found it difficult to remain enthusiastic about the issues around financial capability for the duration of the project. We are also aware that staff turnover and restructuring can mean that the benefits of staff training are quickly lost. Some of the time that partners spent on the pilot was used to train staff, and we suggest that in future partners' time might be put to better use by running more courses directly with Fairbridge clients.

It is apparent that staff find it hard to maintain a strong relationship with partner organisations in an environment of short term funding, and shifting priorities. Fairbridge has identified financial capability as a priority skill, and will now need to work hard at nurturing partnerships that can offer vital support. Partners must also think carefully about their target groups and consider ways of providing ongoing support to the young people at Fairbridge.

Recommendations

1. **Continue to involve Fairbridge in a national strategy**

The Financial Services Authority (FSA) is keen to help young people to improve their financial capability, and become informed consumers. Fairbridge has got the skills and experience necessary to access young people who may otherwise be excluded from such support. These young people are very hard to reach, and difficult to motivate. Fairbridge knows how to maintain the interest of clients, and makes good use of its own staff and facilities and the support of partners. We feel that it would be appropriate for the FSA to continue to work with Fairbridge to provide financial capability training to disadvantaged young people.

This recommendation is in keeping with the findings of the Adult financial literacy advisory group (AdFLAG) report to the Secretary of State for Education and Employment, written in 2000, which state that evidence suggests that:

> *The best way to address financial education within disadvantaged communities is to work through respected and trusted local groups.*

We also believe that Fairbridge should run the pilot for at least 18 months in order to facilitate a full evaluation.

2. **Identify the needs of individuals**

The AdFLAG report (2000) notes that '*there is a close link between levels of basic skills and the use of financial products and services'*. Some organisations working with clients in similar circumstances to those at Fairbridge encourage all entrants to take basic skills tests in order to assess their need for support. We believe that the Clients at Fairbridge could benefit from this. The Basic Skills numeracy tests already include questions around money and shopping, such as working out a price with a 20 per cent discount, or finding the total cost of a meal from a menu. These questions could be used to identify weaknesses at an early stage.

We have also identified four types of clients that we believe have different levels of capability and different needs. Two of these types are primarily identified by the level of household income and awareness of mainstream financial products, whilst the other two types have special needs that override their personal circumstances. It is relatively easy to consider where new clients may fit within this typology. With experience it will then be possible to work with partners to tailor approaches to meet their different needs.

It is very important to differentiate between clients who need financial advice as soon as possible, and those who could benefit from the skills they need to help themselves. Those who need specific support should be properly signposted. It should not be expected that they will learn fast enough and in enough detail to solve their own problems.

3. **Work intensively on a few skills**

The young people who were able to tell us some of the things they had learnt had benefited from repetition. Generally they had been on the same course or trip on more than one occasion. This is a key point and needs careful consideration. Fairbridge does not always have the opportunity to work with young people for long periods of time. It may be better to work on a few skills across a wide range of courses in order to build up the repetition needed. When this is combined with early identification of needs the young people stand a good chance of improving their financial capability during their time with Fairbridge.

It is apparent that Fairbridge has successfully incorporated budgeting into a number of courses. We suggest that this practice is expanded slightly to encourage young people to consider whether they might benefit from saving.

4. **Build up the capacity of key partners**

The partner organisations have the subject knowledge needed to guarantee that the young people are given the right information, and to recognise the needs of the clients even when the clients are not aware that they could benefit from such information. However, the partner organisations that worked on this pilot do not all have the facilities and time available to offer more intensive or regular help, and would need additional resources to make this possible. Equally, Fairbridge does not have the funding necessary to pay partners to continue to provide the level of support that they would need to guarantee repetition and learning. This funding gap must be filled if Fairbridge is to continue providing financial capability skills.

Some of the partners do not see the Fairbridge client group as their key priority. It is therefore important to identify key partners with similar goals who are prepared to create a lasting relationship with Fairbridge and invest in supporting disadvantaged young people.

We are aware that the pilot included an element of staff training so that there might be less reliance on the partnerships in the future. However we have concerns about this approach. Even if the partners train Fairbridge staff to deliver financial capability courses, Fairbridge staff will inevitably still have less experience than the professionals. It is also apparent that staff turnover might be an issue; individual members of staff may well move on, taking the investment with them. Furthermore, staff are not all interested in financial capability, and some do not model good practice to the clients (for example clients told us that they think that some staff do not look after their own money, particularly those who smoke). We therefore think that more value can be added by providing partner organisations with ongoing financial support to increase their level of involvement and encourage them to provide regular sessions to Fairbridge clients. We have seen that this approach is effective with other courses and services offered at Fairbridge, including sexual health advice and music technology.

5. **Strengthen the review processes**

Fairbridge works to the Kolb learning cycle model of ‘plan, do, review, apply’, encouraging course participants to consider their aims and to review their progress. Staff can use this process to help the young people to recognise improvements in their financial capability as well as their other skills by highlighting them during the review process. We anticipate that this will help clients to feel more confident about their own financial skills – thus meeting one of the aims of the pilot. However we recognise that some members of staff feel that reviewing achievement can give the message that nothing is learned unless an adult has validated it. It is our hope that the review process can be used to encourage young people to recognise their own learning.

Partners have told us that they also welcome being given clear aims and feedback. We suggest that Fairbridge staff involve partners when planning and evaluating courses in order to strengthen the relationships between the organisations. It is particularly important that Fairbridge provides feedback to partners.

6. **Retain the balanced approach**

Financial capability is a valuable addition to the training on offer at Fairbridge, but it is not the only skill that young people need. Fairbridge should continue to offer courses that do not include any aspects of financial capability, in order to retain the choice and variety that appeals to clients.

By identifying the needs of clients and being able to offer courses that do not include financial skills Fairbridge will be able to continue to meet the needs of those clients who are receiving adequate financial help from other organisations. A failure to do either of these things could drive certain clients away from Fairbridge before they have received the help they need in other aspects of their lives.

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