

DEVELOPING
YOUTH 
PRACTICE

Young People and Money

A toolkit and resource for those working with young people

Welcome to Young People and Money

This toolkit is for you if you are a youth practitioner who wants to help young people manage their money better. It is a practical guide and resource full of activities and ideas to use with young people.

Foreword from Money Advice Service

“ Young people, at the outset of their adult lives, need to be able to manage their money effectively. Between 2004 and 2011, as part of the Financial Services Authority Financial Capability Strategy, ‘Young People and Money’ was developed to help youth practitioners support vulnerable young people to be better able to manage their money. Those working on the original project have now come together to create this new online toolkit which you will find brimming with new ideas and suggestions to help you to support the young people you work with. ”

Money Advice Service
March 2014

Why is it important to develop resources and training specifically for youth practitioners?

“ As a youth worker you get all sorts of training on issues such as sexual health, drugs and alcohol and safeguarding and yet nothing about how to support young people to manage their money and yet it is so important for them especially if they are vulnerable. ”

Youth Worker
Wales, 2010

“ The Young People and Money Training was great and very very thought provoking. The session was inclusive and highly engaging throughout. The ‘DYP’ Trainers shared their wealth of experience during the day, with loads of useful tips on how to put the ideas into practice with young people. The accompanying toolkit and resource pack for me is a really useful reference tool. Everything in it can be used with young people and also to support others going onto work with young people on their financial capability. ”

Sharon Hunt
Fit Money Project Islington CAB 2014

Why is financial capability important to young people?

“ Young people themselves recognise how important it is to be able to manage their money, two thirds of them believing they do not have a good knowledge of finance or would know where to go for advice and one third believing debt is not a bad thing. ”

Taken from All-Party Parliamentary Group on Financial Education for Young People report, Financial Education for Vulnerable Young People

“ Money is part of teenage life. Sooner or later you’re gonna have to go into the adult world and you have to learn how to deal with it. ”

Young Person, aged 19

Why is ‘how’ you do it important?

“ Learning about money is part of adult life. Sooner or later you’re gonna have to go into the adult world and you have to learn how to deal with it. The way they taught it at the youth project made sense, I was treated like an adult so I behaved like one. It was good fun and I learnt loads. ”

Young Male
Over 18

Quotes taken from *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, July, 2005

Introductions

The toolkit

This toolkit will assist you in supporting young people to make more informed choices about their money, and become more in control of their finances to enable them to have the lifestyles they want. It gives you the information, tools and activities you need to deliver engaging and fun financial capability activities and sessions, regardless of whether you have facilitated money courses in the past or not. It does assume some existing knowledge and background in working with young people and youth work principles.

The toolkit is based on the tried and tested materials and activities developed for the Young People and Money delivery to youth practitioners across the UK project 2004-2011. The sections will guide you through a process and journey in developing a young person's financial capability. Each activity can be standalone or used in combination with others.

The toolkit is in 3 main parts

Sections 1-3 sets the scene for working with young people on money matters, outlining the key issues and sharing critical success factors backed up by research and experience.

Section 4-11 is the toolkit itself, which has a wide range of activities, useful concepts and links to further information that you can use when working with young people on money matters.

Section 12-14 are further information sections, which includes additional information or places to go for more support - online or face-to-face, that they can visit if they need more guidance.

This resource has been designed so you can print some of the resources to use directly with young people, these will work printed both in colour or greyscale. Please also feel free to take the ideas and adapt them to use with your young people.

The methodology

The toolkit is based on recognised Youth Work practice and principles, for example:

- In Scotland's youth policy, there are three features that underpin youth work:
 - Young people choose to participate
 - The work builds from where young people are
 - The young people and youth workers are partners in the learning process

- Northern Ireland's youth policy calls for youth workers to involve young people in programme planning and delivery to ensure what is being offered is relevant.
- In Youth Work in Wales: Principles and Purposes (WLGA, 2013) it states there are five pillars for youth work: educative, expressive, participative, inclusive and empowering.
- England's Positive for Youth 2011 strategy states that the process of personal and social development includes: Developing social, communication and team building skills; the ability to learn from experience, control behaviours, and make good choices; and the self-esteem, resilience, and motivation to persist towards goals and overcome setbacks.

We undertook a comprehensive international literature review on financial capability and young people to inform our key principles and methods. A summary of this is available at www.developingyouthpractice.co.uk

A few specific methods that have been tried and tested in our approach and used to underpin some of the practice are: MINDSPACE and behavioural economics; Experiential Learning; Choice Theory; Neuro-linguistic programming.

Developing Youth Practice

Developing Youth Practice (DYP) is the organisation which has led the development of this new toolkit. We are the same people who worked on the FSA's original Young People and Money project, creating a toolkit of what works and a training programme which reached 15,000 youth workers. As DYP, we continue to deliver Young People and Money training to youth workers. As specialists in youth practice we provide a broad range of practical accredited training to help inspire creativity in engaging the hardest to reach and most challenged young people.

Our focus is promoting behaviour change, believing that every young person has the potential to change and achieve given the right opportunities and support. DYP aims to upskill youth workers in the psychological insight, activities and techniques to build trusted relationships and challenge negative behaviours. See our website for more information:

www.developingyouthpractice.co.uk

About the authors and steering group

All have been working together since 2004 on financial capability and young people and the Young People and Money programme, bringing a diverse mix of experiences and specialisms. They are all now part of the Young People and Money Consortium:

- Ruth Bradbrook: Youth Work Practitioner and Trainer, Co-Director of Developing Youth Practice
- Louise Willis-Keeler: Youth Work Practitioner and Trainer, Co-Director of Developing Youth Practice
- Linda Jack: Financial Capability Independent Consultant
- Fran Harrison: Consumer Policy Specialist
- Frances Burton: Freelance trainer and consultant

Reference group

Thanks to our reference group who have helped inform and shape the toolkit:

- Lee Phillips, Money Advice Service
- Martin Coppack, Financial Conduct Authority, in a personal capacity
- Michelle Highman, CEO at the Money Charity
- Louise MacDonald, CEO of Young Scot
- P.J. White, Editor of online resource Youth Money
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1. Financial Capability - what's it all about?

The terms 'financial literacy' and 'financial capability' tend to be used interchangeably but financial capability is increasingly preferred internationally.

The Money Advice Service definition of a financially capable person is:

A financially capable person is someone who keeps track of their money, plans ahead, and is able to make informed decisions about their finances, understanding the risks and benefits of particular options.

The Money Advice Service have identified 3 key aspects and outcomes of financial capability:

- Keeping track of money i.e. to live within means, and get out of problem debt
- Planning ahead i.e. by having enough savings, being prepared for later life, and protecting against the unknown
- Making informed decisions, i.e. for financial choices and products

We have used this framework throughout this toolkit, see the wheel and description on page 17.

A person's financial capability is best judged by their actual behaviour. Someone who has the knowledge and skills to manage their personal finances well would be considered to be financially literate but not financially capable if they do not use this understanding to make informed decisions. For example, someone might know about the importance of shopping around before buying financial products or services, and know how to do so, but cannot be regarded as financially capable if they are not motivated to put this into practice.

Being financially capable is about being able to make reasonable decisions that suit a person's situation and preferences. Financial capability will differ from person to person, depending on their personal circumstances. For example, a person who has little or no money does not need to be financially capable in investment management.

The recent Money Advice Service research 'Money Lives' March 2014 gives insights into the factors that influence how well people manage their money and ways to encourage good money habits:

- Attitudes, motivations and opportunities as well as skills and knowledge influence what we do with our money and how we feel about it
- The ability and willingness to plan ahead is key in determining how effective people are at managing their money. The ability to plan tends to be learnt from parents
- Preparing for a key life event, such as buying a first home, can be a major stimulation to people in developing long-term positive money habits
- Learning to cope financially with difficult life events, such as bereavement or divorce, can also have a long-term positive impact on people's money habits
- It is possible to override people's natural money management behaviours if they are:
 - given a clear outcome to work towards;
 - able to access information about that outcome, such as why it matters, and the difference it will make to them;
 - provided with a structure and the relevant tools to help them work towards the desired outcome;
 - able to receive regular positive feedback on their progress and are not left feeling isolated; and
 - made to feel in control of their financial situation

The full research can be found at:
<https://www.moneyadvice.org.uk/en/static/money-lives>

We have used these principles to inform the overall structure, key concepts and resources within this toolkit to use with young people. See more about these in section 3 'Top Tips' and 5 'Psychology of Young People and Money'.

2. Young people and money - what's the current situation?

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

Young Person, aged 14

I have never used money.

Young Person, aged 13

A lot of people think money is not the most important thing. I wish it wasn't the most important thing, like love's the most important thing, but you're stuffed without money.

Young Person, aged 21

Recent research in 2013 by MAS on the financial capability of all young people aged 15-17 reveals a picture of a generation that has been shaped by the economic times it has grown up in – a generation that understands the challenges it faces, plans for the future, but needs help on some of the steps to get there. Some highlights of this research are:

- Young people show some positive attitudes to money management, with 74% not going out if they can't afford to. However, only 60% of young people keep track of their spending compared with 86% of adults. Around 50% it difficult to live within their means
- Some financial behaviours appear to be established by the age of 15, with 15 year olds being as likely as adults to save for a rainy day and to set and stick to a budget for Christmas presents
- But 17 year olds and young adults aged 18 to 24 are less comfortable with their finances than younger teenagers, probably reflecting the challenges of greater financial independence
- Our research shows that young people are likely to imitate – whether positive or negative – the financial behaviours of their parents

The full research findings can be found at: <https://www.moneyadvice.org.uk/en/static/the-financial-capability-of-15-17-year-olds>

Research carried out by Barclays in 2011 found that more than a third (36%) of young people run out of money regularly; a further 27% of unemployed young people saying they are always out of money.

Some young people are more vulnerable. Bear in mind particular vulnerabilities in relation to financial services and adapt your methods to fit. The Royal College of Psychiatrists makes reference to a number of vulnerability characteristics and circumstances:

- Low literacy, numeracy and/or financial capability
- Low/insecure income
- Being unemployed
- Being responsible for high levels of care for another person
- Having a physical impairment

- Having mental health problems
- Living in social rented housing
- Living in a lone parent household

The Royal College of Psychiatrists say we need to recognise that vulnerability can be long-term in effect or it can be a dynamic state which affects some consumers at different periods of time – like unemployment, or bereavement. The critical issues are the degree of risk of vulnerability and – crucially – whether this is addressed or exacerbated by the actions or omissions of providers, markets and services.

It's also important to remember that the current situation for young people is that money links to many other aspects of their lives and well-being:

- **Mental health** - Debt may be a cause and a consequence of mental health problems
- **Healthy living** - changing diet and eating habits impacts on spending
- **Housing/ Independent living** - the transition from leaving home, care or any institution brings with it a new range of money management issues
- **Employability and entrepreneurship** - earning a wage can be an incentive, the transition will also bring with it a new range of money management issues
- **Universal credit** - this will mean many young people will need to be more in control of their money
- **Drug and alcohol** - feeding a drug or alcohol habit can be expensive, some young people can get into drug debts
- **Offending** - lack of money may lead to offending, once in this cycle this can impact on financial choices
- **Basic skills** - numeracy and literacy - lack of the skills will affect someone's financial capability

3. Top tips - how to work with young people and money

Here are some top tips based on good practice and what has found to be effective in building young people's financial capability. These areas all taken from our literature review, links to the research and body of evidence can be found in the bibliography at the end of the toolkit.

Relationships are key and form the bedrock

As all youth workers will agree, foremost is the importance of the **relationship** the young person has with you. As **MINDSPACE** asserts (please see page 18), the messenger is all important. If a young person trusts you, connects with you and has an ongoing relationship with you, you are in a unique position to support them with money issues in the same way you will with other issues. By building a good relationship you will know what is important to them and therefore what will motivate changes in behaviours.

Value young people and keep them central to your work

Any intervention should be **values based** and should support young people to understand they are valued for who they are, and not for what they have. The exercises in this toolkit will give you enormous opportunity to **challenge** consumerism and the instant gratification culture which blights so many lives. A 2007 Unicef report on child wellbeing observes that consumerism is a huge problem in the UK with those on low incomes more likely to buy designer items in order to compensate for feelings of inadequacy. Whatever you do, ensure young people are **involved** in the planning and delivery of your programme.

Money is not an isolated stand alone topic

It is essential that a **holistic, consistent, joined up approach** is taken to ensure any intervention is effective. While discreet courses have their place, it is more important to integrate learning about money into all the work you do with young people. While as adults we may well compartmentalise our lives, this is not the rule for young people, especially those with chaotic lifestyles and backgrounds.

Know who you are working with

Young people face a number of different challenges and respond to a range of learning styles, so a **'one size fits all'** approach will not succeed. There is no silver bullet; what is important is that learning is customised for the young person, their specific needs and issues, while taking account of their learning styles. That is why this is a toolkit rather than a training manual, offering you ideas which can be adapted for the young people you work with, either as a group or individually.

Make it relevant, engaging and inspiring

As youth workers you are in a unique position to be able to respond to needs creatively and at the right time. Think about when may be a 'teachable moment' –this could be when a young person starts living independently, or turns 18 and has access to credit. Evidence shows that young people learn more when they have real **hands-on experience** of having to manage their money. You will be working with young people at a time when they are beginning to become independent, when issues around money become real rather than theoretical. So, for example, if you are in a supported housing project you can plan sessions to support young people as they become responsible for paying service charges, budgeting and taking control of their finances. See the 'S' from MINDSPACE page 19 – what is salient and relevant for the young people you work with?

Don't force it!

As well as your interventions being real and relevant they need to **add choice**. Building more knowledge and skills will help young people make informed decisions around their finances.

Bring real benefits into the present

Many young people live in the 'now'. Frame interventions to help young people see the benefit to changes now and in the short term. There has to be an avoidance of loss or an immediacy of gain to help someone build motivation to change.

Do it again! And strengthen the review process

For young people who may have been failed by the education system and find formal learning hard **review, repetition and reinforcement** is key to both learning and practising good money habits. Linked to this is the need to be content with young people taking **small and incremental steps** rather than expecting them to change everything overnight, which may be setting them up to fail. Better to focus on covering a few things than overwhelm young people with too much.

Behaviour or knowledge?

Addressing **attitudes** and **behaviour** with young people is as important as ensuring they have the right knowledge skills and inbetween knowledge and skills. A young person may well know how to open a bank account, read a bank statement and budget wisely. That doesn't mean they will do it. Research shows that young people develop financial and economic understanding when they have 'personal economic experiences', when it is 'just in time'.

Support and training

You wouldn't be expected to run a sexual health session based on your own experience – the same is true for running sessions on money. Providing suitable training and support will enable staff and volunteers to effectively support and inspire young people. By the end of its three-year Young People and Money training delivery to youth practitioners in 2011 the exit report highlighted two significant achievements:

- Some 15,000 youth practitioners across the UK had attended Young People and Money training. More than 93% said they would recommend the training to others
- Young people were more in control of their money, saving more, less in debt, and more aware of the benefits of planning ahead

Developing Youth Practice continue to deliver the Young People and Money training www.developingyouthpractice.co.uk. See section 12 for further information on training.

Embedding financial capability

The evaluation of our 'Young People and Money' programme found that to be successful financial capability should be **embedded** in organisations' **policies, procedures and practice**. This means someone should have overall responsibility, staff should be offered ongoing training and support, procedures should monitor the progress of the young people around managing their money, and adequate time and resources made available. See section 13 for further ideas and case studies on Embedding financial capability.

There will be some gender differences

Remember that **gender** is important, so try to tailor what you do to take account of young women's needs. Look out for young women's lower aspirations compared with those of young men. Tailor delivery methods to women's needs, leveraging the influence of female role models and peer group learning and sharing. The OECD recommends combining financial education with access to formal financial products and with entrepreneurial education to improve women's overall access to work.

4. Activity framework

The table below lists all the activities and how you can use them i.e. with groups, on a 1-1 basis, and as a prompt for discussion

Section	Activity	Suitable for delivering to groups	Suitable for using in 1-1 work	Materials can be used to prompt discussion	
5. Psychology of young people and money	5.1	What does someone in control of their money look like?	√	√	
	5.2	Agree and disagree	√	√	
	5.3	Magic and minging about money	√		√
	5.4	You and money	√	√	
	5.5	Traffic lights	√	√	
6. How to get started	6.1	Bombs and shields	√		√
	6.2	Money, money, money	√		√
	6.3	Love spending money on...	√	√	
	6.4	Sun shines on	√		
	6.5	Yes, no game	√		
	6.6	Film time	√	√	
7. Money in and money out – does it balance?	7.1	Money in, money out pictures	√	√	
	7.2	Do you have enough money to do these things?	√	√	
	7.3	Where does your money go? - Part 1	√	√	
	7.4	Where does your money go? - Part 2	√	√	
	7.5	Spending diaries	√	√	
	7.6	How will I remember to track my spending?	√	√	
	7.7	What's your income?	√	√	
	7.8	Essential or non-essential - line ups	√	√	
	7.9	A simple budget	√	√	
	7.10	Increasing income and reducing expenditure	√	√	
8. Making your money work for you - banking and saving	8.1	Banking bingo	√		√
	8.2	Where to keep my money	√		√
	8.3	Choosing the right account – the sales pitch	√		√
	8.4	Hot banking issues	√		√
	8.5	Managing a bank account	√	√	

9. Mobile phones	9.1	Mobile phone	√		
	9.2	What's the best deal?	√	√	
	9.3	Mobile phone grand prix	√		√
10. Enabling young people to make informed choices about saving and borrowing	10.1	The why and the how	√		√
	10.2	Comparing the cost of credit	√	√	
	10.3	Reading the small print	√	√	
	10.4	Higher, lower	√	√	
	10.5	Resisting the pressure	√	√	
11. Helping young people to manage debt	11.1	Does debt matter?	√		√
	11.2	How do things start going wrong and what can we do?	√		√
	11.3	What is important and what is urgent?	√	√	
	11.4	Priority and non-priority debts and their consequences	√	√	
	11.5	Getting help when it's needed	√		√

Adapting activities and supporting all young people

It's important to think about the needs and abilities in the group when you are selecting the activity. Any of the activities in this toolkit can be adapted to work with different groups, and to work in one-to-ones. If you are adapting the resources to use with young learning disabilities use the Money Advice Service resource which can be found on the ARC website:

<http://arcuk.org.uk/blog/helping-young-people-with-learning-disabilities-to-understand-money/>

Below are some basics to remember in running successful activities with young people

- When supporting young people to gain knowledge and understanding it is important to make the learning relevant, interactive and fun. This helps to engage the young people, appeals to more activist learners and also reinforces the learning through 'doing'
- Choose activities that will engage all young people; each section in this toolkit has a range suitable for all abilities
- In activities that require young people to write consider, where needed, how you can do this on their behalf in a way that isn't too obvious or visible

- During group activities when you split the group into smaller groups to work on specific tasks it's good to go around and make sure people have understood what they are trying to do and are able to do it, and add support where needed. Many of the activities in the toolkit have prompt questions listed
- If some young people finish activities quickly get them to help others
- It can help to have a version of any handouts that you are using, or part of them, on flipchart and give some examples of what you want the young people to do
- If young people have difficulty writing or you want to speed things up a bit you can have some of the activities partly done e.g. budget sheets partly completed, bingo sheets pre-populated
- Adapt activities to use fewer and/or different materials to make them as relevant as possible to the learners and to avoid overloading them e.g. the financial terms on the bingo sheet words and the debt and consequences cards
- You can have further information for the young people to look at and take away such as copies of the Citizens Advice 'jargon buster' and other money management fact sheets, local Credit Union leaflets etc.

5. Psychology of young people and money

Overview

All young people will be at different stages in their skills, attitudes and behaviours around money. It is vital that you take time to listen and understand each individual young person's relationship with money, and their current situation. This will then inform your start point. Otherwise there is a danger that we support young people from another perspective which can often be driven by what we think is best for them, which although well intentioned will mean any changes will not be sustained and they will often revert back to previous behaviours. Your support and approach needs to be balanced and focused on what's most needed, see the wheel, page 17, as a useful diagnostic tool to help know where to start and focus your efforts and energy. As outlined in the Scotland's Youth Strategy "the work builds from where the young people are". Young people need supporting to help evaluate the impact and consequences of their current attitudes and behaviours and the direction this will take them in. The activities in this section will help you do this - it's a bit of a journey which you'll need to take young people on step-by-step.

Objectives

The ideas and activities below will help you:

- Build an understanding of each young person's attitudes and behaviours around money and the role money plays in their world
- Support young people to evaluate their current situation around money matters and the direction it's taking them in
- Support young people to make positive choices and set meaningful goals around money matters

The wheel

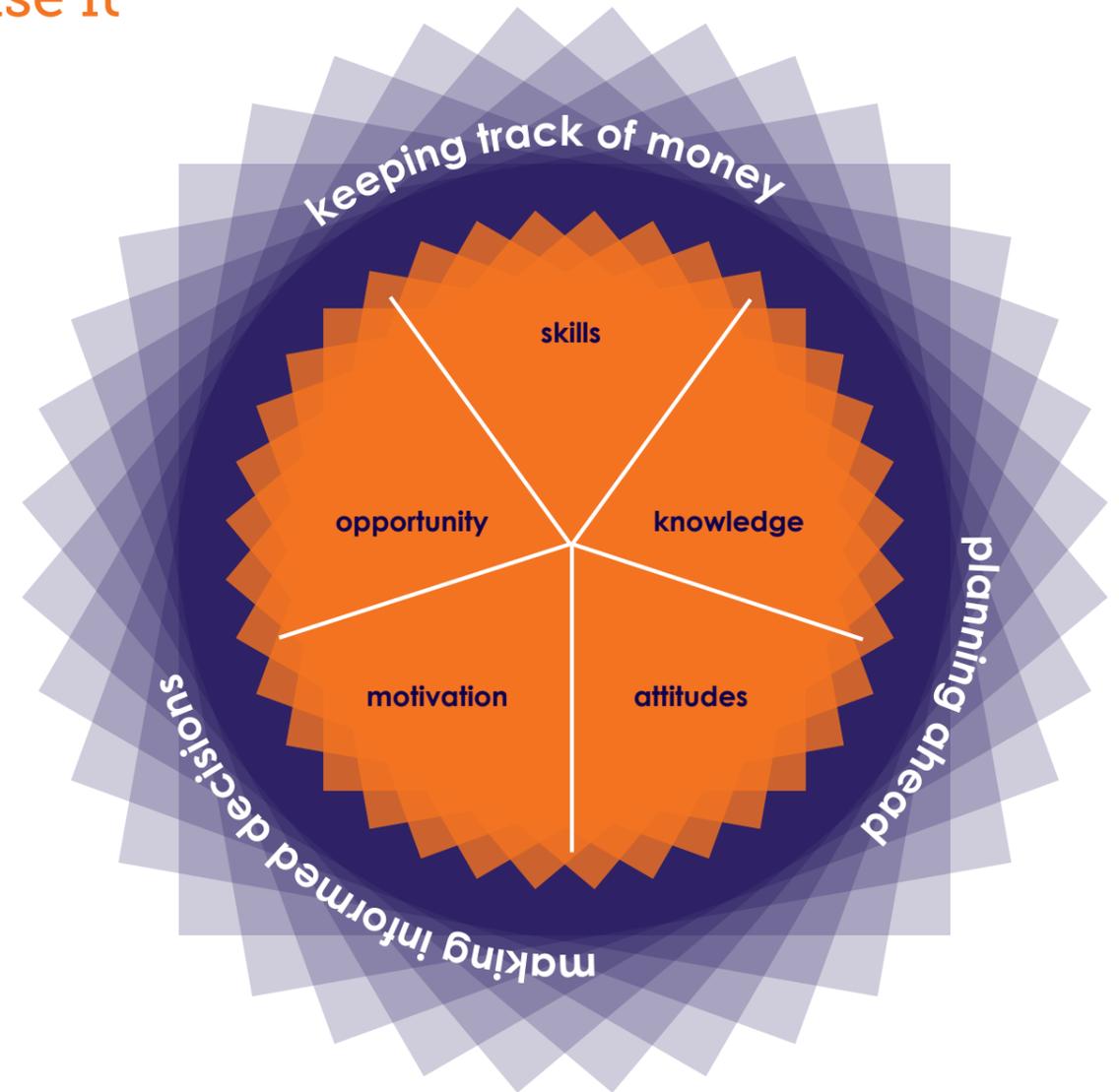
The wheel is a useful diagnostic tool to use to help guide you and help inform the way you work and your interventions. All young people will be different, so you need to adapt your practice and interventions.

The wheel is in two parts. Firstly the blue ring around the outside which are the 3 aspects of financial capability described earlier in section 1. Secondly the orange inside section are the internal and external influences that drive behaviour:

- **Skills and knowledge.** The emotional or cognitive skills required to engage with financial management, and the knowledge required to find, understand and evaluate information to make informed decisions
- **Attitudes and motivation.** Attitudes are the underlying beliefs that may influence behaviour. They are often influenced by social norms. Motivation refers to the brain processes that direct behaviour, including both automatic (unconscious) and reflective (conscious and considered) mechanisms
- **Opportunity.** This refers to the factors that lie outside of an individual that may influence their behaviour. They may include social opportunity (i.e. the networks that people have, including their friends and family) and the physical opportunities to which they are exposed (for instance, the area they live in or the technology to which they have access)



The financial capability wheel and how to use it



How you can use the wheel

A young person may be struggling with their money and not able to pay the bills, or have enough for their weekly food shop. The key aspect of financial capability (the blue outer ring on the wheel) we need to focus on here 'keeping track of money' The next question is 'which inner section (orange on the wheel) is having the biggest influence on their behaviour?' It largely depends on the young person in this situation. If they know this is a problem and want to do something about it then focus on: Skills and knowledge i.e. on how to budget and track spending. If they do not see this as a problem, it could be that they are still going out with their friends and having fun rather than doing anything about it, then you need to focus on: attitudes and motivations i.e. on why to budget - what are the benefits? There may also be a link to the opportunities around them. If their peer group have more of a 'live for the moment' attitude then this will be a key influence. If this is the case you can introduce

them to other young people who have found ways to keep track of their money.

In the example above there is no point working on developing budgeting skills and knowledge if the young person isn't motivated enough to want to do it. The attitude and motivation change needs to take place first. To help aid this, think about what will motivate and influence the young people you are working with; some of the MINDSPACE ideas below will also help influence choices and build this motivation.

At the start of each of the following activity sections we have added a wheel and highlighted the aspect of financial capability focused on in the section. We have done this in bold letters around the outside of the wheel. Remember each of the inside sections always apply, and which to choose to engage young people will need to vary.

'MINDSPACE' - what is it and how can it help us?

To support young people to become more financially capable it's important to understand what motivates and influences them. It's not just all about more information, knowledge and skills. The 'MINDSPACE' framework below will help you to do this. The aspects are all linked to a letter of the word MINDSPACE starting with 'M'. We have outlined the key concepts below with some ideas and examples on how you can apply it to your work with young people.

One should not overlook the psychological component of financial education, particularly when trying to influence behaviour outcomes.

Behavioural Economics and the Psychological Aspect of Financial Education (Soman, Diip (2011) Presentation of the OECD-FCAC Financial Literacy Conference in Toronto, Canada)



M – Messenger - We are heavily influenced by who is telling us. Is the person someone like me? Or are they an acknowledged expert?

Practical application: Use the best person or channel to engage the young people. In youth work the relationship is the bedrock. *Who will the young people engage with and listen to? Have you got young people who could be trained as peer educators?* **For example** training trusted intermediaries in financial capability skills can mean key messages are more likely to reach young people as they already have the relationship. *"It's not until they know you care, that they care what you know", William Glasser, Choice Theory.*



I – Incentives - Our responses to incentives are shaped by predictable mental short cuts such as strongly avoiding loss.

Practical application: To help change behaviours young people have to see what's in it for them. Help young people to see the immediate benefits, frame these as an incentive to them. *Can you develop activities that help young people to recognise both the gains and losses of behaving in a particular way?* Remember our need to avoid loss is often more powerful than our desire to gain. This is why evidence shows increasing someone's salary is found not to be much of an incentive to improve performance, but cutting it is such a big disincentive. **For example** if they want a new pair of trainers and don't have all the money, help them understand what the total cost would be if they had to borrow the money. It may well be that the trainers would wear out before they finished paying off the loan. So maybe they could save up some of the money and borrow less. Frame the choice in terms of how much they would lose rather than what they would gain.

Another part of incentive is the natural tendency to prefer smaller payoffs now to larger payoffs later; behavioural scientists call this 'hyperbolic discounting'. If I am given the choice between getting £10 in my hand today or £12 in 7 days I am more likely to take the £10 now. However, if I am offered £10 in 7 days or £12 in 8 days, I am more likely to wait the extra day. **For example** try asking a child if they would like one sweet now or three tomorrow, the chances are they will choose the one sweet now. Ask young people to give examples in their own lives of when they have behaved like this. What, if anything, might have influenced them to behave differently?



N – Norms - We are strongly influenced by what others do.

Practical application: As all youth workers know, young people in particular are strongly influenced by what their peers "people like me" do. Use stories and anecdotes of how other young people have made changes. *How can you harness young people's natural desire to "fit in" to influence their behaviour? Get young people to think about what happens to people who are not seen to fit in (ostracised, bullied, or maybe admired?). Have they ever been treated like that? How did it make them feel?* **For example** rather than buying a bottle of coke for £1.20 a day from a vending machine at the hostel because everyone else did, one young person saved £5 a week by bulk buying canned drinks with friends at the local supermarket, this has now become the 'norm'. **Another example** from behaviour economics comes from the hotel industry. A hotel changed a notice in their rooms asking people to reuse their towels, to one that suggesting that previous occupants had reused their towels– they saw a 33% increase in towel reuse.



D – Defaults - We tend to "go with the flow" of preset default options.

Practical application: Use preset options to encourage action to change. What products have preset options that encourage different attitudes and behaviours? Ask the young people to think about what defaults may help them manage their money more effectively. **For example:** Some bank accounts by default text your balance daily, this can help a young person to keep track when they otherwise might not. When you take out a loan at a credit union part of the repayment by default goes into a savings account, this can help a young person begin to save when they otherwise might not.



S – Salience - We are attracted to what is novel and seems relevant to us.

Practical application: Providing relevant feedback and ideas in terms young people will understand can help encourage money management. *What are the hooks for you to be able to raise the awareness of the young people you work with about money issues?* **For example** by saving up the money to buy some new trainers rather than borrow it, means you can have 3 new pairs of trainers a year rather than just one. By spending £5 less each week on takeaways means you will save £260 a year which means you can go on holiday with your friends.



P – Priming - Our actions are often influenced by subconscious cues.

Practical application: Find ways to talk about the aspects of financial capability in other conversations and activities with young people to help front-load and prime attitudes and behaviours. *What other influences may young people be exposed to that may have positive or negative impacts? How can you help young people to become more resilient to marketing influences and make informed decisions?* **For example** talking about saving on food costs during a cooking session will help influence young people's attitudes to saving. This can work well prior to a budgeting session. **Another useful example** is to talk about "product placement" in films and TV shows – what are the advertisers trying to do? Ask them to think about what they own, clothes, trainers, phones etc. What influenced them to buy? Was it something they needed and if so was there a cheaper alternative? If they didn't buy the cheaper alternative what or who was influencing them?



A – Affect - Our emotional associations can powerfully shape our actions.

Practical application: Present outcomes in such a way that involves particular feelings or emotions that can help influence our behaviour. *Do you understand the emotional associations the young people you work with may have around money? Can you harness those emotions to help them develop better money habit?.* **For example** to help build awareness about the impact of debt, it can help to talk about the negative impact of not dealing with issues early. Unpaid rent can lead to arrears, which if not sorted and left can lead to losing your home and becoming homeless.



C – Commitment We seek to be consistent with our public promises. If we make a public commitment to doing something we are far more likely to keep it.

Practical application: Encourage young people to make a commitment to an action or behaviour and make sure they know you will follow it up with them. Set realistic targets and goals, the sooner young people can act on these the better. *Can you help the young people you work with set goals and make a commitment to sticking to them?* **For example** use the traffic light goal setting activity later in this section. Get them to say out loud each action and when, where and how they do each.



E – Ego We act in ways that make us feel good about ourselves.

Practical application: It is important to build young people's beliefs that they can become more financially capable. It is also important that they believe that they can still feel good about themselves and get what they want, in ways that cost less or are free. *How can you harness this need in order to support young people to feel good about how they manage their money?* **For example** the essential and non-essential activity in section 7 gives lots of opportunities for young people to share how they can reduce outgoings but still find ways to make them feel good. One young person shared that they always shop at a certain time of day when the nearly out-of-date items go on sale, it felt like treats but saved lots of money.

For more information about MINDSPACE see *Financial Capability of the UK on the Money Advice Service Website, Appendix 2.*

<https://www.moneyadviceservice.org.uk/en/static/the-financial-capability-of-the-uk>

Throughout this toolkit look out for the MINDSPACE review points – this will give you ideas of how you can use our understanding of the MINDSPACE principles to get the most out of the activities. These are not exhaustive, when planning any activity, review the MINDSPACE section and think about how you can include questions, or shape the activity, to include as many aspects as possible.

The ideas about the attitudes and thoughts behind why young people have money problems were really useful, I will now approach the way I do things differently.

Senior Housing Advisor, Bristol City Council

5-4 What does someone in control of their money look like?

What's it about?

A creative individual or group activity to begin to explore young people's current attitudes and behaviours around money and the role it plays in their lives.

What do I need?

- Paper and pens (wallpaper lining is great for creating big pictures)

How do I run it?

Step 1) Get young people to all work on one picture or split them into smaller groups or pairs.

Step 2) Ask the young people to "think about someone they know personally or someone famous who they think is in control of their money. This doesn't have to be someone with lots of money but someone who is good at making sure the money they have helps them to do and have the things they want and need."

Step 3) Then get them to "draw this person in their house or out somewhere they would spend a lot of time. Think about what do they look like? What would they be wearing? What expression would they have on their face? What would they be doing? How would they be feeling on the inside? Where would they live? Where would they spend their time?"

Step 4) Review - Once the activity has finished ask if anyone was surprised by anything on the picture. Was it useful? Did they find out anything new that could help them? This picture can be kept to explore further in future activities and sessions.



MINDSPACE review points



Messenger – Who do you think may have influenced them? Why?



Incentives – What sort of incentives may have helped this person to manage their money?



Commitments - What public commitments may this person have made to help them manage their money more effectively?

5.2

Agree and disagree

What's it about?

A moving around activity to begin to explore young people's current attitudes and behaviours around money and the role it plays in their lives. It is also a chance to dispel any myths that might be about.

What do I need?

- A prepared list of statements to use, these can vary depending on what issues you want to explore with your young people - see the list below for some ideas
- Space to move around
- Flipchart paper, pens and Blu tack

How do I run it?

Step 1) Stick 2 sheets of paper up on the walls at opposite ends of the room, one saying 'agree' and the other saying 'disagree'. Point these out to the group.

Step 2) Explain "I'm going to read out some statements for example". Think about the statement and decide if you agree or disagree. If you agree stand over there," point to the agree end of the room "and if you disagree stand over there," point to the disagree end of the room.

Step 3) Read out each statement and get people to decide and move. If people are hovering in the middle try and get them to commit to a corner, but don't force people's decisions.



MINDSPACE review points



Norms – How influenced have you been by your peers? (For example attitudes to having a bank account, using a payday loan).



Salience - How influenced have you been by what seems new and relevant? (Wonga is a good example here of a new idea catching on quickly because it meets an immediate need).

Here are some ideas for statements:

- It's vital to plan your spending each week to make sure you have enough money for everything you need
- It's unsafe to carry cash, and there should be a law banning it
- Banks are friendly places full of people who want to help
- It's really important to have a bank account if you're trying to save
- It's best to borrow money off your friends rather than banks or door step lenders
- Bank accounts shouldn't allow you to go overdrawn
- It's best to ignore any letters you get about unpaid debts, they can't make you pay
- Credit Unions are a great alternative to banks
- It's better to save up and wait for things rather than borrow money
- Shopping makes you feel better if you've had a bad day
- Getting the lowest % APR means you are getting the best deal on a product
- Payday loans like Wonga are a good idea

5.3

Magic and minging about money

What's it about?

A moving around activity to begin to explore young people's current attitudes and behaviours around money and the role it plays in their lives.

What do I need?

- Safe space to move around
- Balloons
- Flipcharts paper, Blu tack and pens
- Pens, paper or card, Post-its and whatever you can find to link it to the activity you are doing with the group

How do I run it?

Step 1) Blow up 3 or 4 balloons. Stick 2 sheets of paper up on the walls at opposite ends of the room, one saying 'magic' and the other saying 'minging'. Point these out to the group.

Step 2) Explain to the group "there are some things we like about money which for this activity we'll call 'magic' and some things we don't like about money, which for this activity we'll call 'minging'. During this activity you'll get a chance to think about these." It can help to give some examples that will be real for the group.

Step 3) Explain that "the objective is for the group to work together to keep the balloons off the ground, during this activity each person has to go to each flipchart and write something magic about money and something minging about money. You'll need to take it in turns so there are still enough people in the middle to keep the balloons up in the air."

Step 4) Check understanding and start. As the group are batting the balloons up in the air it's a good idea to keep prompting people to write things up on the flipcharts. Give enough time for everyone to write something but don't run it too long as it will lose energy; it works well to count down to the end.

Step 5) Review - Once the activity is finished get everyone to look at the sheets and make any comments that jump out at them. Any surprises? Run the review discussion for as long as you have and for as long as it's useful. Pick some of the points to expand on and ask more questions about.



MINDSPACE review points



Affect – how do emotions impact on our feelings about money? (relates to both 'magic' and 'minging').



Ego – explore further, particularly in relation to magic – what might we do differently in relation to money to help us feel good about ourselves?

5.4

You and money quiz

What's it about?

A fun quiz to get people thinking about how good they are with money and aspects they may need to learn more about. This is designed to be used in a one-to-one or group situation, and is a great needs analysis tool for you to find out their current attitudes and behaviours around money.

What do I need?

- Quiz sheet and answer sheet below
- Pens

How do I run it?

Step 1) Make sure everyone has a copy of the quiz and answer sheet. Explain "Here's a quiz for you to think about how good you are with money. I'll read out the questions and you tick whichever box you think best fits. There are no right or wrong answers, just go for the first one that comes into your head."

Step 2) The quiz can be adapted based on who you are working with and can provide an excellent start point for conversations. It can be revisited at future mentor sessions and repeated to review changes.

Step 3) In a big group, once everyone has finished, you can get people to talk about their answers in pairs. This can lead onto the goal setting activity 5.5.



Top tip

Be prepared for a young person to score themselves as very good for many things that you would put them as 'need to work on this'. Do not try and get the young person to change their answer to fit your view. The important part of this activity is that it helps you understand their view of their current situation. This gives you important information about where you need to focus your work and how ready for change the young person is. You may be working with young people who are 'change ready' or who maybe in a crisis situation (i.e. afflicted - see quote below). This means that they know there is a problem or something's not working and they want to do something about it. In this scenario, your role will consist of supporting and enabling them to get what they want. Alternatively, you may be working with young people who are not 'change ready'. They are comfortable and feel that everything is OK just as it is. In this scenario, your role is to enable these young people to want something different. The saying below aims to capture what, as a support worker, you are trying to do:

“Comfort the afflicted or afflict the comforted!”

Once you have established your starting point then you know where you are going. Don't push things too soon, as young people will either push back or back away and you may break down the rapport and lose the relationship.

How are you with money quiz?

How good are you at:

1. Keeping track of your money – what's coming in, what's going out and what you spend it on?
2. Controlling your spending, so that you make sure you buy the important things first and also don't get into debt?
3. Knowing which bills have to be paid regularly such as rent and phone bills, and the costs involved in living in your own home?
4. Getting the best deals on things like your mobile phone contract, weekly food shop etc?
5. Saving money for things you want to buy in the future or in case you need money for an emergency?
6. Knowing what might happen if you get into debt or don't save up for the future?
7. Knowing where to go for information and advice on money issues, including advice on managing debt?

You and money quiz: answer sheet

We are all better at some things to do with money than others - tick the boxes and see how you score.

Score	1	2	3	4	5
Smiley	😊😊	😊	😐	😞	😞😞
Comment	Very Good	Good	OK	Could be better	Need to work on this
1.					
2.					
3.					
4.					
5.					
6.					
7.					
Smiley	😊😊	😊	😐	😞	😞😞

5.5 Traffic lights

What's it about?

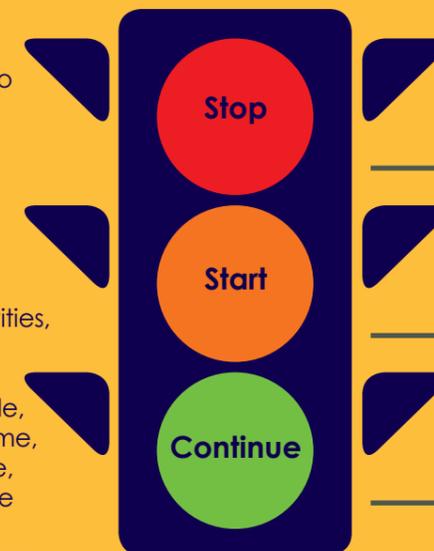
An active and creative way to begin to set meaningful goals around money designed to turn aspirations into action.

What do I need?

- Goal setting sheets as below and pens

How do I run it?

Building on some of the ideas from previous activities, particularly the needs analysis activities, invite the young person to come up with something for each of the lights. Something they are going to stop doing (red) for example, stop walking past McDonalds on the way home, something to start doing (amber) for example, start going food shopping with Sarah because she's really good at getting all her food each week for £10, and something to continue doing (green) for example, keep going to my Nan's every Sunday for lunch because it's good to see her and she's teaching me how to cook.



Top tips on goal setting

Goals need to be:

- Simple and attainable
- Measurable – exact, precise
- Immediate – need to be able to begin it immediately
- Involved – the young person is involved in making it and carrying it out
- Able to be repeated
- Committed to
- Positive – a start plan, not a stop plan



MINDSPACE review points



Defaults - What might help to make it easier for you to stick to the plan – for example if it is paying bills on time – Direct Debits?



Priming – What might subconsciously prevent you succeeding? For example adverts, the smell of coffee, your environment?



Ego – How will you feel if you succeed? How will you feel if you fail?

6. Choice Theory

Overview

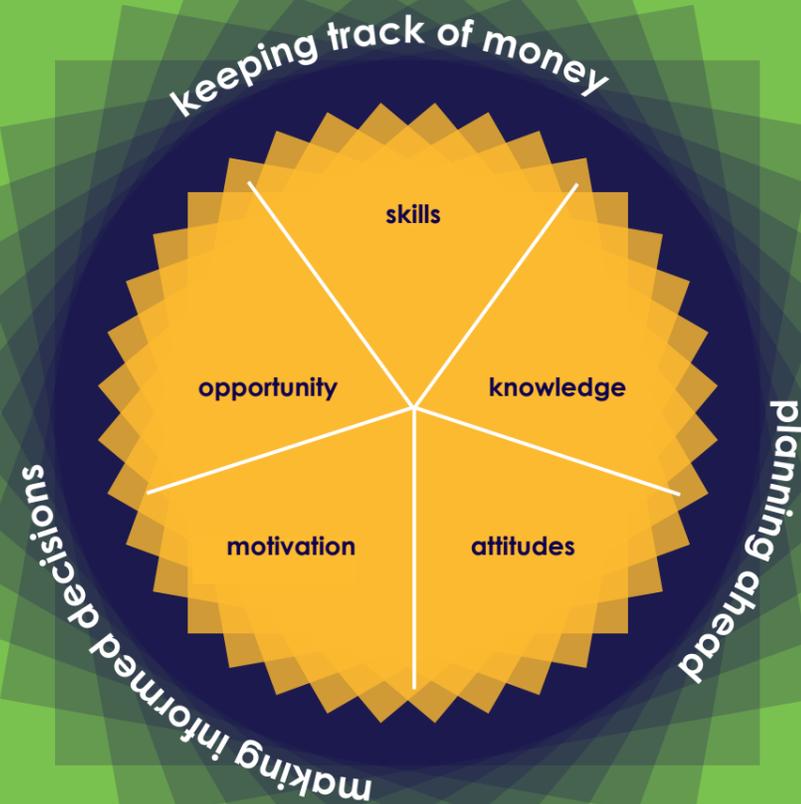
It is important to understand why a young person makes the decisions that they do regarding their financial capability. We cannot force or make young people financially capable and sometimes it is not always easy to understand why they make the decisions that they do and behave in a particular way with the money in their life.

This section will look at a behavioural psychology called 'Choice Theory', which was developed by a psychiatrist called William Glasser MD. It has been used through this tool kit and will give an insight into the choices that young people make regarding their finances. We have found Choice Theory to be a very useful tool that is easy to teach to young people to help them understand their behaviour, and ultimately to take more effective control of and change their behaviour.

Objectives

The ideas and activities below will help you:

- Understand what behaviour is and how it can be looked at from a financial capability perspective
- Identify what needs a young person is trying to satisfy through their behaviour
- Support young people to take more effective control of their financial situation



Understanding behaviour

Behaviour consists of four elements, as outlined in the diagram below:

Doing

What actions are we taking? What are we actually doing in the moment and what direction is this taking us in?

Thinking

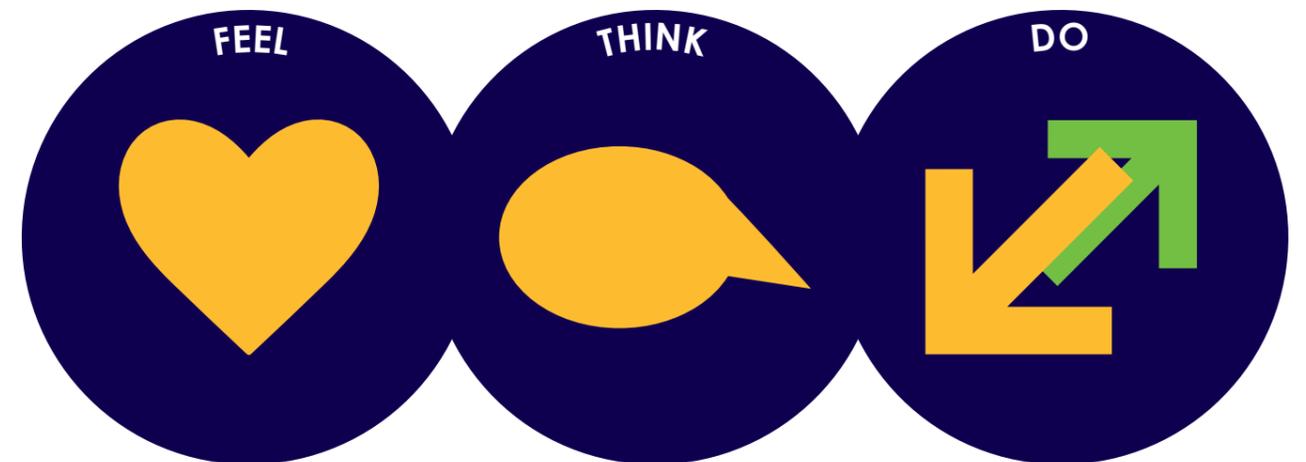
What are we thinking about something? What are our thoughts about what is occurring?

Physiology

What is our body's response to a situation? Is our heart rate/breathing increased?

Feeling

What are we feeling about the situation or event that is occurring?



6.1 What is behaviour and why do we need to understand it?

What's it about?

This is a quick energiser that is ideal for groups but can also be done in a one-to-one setting. It quickly demonstrates all the elements of behaviour and which elements are easier to access than others. This helps young people to start to think about what 'behaviour' actually is, and how, by understanding more about the elements they are able to change, they can make small and easy changes that may have a great impact upon their behaviour, especially related to their finances.

What do I need?

- Willing participants and a suitable space

How do I run it?

Step 1) Ask the group to spend a moment thinking about behaviour. What is it and how would they describe it? Then ask for answers and note these on a piece of flip chart. Note any words that keep coming up and highlight them to the group. Ask the group how easy they found it to describe what behaviour is.

Step 2) Ask the group to stand up, and do the following in turn:

1. Ask them to start clapping their hands. They can do this randomly or you can clap a pattern.
2. Then ask the group to stop and then start thinking about what they had for dinner yesterday.
3. Then ask them to feel really happy... feel really happy NOW!
4. Finally, ask the group to raise their heartbeat.

Step 3) Review – ask the group which of those four tasks they found easier. Some may say the thinking and doing parts. Then ask them if they would be able to make themselves feel happy or raise their heart rates without thinking of something or doing something. The activity demonstrates that the 'thinking' and 'doing' elements are more easily accessible, and are the two points at which a person can easily change their behaviour.

Step 4) Ask the group to think of an activity they enjoy doing. Then ask them to write down what they are 'doing', what they are 'thinking' when they are doing it, how they are 'feeling', and what is happening to their body 'physiologically'.

This model is called 'total behaviour', and helps individuals to understand the elements of their behaviour and which parts are more easily accessible and changed.



6.2 Financial behaviour

What's it about?

Expanding from the above model of total behaviour, we now start to help a young person look at their financial behaviour and understand how all the elements fit together. It will be useful here if you initially provided a scenario for them to be able to use in the total behaviour model; for example, spending all of their money as soon as they get it, or buying something they see without shopping around.

What do I need?

- A sheet with the total behaviour model where they can record their answers, like the one below:

What am I doing?

What am I thinking?

What is happening to my body?

How am I feeling?

How do I run it?

Ideally this activity should be run as a one-to-one activity as it will enable you to effectively identify individual needs and tailor your support accordingly; however, it can be run as a group activity.

Step 1) Have a conversation with the young person to help you understand what their current situation is and what they feel is the most pressing situation relating to their finances. For example, it may be that they feel they are spending too much money on going out drinking with their friends at a weekend. Praise the young person for taking the time to reflect on their finances. Often young people feel they will be judged for their financial decisions. It is really important that they do not feel judged when working with you and that you are there to support them to take more effective control of their financial behaviour. Ask the young person to then complete the sheet with the total behaviour model.

1. What are they 'doing'? Ask them to give as much detail as possible, so if it is going out with friends, who are they going out with and where are they going? Why are they going out? This helps create a more detailed picture.

2. Then ask when they are out, what are they 'thinking'? Again, it is important that you encourage them to be as detailed as possible without being too invasive or passing judgement.

3. Then ask them what they are 'feeling' in the same way as step 2.

4. Finally, ask them what is happening to their body when they are spending money like that.

Step 2) Ask them what they would like to change, and whether they think the 'doing' or the 'thinking' stage is the starting point to make this change. This will then help inform an action plan.



6.3

Understanding what drives behaviour

All behaviour is driven by the requirement to fulfil an unmet need. Although we may not always be conscious of this, it is useful to ask ourselves what need might we might be trying to meet. There are lots of well-known needs models, such as Maslow's, but we find that the Choice Theory's five needs are quick, accessible, and easy to understand to identify what is happening in the moment. The Choice Theory's needs are non-hierarchical, so you do not need to meet one in order to fulfil another, unlike Maslow's. The five needs are:

- Love and belonging
- Power and self-worth
- Fun
- Freedom
- Survival

Although there is no hierarchy in the five needs, it is believed that love and belonging is the strongest need within us all. Think back to the previous example of the young person spending too much money going out with their friends. Are they going out in order to drink or to be with their friends? You will only find that out when the young person answers the question; however, it is likely that going out with friends is the main draw and the drinking is secondary to this. What needs do you think could be being satisfied here? The friends could be satisfying the love and belonging, power, and self-worth, and the drinking may be fun and freedom? It is difficult to say, but the key is to help a young person understand what drives their behaviour and for them to identify what need their behaviour is striving to satisfy.

What's it about?

This activity identifies the needs our behaviours are trying to meet and how we can change our financial attitude and behaviours.

What do I need?

A completed total behaviour sheet activity that outlines the young person's financial behaviour.

How do I run it?

Ideally this is a one-to-one activity to enable you to utilise your rapport and relationship with the young person. This will also enable you to apply your skills to effectively support the young person.

Ask the young person to start to identify what need they think their behaviour is trying to meet. This is a great opportunity to strengthen your relationship as you find out further information about the young person's life and their choices, and their feelings associated with these. The idea is to ask the young person how they think they might be able to fulfil those needs without repeating the same financial behaviours, if they are not effective. A useful phrase to help young people understand the cycle of repetitive behaviours is...

If you keep doing what you've always done, you're always going to get what you always got.

...as in the example above of the young person spending too much money going out with their friends. In conversation you have helped them realise that this is about meeting up with their friends and having fun, so therefore is likely to be love and belonging and fun need. The idea here is to help them work out how they can still spend time socialising with their friends and having fun in a cheaper way.



6.4

Quality worlds

What's it about?

We have looked at how needs drive behaviour. It is now important to understand further what is important to a young person and why. Engaging a young person in an activity that allows them time to reflect on themselves and to articulate what is important to them can be highly valuable in helping a young person identify a strategy for working towards becoming financially capable.

What's it about?

A young person will have a 'quality world'; a term from Choice Theory. We all have quality worlds which are like an imaginary picture album full of all the things that are important to us, from material objects and experiences to relationships and people. A young person who understands what is in their quality world will be able to identify what need each 'picture' is satisfying. From a financial point of view, if a young person has a large screen TV in their quality world it will enable you to facilitate a conversation with the young person as to what need it satisfies (it may be more than one) and how important is it to them. By identifying what objects/experiences are in their quality world, you can look at how the young person will try to achieve them and link this to a financial context. If objects/experiences are in their quality worlds you will not be able to remove them, but you can help a young person to self-evaluate and think about what else might be able to equally satisfy that need in a more financially-sensible way.

The activity below is great at helping explore quality worlds.

What do I need?

- Paper
- Pens
- Glue
- Scissors
- Magazines
- Photos

How do I run it?

This activity can be run as a one-to-one or group activity. Ideally, it requires at least 30 minutes to complete, and if possible as long as the young person requires. This is best done in a suitable environment, where the young person is not distracted and you can engage in conversation.

Provide the young person with the materials, and using a piece of flipchart paper or A3, ask the young person to draw a large circle on the paper. Ask them to cut out images from the magazines and photos of things that matter to them, and stick these in the circle. These can be images of people, places, objects, etc., and if they would prefer they can draw images in the circle as well.

Once this has been completed, review what is in their circle and what would they like to say about each image. Some review questions, which can be adapted accordingly, could be:

- Tell me about the phone (or other image) in your quality world? Does it have to be that model and make? What's important to you about having that phone? How do you feel about it?
- Who are the people in your quality world? What do you like to do with them? How do you feel when you are with them?
- Where is that place? Have you been there before? Is that a specific place? What's important about it for you?



6.5 Supporting young people to become financially capable

As practitioners who want to make an impact by improving support for young people to become financially capable, we must regularly review how our attitude and behaviours can influence a young person. Our reflection should be ongoing and developmental and Batari's box is a useful tool to be mindful of in every interaction we have with a young person.

To effectively support a young person to become financially capable we must look at how our attitudes and behaviours can influence a young person, even if your interaction with them is brief or a one-off. A useful concept is that of Batari's box (see below).

It is important that we challenge our own mindsets. Is this the 'same' young person with a different face? Have I seen this all before? Do I know exactly what their problem is? If you, as the practitioner, have thoughts like this what are you doing about it? We must remember our values of being led by the young person. Only they know what need their financial behaviour is trying to meet. Only they can decide what is best for them and only they can control their financial choices. Their behaviour is always a choice, and whatever situation they may be in, only they can choose how they will behave.

6.6 Relationships

Based on the Choice Theory principles, the most effective way you can help a young person become financially capable is through the relationship that you have with them. Whilst you may just be able to provide a short-term intervention, such as signposting or providing information, it is relationships that seek to understand and support the young person that have the most significant impact in helping them move towards financial capability. Interventions often focus upon giving a young person a resource, such as a budget sheet, and supporting them to complete it. To have a significant, long-term impact on the young person your relationship must help the young person WANT to complete the resources and WANT to improve their financial position.

Effective interventions are those that seek to build and maintain a relationship with a young person by understanding their financial behaviours, and support a young person to gain more effective control of their financial behaviour and make relevant changes.

How successful we are at building and maintaining that relationship will be the determining factor in how we can support young people at a deeper-rooted level and move towards a longer-lasting behavioural change.

The relationship between us as the practitioners and young person is often overlooked and undervalued but can have a life-changing effect. Reflective and developmental practice is a prerequisite. We must keep evolving ourselves and our practice in order to be effective in our role and maintain our motivation. If a young person has a bad experience with a professional, that could deter them from ever engaging with another professional or organisation, and could in some circumstances prevent them from seeking life-saving support.

Choice Theory reminds people of relationship habits that can have a considerable impact upon the relationship and whether it potentially breaks or builds the relationship.. Although for some, these habits may seem like common sense, it is important to be mindful of them and ask what a young person may believe our

relationship habits are. Choice Theory identifies seven caring habits which we should all have for effective relationships, and seven deadly habits which may cause a relationship to wobble and inevitably break down.

The habits are:

Caring habits

- 1) Supporting
- 2) Encouraging
- 3) Listening
- 4) Accepting
- 5) Trusting
- 6) Respecting
- 7) Negotiating differences

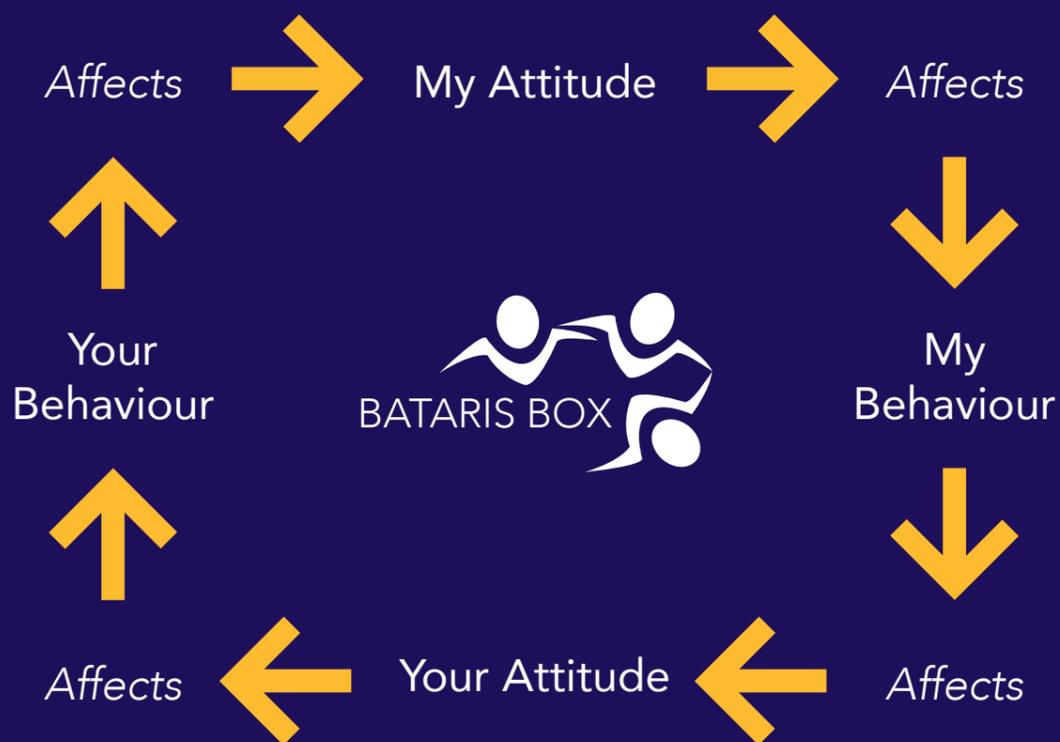
Deadly habits

- 1) Criticising
- 2) Blaming
- 3) Complaining
- 4) Nagging
- 5) Threatening
- 6) Punishing
- 7) Bribing or Rewarding Control

What habits do you choose in your work?

Workers and organisations can have a considerable impact on helping a young person become financially capable or helping them make significant changes that improve their life circumstances.

Long-term behavioural change can only be achieved when a young person understands their financial behaviour and the reasons for it, and are equipped with the relevant and necessary skills to make informed decisions and, where appropriate, seek professional support. Effective relationships are key in supporting young people.



7. How to get started

Overview

Sometimes it's hard to know how to start talking to young people about money; it can be a dry and taboo subject. This section contains many ways to begin these conversations in a fun and engaging way. Many of the ideas and activities have been developed from existing youth work energisers and activities that we know are fun and engage young people.

Objectives

The ideas and activities below will help you:

- Engage young people in matters linked to money in fun and creative ways
- Find openings for conversations about their current situation and future direction around money
- Begin to understand each individual young person's current attitudes and behaviours towards money and the role it plays in their world

Activities

Below are some activities to get you started, it's important to think about the needs and abilities in the group when you are selecting the activity. Any of the activities in this toolkit can be adapted to work with different groups and in one-to-ones.

7.1 Bombs and shields

What's it about?

A fun energetic group activity designed to make links to money.

What do I need?

- Large, safe space to run around

How do I run it?

Step 1) Get everyone standing up and ask them to "pick 2 people from the group; don't let anyone else know who they are. For this activity one of them will be your bomb and the other will be your shield."

Step 2) Explain "when I shout 'go' the object of the game is to keep your shield between you and your bomb without revealing who they are. You need to keep moving to keep shielded, everyone else will also be moving at the same time."

Step 3) Make sure you set a boundary for everyone to stay within, and tell people you will count down to the stop, at which point they need to stand still and stop.

Step 4) Check people understand, and shout "go".

Step 5) Run the activity for a few minutes or until it feels right to stop. Count down from 10 to 1 and shout 'stop'.

Step 6) Ask "who is being shielded?" and then "point to your shield and point to your bomb."

You can run this a few more times getting everyone to choose a different bomb and shield.

Step 7) Review - Once you've finished ask people what the activity was like and how is that a bit like money? Ask people to think about what their bombs are around money and what are their shields? How do they blow their money and how do they shield it and look after it?



MINDSPACE review points



Incentives – What shields would help resist the need for instant gratification?



Norms – If one of their bombs is, or could be, the need to belong and fit in, explore this. How could they resist this? Are there other ways to fit in that cost less? Are there things they could do collectively to resist peer and advertising pressure?



Ego – What shields would help them feel good about themselves?

7.2

Money, money, money

What's it about?

A fun energetic group activity designed to make links to money.

What do I need?

- Large safe space to run around
- Chocolate money coins, wrapped sweets or real pound coins

How do I run it?

Step 1) Get everyone standing up and give each person a chocolate coin, asking them not to eat it yet!

Step 2) Explain "put the chocolate coin in the palm of your open hand and put your hand behind your back. Your hand needs to stay open for the whole game" it helps if you demonstrate this at the same time.

Step 3) Explain "The object is to get as many chocolate coins as you can by taking other peoples, while protecting your own. Any chocolate coin you get must also be placed into your open palm with the original one. If you lose your chocolate coin you can still stay in the game, by trying to get coins. If a chocolate coin falls on the floor anyone can grab it."

Step 4) Make sure you set a boundary for everyone to stay within, and tell people to stop when you shout "stop".

Step 5) Check people understand, and shout "go".

Step 6) Run the activity for a few minutes or until it feels right to stop, and shout "stop". Get everyone to come back into a circle and show how many chocolate coins they have. Get people to share the sweets back out so everyone can have one. Share the wealth! You can rerun this the same way but with people's chocolate coins in front of them with open palms.

Step 7) Review - ask people what the activity was like and how is that a bit like money? Ask people to think about what takes their money? How can they protect their money? This activity can also lead into conversations about equality and inequality issues as some people will have lots of coins and some people will have none. You could ask "what's that like? Is it fair? Is this like real life? How do those who have ended up with more feel about sharing out their winnings?"



MINDSPACE review points



Incentives – talk about feelings around gain and loss – how does that impact on our behaviour? For example, what have people done to avoid losing their coins? Has that included cheating? What lengths will some people go to in order to gain more?



Ego - ask those who have gained how they feel about themselves? How do those who have lost out feel about themselves? How might this impact on our behaviour in real life – for example if we lose our job, or our money?

7.3

Love spending money on...

What's it about?

An activity to get a quick round of introductions in a group, designed to get people thinking and talking about money.

What do I need?

- Paper and a pen to make a note of loves and hates

How do I run it?

Step 1) Get the group in a circle standing or sitting.

Step 2) Explain: "in a moment I'm going to ask each person to say their name, and something they love spending their money on and something they hate spending their money on. I'll give you a moment to have a think before we start". Keep an eye on the group, be prepared to help anyone that is struggling.

Step 3) Check everyone is ready then start and invite each person in turn to say their name, something they love spending money on and something they hate spending money on. Sometimes it's useful to make a note of what people say either for yourself or up on flipchart. This can be useful to spot themes and also to refer back to in future sessions and discussions.

Step 4) When everyone has had a go, including yourself, ask the group if there are any themes? Are there any similarities between loves and hates? Why do they like spending money on some things and not on others. Usually bills, fees and taxes comes out high on the 'hates' and going out, clothes and holidays comes out high on the 'loves'. Some people say there is nothing they love spending their money on! Which is okay, do not challenge this at this point in time, although you may need to come back to this.



MINDSPACE review points



Salience – Consider does our attraction to things that are novel and relevant to us impact on our spending choices?



Priming – What may influence us without even realising it? For example, a glimpse of that McDonald's advert on the bus, someone talking about their new phone etc. Help people to consider this for themselves.



Ego – How does spending money on what we love impact on how we feel, for good or bad? How can people still have the things they love at less of a financial cost?

7.4

Sun shines on...

What's it about?

A fun group activity that helps people to get to know each other and is designed to get people thinking and talking about money.

What do I need?

- Circle of chairs, one less than the number in the group

How do I run it?

Step 1) Get the group to sit in a circle of chairs, with one less chair than there are people. With a group of ten you will need nine chairs. The person without a chair stands in the middle, it is best if this is you to start with.

Step 2) Explain "I'm going to say 'the sun shines on everyone who....' and add something to do with money e.g. 'everyone who has a bank account'. If the statement is true for you, you have to stand up and everyone standing including the person in the middle needs to find a new seat.

Step 3) As there is one less chair than people, someone will always end up without a chair. This person has to stand in the middle and say the next "the sun shines on everyone who...", adding something else to do with money e.g. "likes spending money on 'going out with their friends'" or "everyone who has a mobile phone contract", and again everyone who that is true for stands up and has to swap seats. You may need some prompts for people in the middle, you could write a list on a piece of flipchart which people can then choose from.

Step 4) Run this a few times then add in "if the person in the middle says 'loads of money', and then we ALL have to move to another seat, and you can't just move to the seat next to you."



I now use the sun shines on activity in my group work sessions, it's such a great and different way to engage young people, it's adaptable and great fun!
The young people love it too!

Financial Inclusion Officer, Metropolitan Trust

7.5

Yes, no game

What's it about?

A fun activity in pairs or one to ones designed to get people thinking and talking about money.

What do I need?

- Nothing specific, can be run anywhere

How do I run it?

Step 1) In a group, get people into pairs. Explain "this is just like the yes no game people might have played before or seen on the telly."

Step 2) Get each pairs to decide who is 'A' and who is 'B'. It helps here to get all 'A's' to put their hands up, and then all 'B's' to put their hands up to check this happened.

Step 3) Explain "each of you will take a turn at asking the other person questions. When answering, you have to avoid saying yes or no. 'A' will ask the questions first, and 'B' has to answer but without saying 'yes' or 'no'. Shaking your head counts as a 'no,' and nodding counts as a 'yes', so you can't do that either. 'B' can't hesitate or repeat answers such as 'whatever, whatever, whatever'! You have a minute from when I say 'go' and then I'll ask you to swap.

Then 'B' asks the questions and 'A' has to answer. When it's your turn to answer if you end up saying yes or no don't worry just keep count and keep going." Set this up so people are asking questions to find out a bit more about each other and about money. Give some examples that feel appropriate for the group.

Step 4) Check everyone is ready then shout "go" and start the clock. Run it for a minute and get pairs to stop and swap, run for another minute and shout stop. Get everyone's attention back in the big group.

Step 5) Ask people to put their hands up if they completely avoided any 'yes' or 'no' answers. Ask them how they managed to do this.

Step 6) Review - ask the group what the activity was like and how is that a bit like money? Ask people to think about what are the tricky questions around money? What do they say yes to and what do they say no to? Are there other things they could say no or yes to more often?



7.6

Film time

What's it about?

Using short film clips to generate discussions about money.

What do I need?

- A way to show the films - laptop, and with a large group a projector and speakers

How do I run it?

Step 1) Watch the films in the links below in advance and choose an appropriate one depending on the group you are working with.

Step 2) Show the video clips of young people talking about money to prompt some discussion i.e. do they agree/disagree with what's been said, what's their point of view?

These are a range of teenagers talking about money:

www.moneyadvice.service.org.uk/en/categories/teenage-voices-on-first-financial-decisions

These clips are useful with young people who are also parents:

www.youtube.com/watch?v=LouZUkSdfcc&list=PLzJI8W1q5m7onYQm6VZf13uq43ghWZoVj



Summary

This section has demonstrated how you can adapt well known youth work activities to link them to money. To ensure you get the most out of these we suggest you:

- Adapt activities you already use that work well, you'll find the more you build your awareness about young people and money the more links you'll see
- Always remember there is no right or wrong answers to the review questions, the value is in allowing young people to say how they see money in their lives, which gives you the chance to build your understanding of them
- Seek to engage first then draw out the learning by making links to money
- And, maybe most importantly, have fun!

8. Money in and out - does it balance?

Overview

Budgeting is something we know we should and could do, but do we actually do it? In reality very few people do even though there are many ideas and activities to help people to build a budget. Supporting young people to layout the real current situation of where their money comes from and where it goes can have a dramatic and striking effect. It is often only once they see and accept this that they are willing to do something about it, and are ready to take in the information and develop their practical skills of budgeting.

You will need to do some set up work around building awareness to why it's important to budget, thus challenging their attitudes and behaviours. Then follow a step-by-step practical process (as outlined below) to help young people build their knowledge and skills to budget and keep track of spending.

The activities in this section are in a logical order following the 6 budgeting steps outlined below. Even though there is a step-by-step budgeting process, where you start will depend on the young people you are working with; you will need to be guided by their needs and current situation.

Objectives

The ideas and activities below will help young people:

- Build awareness around where their money comes from and work out if they have enough
- Evaluate current spending habits and explore what are the essential and non-essential items, to help make ends meet
- Develop a step-by-step framework to build realistic budgets to help make ends meet, plan for the future, keep a track of spending
- Develop knowledge and behaviours to help young people reduce their outgoings and spending so they can begin to save for the future or a rainy day

Budgeting steps

■ Step 1 - Estimating Your Spending

When working out a budget, the first step is to estimate where you spend your money. This should be a quick initial step to help highlight the importance of keeping track.

■ Step 2 - Where Does Your Money Go?

The next step is to find out if your estimate is accurate, and to work out what you actually do spend over the next week.

■ Step 3 - What's Your Current Income?

The next step is to establish exactly what your current income is. Is it enough?

■ Step 4 - Essential or Non-essential?

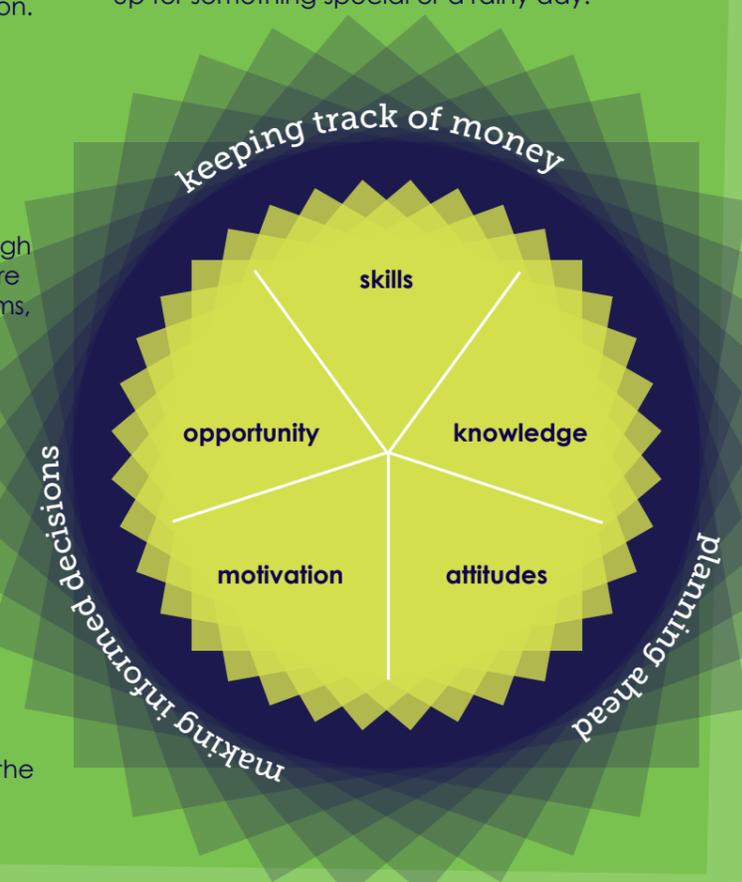
The next step is to look at what you are currently spending your money on and think about whether it is essential or non-essential. Are there any ways to cut down and save on your spending?

■ Step 5 - A Simple Budget

Use the information from the above steps to calculate a simple budget, using the sheet on page below. Does it add up? Is there any money to save for a rainy day or the future?

■ Step 6 - Spending Targets

This isn't about spending as much as you can; it's about making sure you have enough money for the important things, and not running out of money or having to borrow money. It's also about seeing if you have any money left to save up for something special or a rainy day.



8.1 Money in, money out pictures

What's it about?

A group or individual creative activity to help young people think about where their money comes from and where it goes, and the role it plays in their world.

What do I need?

- Paper and pens

How do I run it?

Step 1) Ask the young people to think about "where their money comes from and where it goes. What are all the possible sources of income? What are all the things people might need to spend money on?" Create a picture with everyone's ideas like the one on the next page.

Step 2) You can do this as a group first and then get people to draw their own that fits for them personally. This helps set up the budgeting process in a later activity. This picture can be kept to explore further in future activities and sessions.

Step 3) Review - There are some ideas for review questions linked to all the budgeting activities at the end of this section on page 53.



MINDSPACE review points



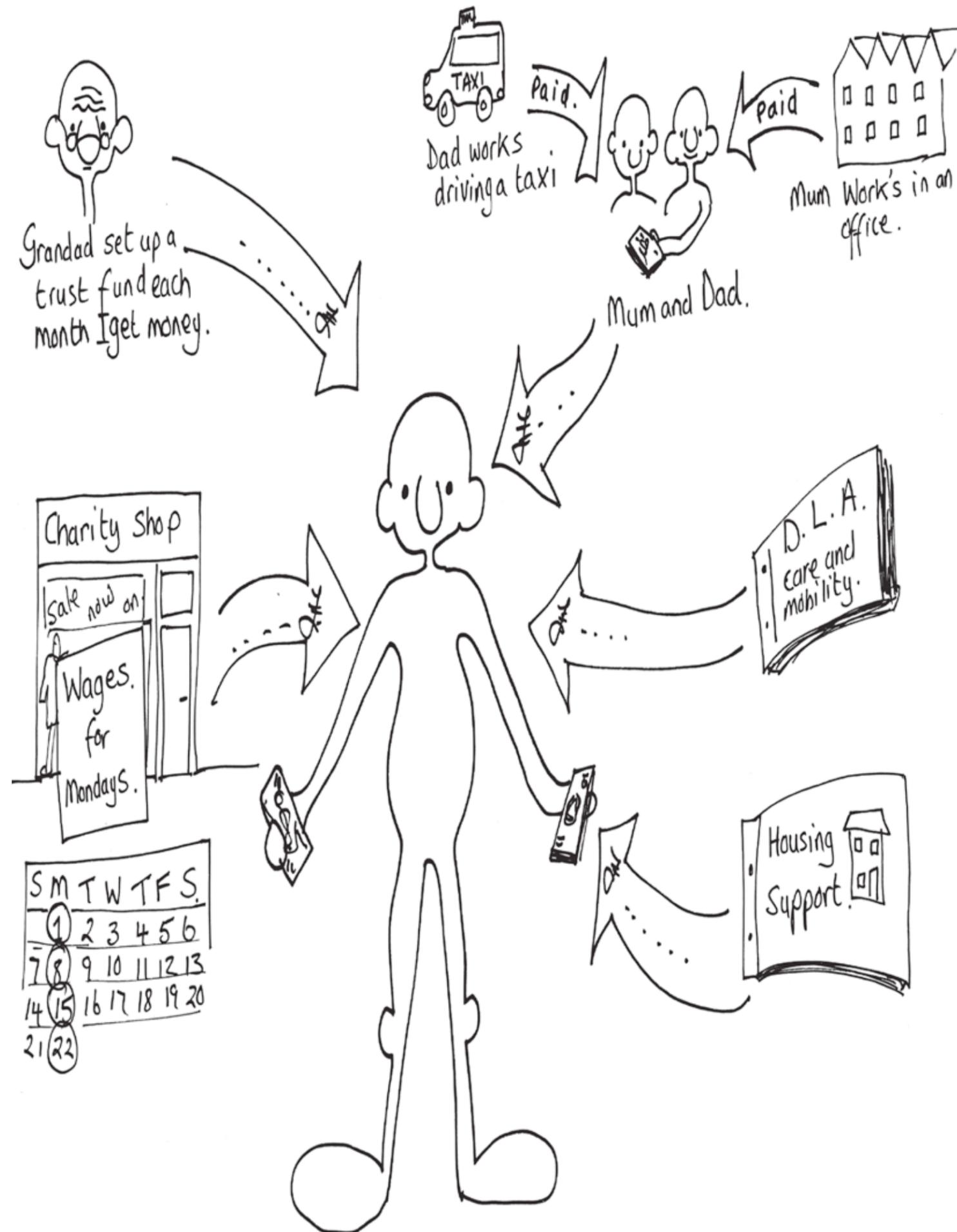
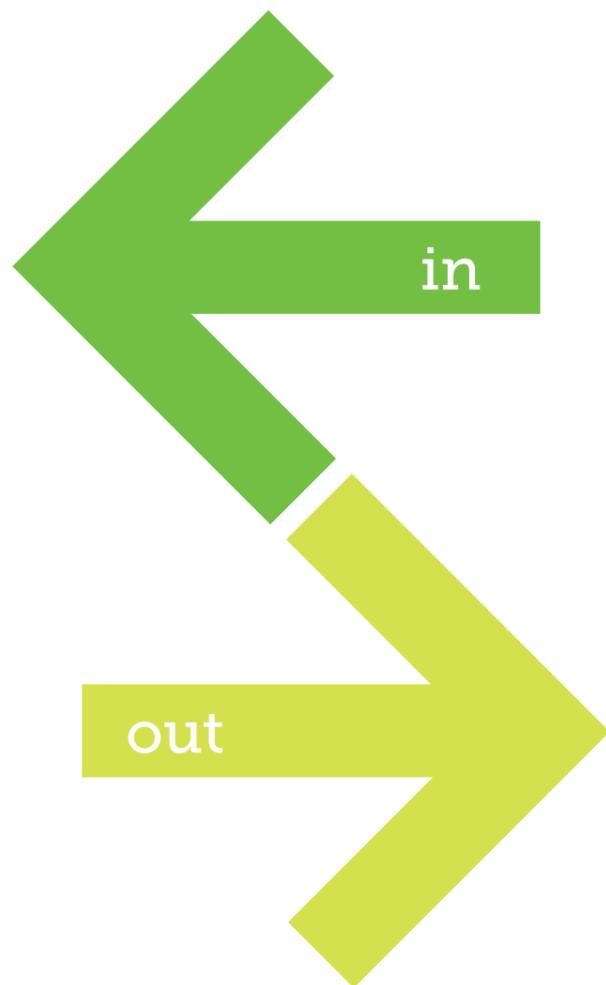
Salience – How much of their spending is influenced by their attraction to the novel – the latest phone, or fashion?



Priming – Is there anything that may be subconsciously influencing their spending?



Ego – Does spending money make them feel good about themselves? Does this feeling last? (Talk about the concept of retail therapy).



8.2

Do you have enough money to do these things?

What's it about?

Individual or group activity to encourage young people to be honest about their financial situation, and to think about whether they have enough money to do all the things we came up with in the above activity or all the things they want and need to do.

What do I need?

- Sheet with table as below and pens

How do I run it?

Step 1) Using the table below ask young people to "think about each item, and whether or not they have enough money for each item, then put a 'yes' or 'no' in the right hand column." The table can include items from activity 7.1, or others young people want to add that are relevant to them. You can introduce the idea as a group, getting individuals to complete their own.

Step 2) Review - once everyone has finished and if people feel comfortable, create some discussion about what people have put. Depending on time go through each item or just pick a few items and ask what people have put. Encourage people to share how they make sure they have enough for some of the things. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.

This picture can be kept to explore further in future activities and sessions.



What do I use money for?	Do I have enough YES or NO?
Pay the bills	
Buy new things	
Pay off debt	
Save for later	
Help friends and family	
Enjoy life	

This activity is developed from resources shared by Dr Pushpa Wood, Financial Education and Research Centre, School of Economics and Finance, Massey University (New Zealand)

8.3

Where does your money go? - Part 1

What's it about?

A quick activity to begin getting young people to estimate their spending. This is a good set up activity to build awareness of the importance of keeping track and that it is hard to do so unless you keep a note of it somehow, which is covered in the keeping track tools and activities.

What do I need?

- Paper and pens

How do I run it?

Step 1) First give everyone a piece of paper and pen, and ask "have a rough guess at what you have spent in cash (not card or bank payments) in the last 3 days and write it down.

Step 2) Next explain " turn over the piece of paper and list everything you have spent in the last 3 days, and what each item cost, or as close an estimate as you can." Then ask people to add this up, offer to help with the maths - it's not a maths test!

Step 3) Then ask people to compare the total with what their overall estimate/ guess was.

Step 4) Review - How close were people? Was their original estimate higher or lower than the worked out total? Any surprises? What does it help them to realise? Highlight that it can be really hard to know where it goes unless you keep a track, link this to later activities about finding out how to do this e.g. spending diaries. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.



I use this to get people thinking about how hard it is to track money without using a practical tool. Once we've done this quick activity the young people are more likely to listen to how they can do it. Somehow they need to know it's important first.

Development Worker, Fit Money, Islington

8.5

Spending diaries

What's it about?

A practical resource to help young people track their spending and find out where their money actually goes. This is an individual activity that can be set up and reviewed in a group with young people sharing their ideas to help each other.

What do I need?

- Diary sheet below and pens

How do I run it?

Step 1) Talk a bit about the importance of tracking spending, which could link to discussions from previous activities and how it can help them work out where they may be able to reduce spending to help make ends meet and save a bit for the future.

Step 2) Use the diary sheet below and ask young people to take away a copy and track their spending for a given time period. Ask them to note down all their spending in the relevant columns and then bring it back in to discuss and help work out a realistic budget.

Step 3) Young people may find it difficult to keep a record of their spending for a week. Get people to think about how best they can do this: at the end of the day, at points during the day or after each time they spend something. Some may prefer to note down their spending on a scrap piece of paper then transfer it to their diary sheet. Another option is to keep receipts for everything they spend. Or to use a phone app such as the spendometer at:

www.themoneycharity.org.uk/resources

It's good to have a discussion about how and when they will do this. See activity 7.6 to help this.

Step 4) Review - when the young person brings back the copy with the actual amounts filled review how this went. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.



MINDSPACE review points



Norms – Is any of your spending influenced by others?



Affect – How do your emotions impact on your spending?



Ego – How do you feel about yourself when you over spend?

Where does your money go?

Diary Sheet: Keep a note of what you spend each day

Monday	Friday
Tuesday	Saturday
Wednesday	Sunday
Thursday	Total spent/any left?
	Total spent =
	Any left?

8.6

How will I remember to track my spending?

Step 2) Ask each young person which one would suit them best and which one they would be up for trying over the next few days/ week until your next session.

Step 3) Review how it went next time you see them/ run the next session. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.

What's it about?

A group or individual creative activity to help young people be imaginative with how they track spending so they can find a way which suits them.

What do I need?

- Paper and pens

How do I run it?

Step 1) Ask the group to suggest all the different ways they can think of to remember what they have spent. Do they know how other people might do it? Write these up on a flipchart, drawing pictures as you go to help. You may need to prompt some young people, see the ideas below to help.



This activity is developed from resources shared by Dr Pushpa Wood, Financial Education and Research Centre, School of Economics and Finance, Massey University (New Zealand)

Buy a book and write it down as I go

Use a phone app
<http://themoneycharity.org.uk/resources/#spendometer>

Use my bank to help me online

How will I remember?

Use my credit card statement to help me

Keep my receipts

Set a reminder on my phone for the end of the day or week

Use the spending diary sheet page 43

8.7

What's your income?

What's it about?

A discussion linked to some of the activities above to help young people know what their current income is and to begin to explore ways to increase this.

What do I need?

- Paper and pens

How do I run it?

Step 1) Use the ideas from activity 7.1 above where the group identified a range of sources of income. Ask if they can now think of any others? If you have the picture from this activity you can add any new ideas.

Step 2) Then ask each young person to write down or draw the ones that are real right now for them. Use the sheet below on page xxx to help with this or young people can create their own. Work out from this what their income is each week/ fortnight/ month.

Step 3) Review - ask "is this enough? Or do you often run out of money or borrow money?" One issue may be about reducing spending which the below activities will help with. Another key issue here is to explore if they can increase their income. If they come up with ideas you'll need to support them to explore them further and develop them into realistic and meaningful goals. For young people on benefits it's always good to check they are getting all they are entitled to.

There is an online benefit calculator at www.turn2us.org.uk/search.aspx?terms=benefit+calculator

There are some other ideas for review questions linked to budgeting activities at the end of this section on page 53.



8 Essential or non-essential - Line ups

What's it about?

A great moving around activity with a group or individuals designed to build understanding about the difference between essential and non-essential spending. This activity also helps make the idea of essential and non-essential spending relevant to young people's own experience and to look at ways of cutting down on spending and beginning to save.

What do I need?

- Space to move around
- 'Essential or Non-essential?' sheet below
- Flipchart paper and pens

How do I run it?

Step 1) Get 2 pieces of big paper and on one write 'essential' and the other 'non-essential'. Stick these up on the wall at opposite ends of the room.

Step 2) Explain "some things we spend our money on are essential. We need it and we can't do without it, like food. Other things are non-essential. We want it, but we could do without it, or wait for it, like downloads, clothes, accessories. We will all have different opinions as to what's essential and what's not, but it's important to understand the difference if we're going to be better at budgeting our money. "

Step 3) Explain "I am going to read out items from a list and you individually need to decide if it is essential or non-essential for you to spend your money on. There is no right or wrong or hard and fast rules, everyone here will have different ideas and that's ok." Also explain "there is a barbed wire fence in the middle so no one can sit on the fence they have to decide one way or the other."

Step 4) Read out the items and get people to consider it and move to either 'essential' or 'non-essential' end of the room. Ask some questions to help explore people's views and perceptions about the different items. This discussion can be really useful as young people will learn from each other. You will need to manage it carefully so it stays respectful of all. Sometimes really good ideas come out about useful ways to reduce spending on the various items. Again it's good for you to prompt this and ask some questions.

Step 5) Review - it's good to focus the review here on changes to spending habits. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.



Adaptations to activity 8.8

Card sort

Make a set of cards with items in the 'Essential or Non-essential sheet' and ask young people to sort the items into 2 piles depending on whether are essential or non-essential.

Tick box

Use the 'Essential or Non-essential sheet' and ask young people to tick whether they are essential or non-essential for them.

You can also call essential 'survival costs' and non-essential 'lifestyle costs'.

MINDSPACE review points



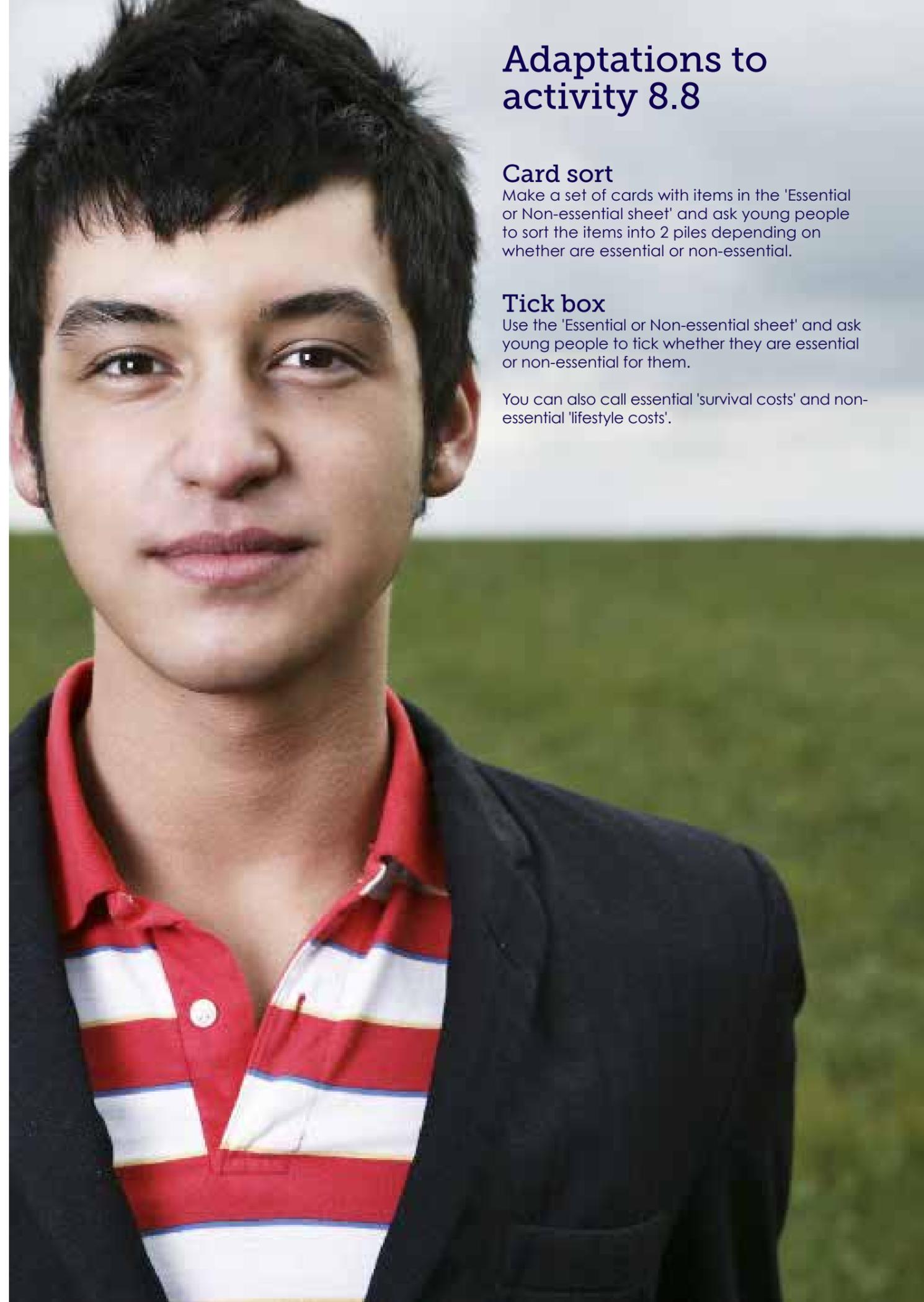
Norms – In deciding if something is essential or not, how influenced are you by your need to fit in?



Affect – What emotional associations influence your decisions about whether something is essential or not?



Ego – Is your decision about what is essential spending influenced by how it makes you feel about yourself?



Essential or non-essential?

You may need to explain what some of these mean.

Outgoings	Essential	Non-essential
Rent		
Child Maintenance		
Council Tax		
Launderette costs		
Lunches/Snacks		
Loans/Fines		
Fags/Baccy/Rizzlas		
Mobile/Landline		
TV Licence		
Pubs/Cinema etc		
Service Charge		
Food/Household		
Savings		
Clothes for you		
Alcohol at home		
Gas		
Kids Clothes		
Mobile		
Pets		
Child Care		
Store/Credit Cards		
Water		
Prescriptions		
Internet/Sky etc		
School Dinners		
Electric		
Apps/iTunes		
Kids Activities/Outings		
Gym Membership		
Birthdays/Christmas/Holidays		
Computer Games		
Child Care		
Mags/Newspapers		
Bus/Train Fares		

8.9

A simple budget

What's it about?

An individual activity that can be introduced in a group designed to help young people form a simple budget and work out if they are underspending, overspending or have anything to save for the future or a rainy day.

What do I need?

- The sheet below and some pens

How do I run it?

Step 1) Use information from the previous steps along with income figures to calculate a simple budget, using the outline sheet

Step 2) Review - once you've gone through the figures it's important to see if it all adds up. Does it balance? Is there more going out than coming in? Go back and review the outgoings, and what's essential and anything non-essential? Is there more coming in than going out? Any left to save? There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.

Step 3) Mention and show them the fuller budgeting sheet below 'Get a Grip on Money' and also other useful online tools. See: www.moneyadvice.org.uk/en/categories/budget-planner

Work on these with young people when they are ready to do so. It's good to build up to these and sell the benefits of doing this and what they gain in the short term by doing so. Spend time going through the budget with them and be ready to check in with them on how it's going and make time to adjust it.



MINDSPACE review points



Incentives – what incentives (in terms of gains and losses) may help you to stick to a budget?



Commitment – who can you get to help you stick to your budget? Can you make a commitment to your youth worker or this group?



Ego – Will you feel better about yourself if you stick to your budget?

A Simple Budget

1. Start with the total money you have each week and write it in this box

Total money
£

2. Estimate the amount you need to spend on really important things and write it in this box

Essentials
£

3. Now take the second amount away from the first and write the money left in this box.
This is how much money you have left to spend.

Balance
£

4. Decide on the other items you buy which are not so important and come up with an estimated total for this box

Non-essentials
£

5. When you take the last amount away from the one above you will be left with the money you can use in other ways. Maybe you could save some...

Available surplus
£

Get a grip on money

Do this weekly, fortnightly, or monthly to match the frequency of income

Income	Weekly	Fortnightly	Monthly
Wages			
Pocket money			
Benefits			
Other income			
Other income			
TOTAL INCOME			
Outgoings	Weekly	Fortnightly	Monthly
Rent			
Child Maintenance			
Council Tax			
Launderette costs			
Lunches/Snacks			
Loans/Fines			
Fags/Baccy/Rizlas			
Mobile/Landline			
TV Licence			
Pubs/Cinema etc.			
Service Charge			
Food/Household			
Savings			
Clothes for you			
Alcohol at home			
Gas			
Kids Clothes			
Mobile			
Pets			
Childcare			
Store/Credit Cards			
Water			
Prescriptions			
Internet/Sky etc.			
School Dinners			
Electric			
Apps/iTunes			
Kids Activities/Outings			
Gym Membership			
Birthdays/Christmas/Holidays			
Computer Games			
Mags/Newspapers			
Bus/Train Fares			
TOTAL SPENDING			
WHAT'S LEFT?			

810

Increasing income and reducing expenditure

What's it about?

This is a great activity in a group to help share ideas about how young people can increase income legitimately and reduce outgoings without having to go without things they need and want. It can really help young people make ends meet.

What do I need?

- Flipchart paper and pens

How do I run it?

Step 1) Draw a blank table on a piece of flipchart like the one in the photo below

Step 2) Ask people for all the ideas they can think of to increase income, you may need to make sure they are ok to do and legal. And then ask for all the ways to reduce outgoings. Note them all up on the flipchart.

Step 3) Review - It's good to focus the review on what they can and will actually do. There are some ideas for review questions linked to budgeting activities at the end of this section on page 53.



Increasing money in



work

benefits

tax credits

family

grants

bursaries

selling stuff

shopping around

own cooked food

what's free

Reducing money out



Section Summary

Above is a step-by-step framework and series of activities designed to support young people to keep a track of their spending, plan ahead, make ends meet. The top tips and review questions below are useful for all the above activities.

Top tips

It can help initially to get individuals to work on pictures or budgets for someone famous or a hypothetical character with different living circumstances e.g. with a job, living in a place of their own, with children. What you chose will depend on awareness you want to build. Once they have done this then get them to choose one that fits best for them and begin to personalise it.

Encourage young people to add their own categories to the budgeting sheets and activities above. The more relevant it is to them the more likely they are to engage.

Sometimes it helps to have some prepared budget sheets that don't quite balance, get the young people to work through them and decide what needs to change to make it balance. This helps build useful skills without it being too close to home to start with.

Useful review questions

As with all reviews there is no right or wrong, and the discussion can go in many different ways - remember the main point in this section is to help people see that there are some ways of controlling their spending that they may not have previously thought about.

- How did it go?
- Did anything surprise you?
- Was it useful? If so, what was useful?
- Did they find out anything new that could help them?
- What would you like more money for?
- How close were your guesses? Any surprises?
- Did you over or underspend?
- If you overspent where did you get your extra money from?
- Do you think you could cut back on anything?
- If you underspent what did you do with your extra money?

The Money Advice Service website has the following resources that can help with budgeting:

- A money health check at www.moneyadvice.org.uk/en/tools/health-check
- A savings calculator at www.moneyadvice.org.uk/en/tools/savings-calculator
- A budget planner at www.moneyadvice.org.uk/en/tools/budget-planner
- A cut back calculator at www.moneyadvice.org.uk/en/tools/cut-back-calculator
- A money stretcher calculator at www.moneyadvice.org.uk/en/tools/money-stretcher

The Money Charity website has the following resources that can help with budgeting:

- A budget builder at www.themoneycharity.org.uk/advice-information/create-budget/
- A spendometer phone app at www.themoneycharity.org.uk/resources/

9. Making your money work for you - banking and saving

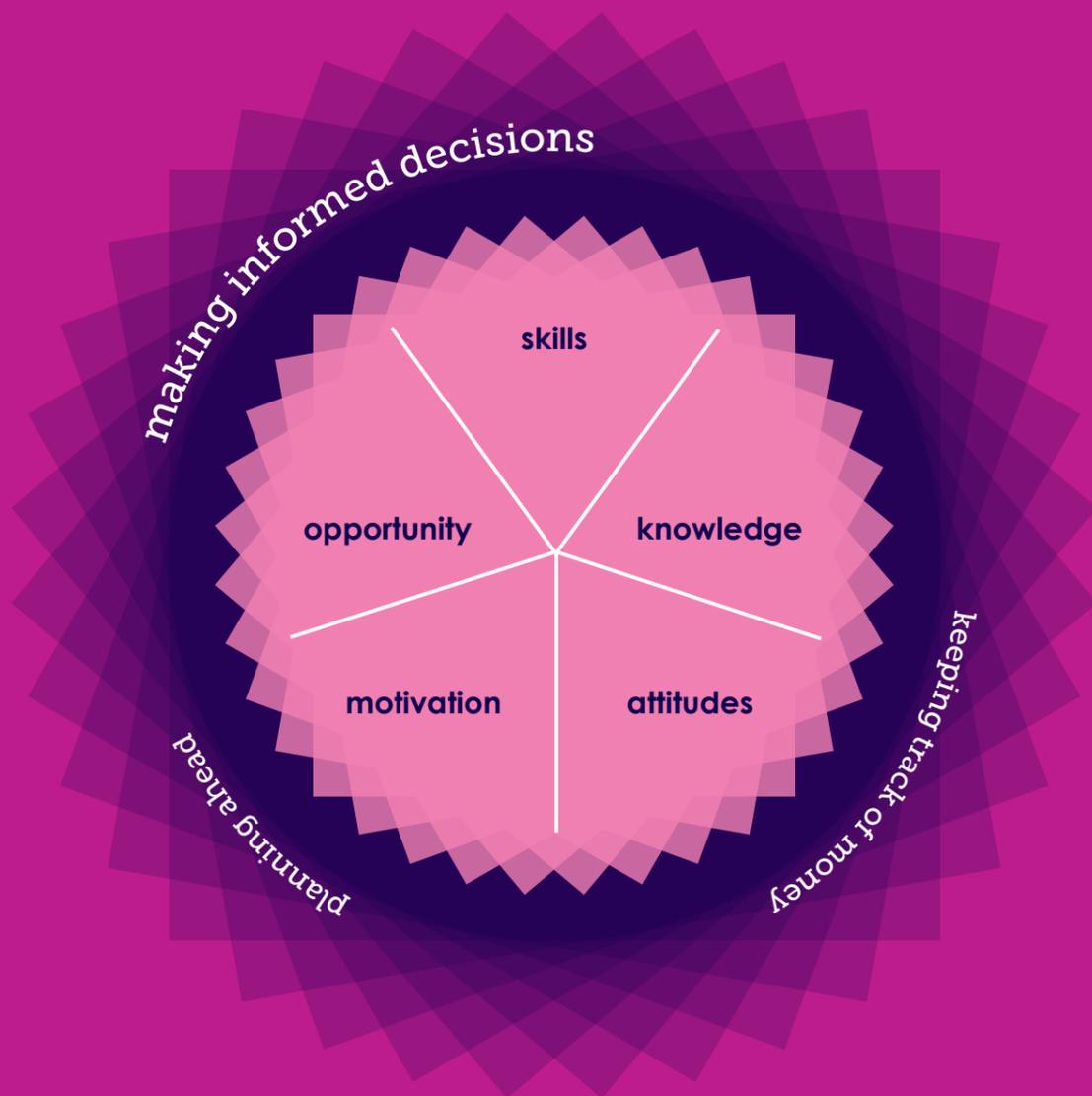
Overview

Young people wanting to move beyond cash-only dealings will need some form of bank account or post office account. An account will help with budgeting, paying bills, receiving income (salaries or benefits), saving and building up a credit history. There are many different accounts available and it is important to choose the one that meets their particular needs.

Objectives

The ideas and activities below will help you:

- Build young people's knowledge and understanding of banking
- Support them in choosing, opening and managing bank accounts
- Encouraging saving attitudes and behaviours by knowing where to save, and keep their money safe



9.1 Banking bingo

What's it about?

One of the barriers to choosing and managing financial products such as a bank account, can be something as simple as not understanding the financial terms which are used. This activity is designed as an introduction to the topic of banking, and is a good way to check and build on young people's knowledge of some common banking words and phrases. Some of the words that are used about banking (and money generally) can seem like a foreign language but it is a language that can be learnt or translated, and this activity will help share information and build young people's awareness and knowledge.

What do I need?

- Bingo sheet page 56
- The small word cards page 57 cut out and put in a bag
- Definitions of banking terms page xx one for each young person

How do I run it?

Step 1) Give each person, or pair, a bingo sheet. Ask them to select 5 words or terms from the list at the bottom of the page and write one in each of the 5 white boxes on the grid.

Step 2) Place the small cards from into a bag. Ask a young person to pick out a card and read it, with assistance if required. Anyone who has chosen that word/term for their bingo grid should cross it out.

Step 3) Ask the group if anyone knows the meaning of the word/term and discuss.

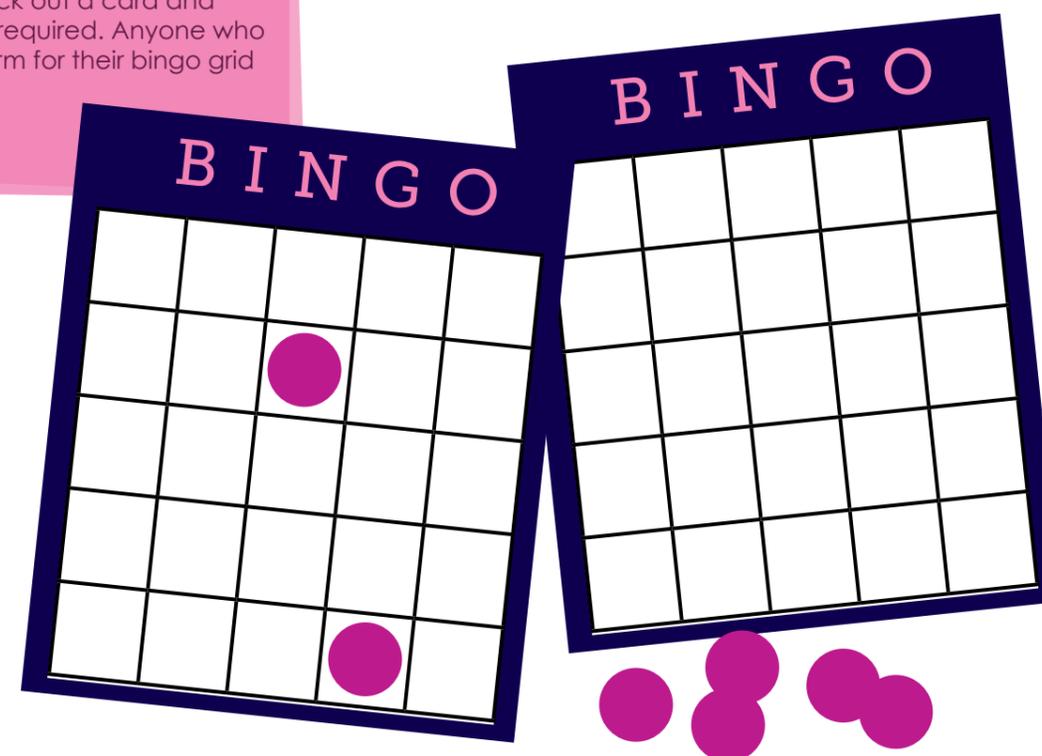
Step 4) The winner is the first person to cross out all their words/terms.

Step 5) Give out the definitions sheet. Go through the meanings of the words/terms on the remaining cards. Depending on the group you can give out the definitions 3 to use during the activity. This isn't a test!

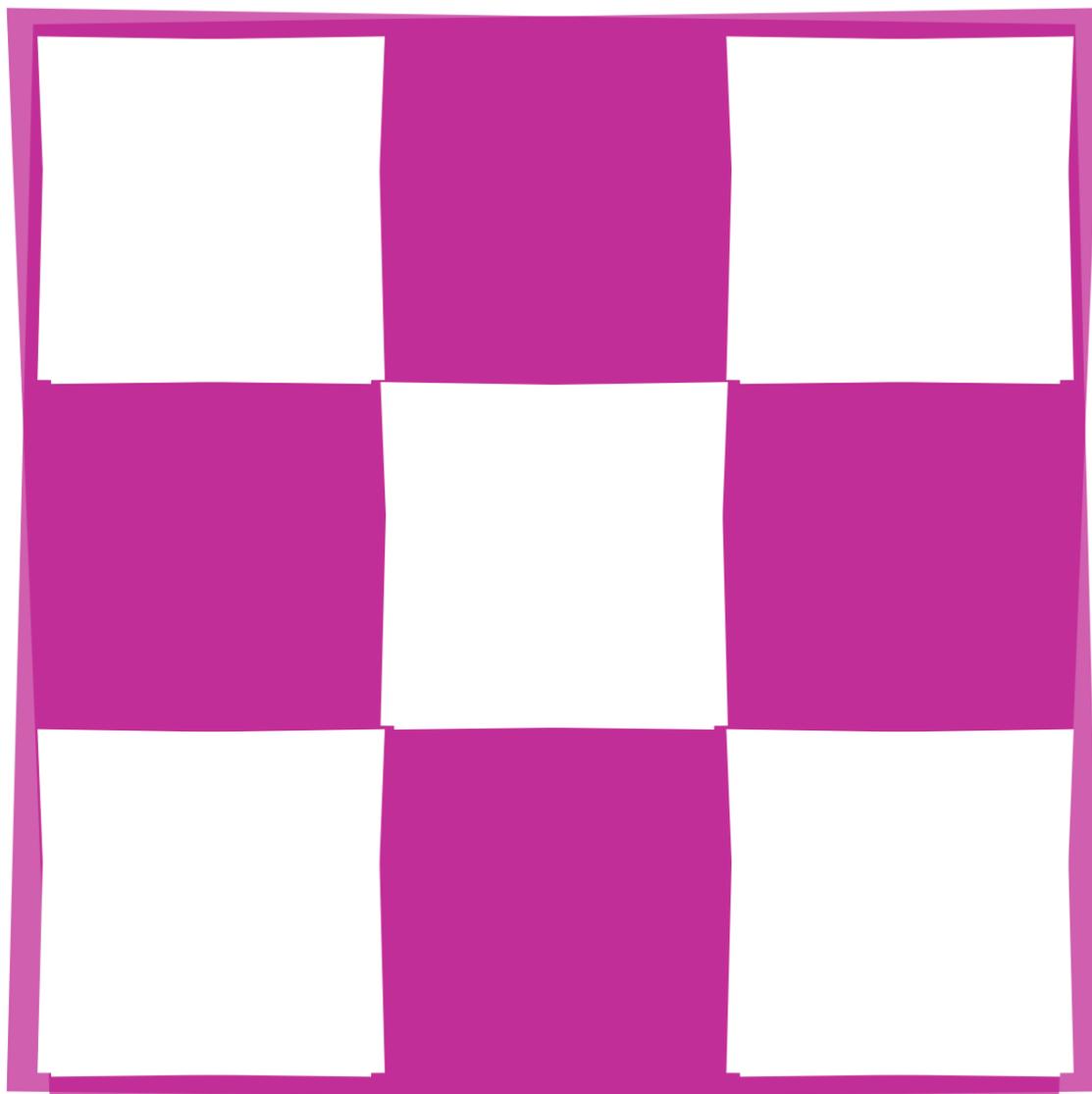
Step 6) Review - "What's been new information about banking terms? Any surprises? How will this be useful?"



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Banking terms bingo!



Bingo sheet

Choose five items from the list. Write one of the items in each of the white boxes above. If that word is called during the game, score it out!

Good luck!

1. Direct Debit
2. Basic bank account
3. Interest
4. Credit union
5. Standing order
6. PIN
7. Overdraft
8. Payment protection insurance
9. Debit card
10. Current account
11. ATM
12. Jam jar account
13. APR
14. Unsecured personal loan

Bingo cards

APR	Debit card
Jam jar account	Payment protection insurance
ATM	Direct Debit
Basic bank account	Current account
Overdraft	Interest
Unsecured personal loan	Standing order
Credit union	PIN

Bingo word cards

Definitions of some common financial terms

APR

Stands for Annual Percentage Rate. This tells you the cost of a loan, taking into account the interest you pay and any other charges. You can use the APR to compare the cost of one loan with another, for example, a loan with an APR of 15% is more expensive than one with an APR of 11%.

ATM

ATM stands for Automated Teller Machine. These are also known as 'cash machines'. You can find them in many places including banks, shopping centres and railway stations. In order to be able to use an ATM you need a cash withdrawal card and a personal identification number (PIN).

Basic bank account

A service from a bank or building society which lets you pay in money, get cash out and pay bills. It doesn't let you spend more than you have in your account, so there is no risk of going overdrawn and running up overdraft charges.

Bank statements

These show you all the in's and out's of your account, and what's in it at a point in time. There are many terms and phrases on it that you may not understand. When you are sent one through the post it can be useful to take this and show someone to help explain what it all means. With some accounts you can see this online, and you can get your balance texted to you daily or weekly which can help you manage your money.

Credit union

A non-profit making co-operative savings association that makes loans to its members at low interest and encourages saving.

Current account

A bank or building society account which helps you to manage your money, pay bills, receive money and keep money secure. It will have more services than a basic bank account, for example, you may be able to borrow money. Some may be accessed by telephone or internet.

Debit card

A plastic card that can be used instead of cash when making a purchase. The amount spent is taken (**debited**) automatically by computer from your account. When you use your card in a cash machine or most shops you will be asked to provide a PIN to confirm the transaction. Some recently issued cards now allow you to pay for items up to £20 by just holding your card near a special card reader without having to enter your PIN. This is known as contactless technology. There is a special sign to indicate where you can pay in this way and your card will have a similar symbol on it so you know it can be used like this.

Direct Debit

Is an instruction to your bank to release money automatically from your bank account to pay a regular bill. This is useful for frequent bills which are for different amounts each time, for example, telephone, gas or electricity bills. You arrange this with your supplier and give them your bank details.

Interest

The reward (extra money) you get for keeping your money in, for example, a bank or building society. Also the cost you pay when you borrow money through a loan or credit agreement.

Jam jar account

A type of account which helps you manage your money by keeping 'spending' and bill paying money apart.



Overdraft

If you spend more money than you have in your current account you will go overdrawn. You can ask the bank if they can arrange to lend you some money for a short time. This is known as an arranged overdraft. You pay an agreed rate of interest on the overdraft. If you go overdrawn without asking the bank in advance, they might refuse to pay your cheques and charge you a high interest rate on the money that you owe them.

Payment protection insurance

Sometimes called "loan protection" or abbreviated as "PPI" covers your loan or debt repayments in the event of certain problems – for example, if you are unable to work because of illness, or if you are made redundant.

PIN

Personal Identification Number- a secret number, which you use with a cash machine card. You type it in and the ATM checks that the card number and PIN are the same.

Standing order

A method of paying regular set amounts from your bank account automatically. You instruct your bank to pay the money for you to a particular person or company. It is your responsibility to change the payment if it needs to be altered.

Unsecured personal loan

Money borrowed from, for example, a bank, which is not secured against your home. The lender may take court action against you for payment if you don't pay the money back as agreed.

Bank statements

These show you all the ins and outs of your account, and what's in it at a point in time. With some accounts you can see this online, and you can get your balance texted to you daily or weekly which can help you manage your money.

Further information: www.adviceguide.org.uk/england/search.htm?query=jargon+buster
www.moneymatterstome.co.uk/glossary.htm

9.2

Where to keep my money

What's it about?

This activity is designed to get young people thinking about where they store their money and what the advantages / disadvantages are to that method. To keep a young person safe they must 'weigh up' all of the options.

A young person's safety is paramount. If this activity is to be run in a group context the worker must take responsibility for setting this activity up in a 'third' person context, so that a young person does not openly disclose where they store their money if it is not in an account. Answers should be examples of where a young person may store their money.

What do I need?

- Balancing scales or a sheet of flipchart paper with the scales drawn on. One side has advantages the other disadvantages
- Jenga blocks if using balancing scales instead of the flipchart
- Post-it notes
- Laminated images of bank, post office, pocket, mattress, wallet, friends / family etc.
- Flipchart paper and pens

The laminated cards represent a variety of places, the mattress represents a place hidden at home.

How do I run it?

Step 1) Ask the young people what is the first place out of the options available that a young person would choose to store their money? Once an option has been chosen ask the young person / young people to write (or you could write on their behalf), a list of advantages and disadvantages for that option onto post-it notes - one idea per post-it. Once these have been completed stick a post-it note to a Jenga block, do this for each post-it note. Ask the young person which do they think will be heavier, the advantage or disadvantage side. Place the blocks in the relevant side of the scale and see. Repeat with all options.

Step 2) Write up the table below on a piece of flipchart and as the activity progresses complete the flipchart to visually record the activity:

Option	Advantage total (how many blocks)	Disadvantage total (how many blocks)	Likelihood to use? 1 (never) - 5 (always)

Step 3) Review with the young people what do they notice? How would that influence their decision on how to store their money?



9.3

Choosing the right account – the sales pitch

What's it about?

There are different types of accounts, all with their advantages and disadvantages and the important thing is to choose the one that suits you best. This activity is designed to be a creative way to increase young people's knowledge about the different types of accounts available to help them choose which one to use.

What do I need?

- The table below on the main types of accounts
- Flipchart paper and pens

How do I run it?

Step 1) Give each young person a copy of the table on types of accounts. Split the young people into 4 groups, each taking on a type of account - basic bank account, current bank account, post office and credit union. Each group will have 20 minutes to prepare a 3 minute sales pitch on allocated type of account. Tell them they can role play, dance, sing, draw a poster or just present the information but REMEMBER the more creative and fun the more likely we are to want it! They have 20 minutes to prepare their pitch. During this time go around each group and check they are clear about the key bits of information about their type of account.

Step 2) Each group presents their sales pitch in turn. Give each group the same time and encourage applause after each pitch. Ask others in the group if they have any questions, you may need to check understanding and emphasise the key points.

Step 3) Optional and depending on time - To make it even more realistic as a sales pitch you can suggest other groups can criticize some of the other types of account. Make sure this is done once the sales pitch has been made, and give a set time for example another 3 minutes. This has the benefit of helping you cover advantages and disadvantages of different types of accounts.

Step 4) Review - remind young people there are different types of accounts, all with their advantages and disadvantages and the important thing is to choose the one that suits you best. Ask young people to say or note down the key things they learnt about the different types of accounts, this could lead onto asking which one would suit them best.



MINDSPACE review points



Messenger – Who would a young person best receive information from about the idea of having a bank account, and how to get one? Sometimes it's good to go to a bank with a young person to help them open the account and advocate on their behalf to get the best account for them.



Defaults – What are some of default features of a bank account? For example through automatic Direct Debits and automatic texts of account summary to track spending.



Priming – Are there subconscious influences on our decisions about where we store our money? Do young people do what their family and friends do as that's what is talked about around them and what they pick up on?

The sales pitch activity is a fun way to help get information over to young people that otherwise would be quite dull. When I've used it they always come up with great ideas.

Lead Engagement Worker, Learning Partnership West

The main types of account

There are things that are good to know about when choosing and opening an account to make sure that you get what you need and don't end up paying unnecessary charges.

Basic bank account

For managing day-to-day money. Cheques can be paid in, as can wages or benefits by electronic transfer. No cheque book will be offered, but cash can be withdrawn at machines. Direct Debits and, sometimes, standing orders (see glossary) can be set up. No overdrafts are offered – or, at the most, a buffer of £10. A major advantage is that credit checks are not usually required.

Current account

For managing day-to-day money. Has more features than a basic bank account. Some may be accessed by telephone or internet. There are special accounts for children and students. Sharia compliant accounts, which operate within the principles of Islam and so are structured differently from conventional accounts, are also available in some areas.

Savings (or deposit) account

For putting away money that is not needed immediately, for safe keeping and to earn interest. Good for saving for furniture, a holiday or emergencies, for example. Main alternatives to bank accounts are the Post Office card account and, in some places and depending on eligibility, Credit Unions.

The Post Office® card account

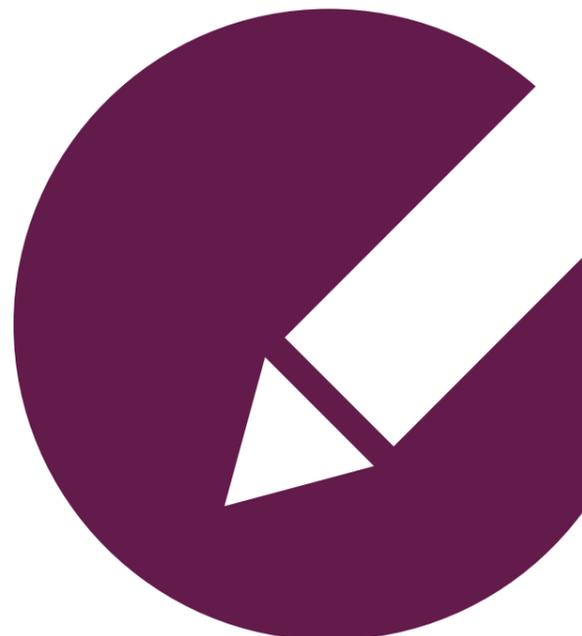
Can be used to receive benefit, state pensions and tax credit payments only. No other payments, such as wages, can be paid into it. Cash can be withdrawn, free of charge, at any Post Office branch using a plastic card and a PIN. No credit checks are required.

Credit Unions

Are organisations owned and run by their members, for their members. All offer savings and loan accounts to members. Most also offer free life or loan-protection insurance, and perhaps other insurance products. A few of the bigger ones also offer some form of current or basic bank account. Credit Union members all share a 'common bond' such as living or working in the same area, working for the same employer or belonging to the same trade union, church or other association.

Jam jar accounts

Some banks and credit unions also offer 'jam jar' accounts, usually for a small fee, which help you manage your money by keeping 'spending' and bill paying money apart. Money coming into your account is split into mini accounts or 'jars' to pay your bills and money left over for spending is held in a separate 'spending' account.



Services and Features	Current account	Basic bank account	Credit Union account	Post Office® card account
Accepts benefits payments	✓	✓	✓	✓
Accepts wages	✓	✓	✓	x
Allows automated payments e.g. Direct Debits and standing orders	✓	✓	Offered by some	x
Overdraft facility	✓	x Some accounts offer a small buffer (£10-£15)	x	x
Cash card with PIN for cash machine	✓	✓ May be restricted to providers own machines	Offered by some	✓ Can only be used at the Post Office
Debit card	✓	Sometimes	x	x
Cheque book	✓	x	x	x
Credit checks needed when you open the account	✓	x	x	x
Fees and charges	Fees and interest charged on overdrafts. Penalties for returned standing orders or Direct Debits	Usually charge penalties for returned standing orders or Direct Debits	Sometimes	No fees

Check a specific account's information for more details. Credit Union details must be checked as these vary from one credit union to another

© Citizens Advice – adapted from materials in the financial capability session pack 'effective banking 1 – choosing and opening an account'.

9.4

Hot banking issues

What's it about?

There are many things that can act as barriers to opening accounts and useful things to know about to help manage accounts. This activity identifies four hot issues that regularly affect young people and is designed to share information and build knowledge and understanding about these. You can adapt the activity to include other banking issues that affect your young people. You are not expected to be an expert on banking issues but should be confident to answer basic questions and able to signpost your learners to further information.

What do I need?

- Flipchart paper and pens
- Information sheet below

How do I run it?

Step 1) Explain "there are four hot issues around banking and using bank accounts":

1. Bank charges
2. Proof of address
3. Cash machine charges
4. Getting dates right for Direct Debits

Step 2) Give out the information sheet on 'hot banking issues' and put the young people in groups of 3 or 4. Explain that each group will have 15 minutes to design and make a poster aimed for other young people to inform about their 'hot issue'. Each group will need to choose a different issue. Remind them that it should make an impact so pictures rather than words would be good, lots of colour. While they are doing this go around the groups to check they understand the issue and information in the sheet. If you have a laptop or tablet with Internet access you can have a look at some of the useful websites.

Step 3) At 15 minutes check everyone has had enough time, you can always extend this if time allows. Next share the posters, you can do this by either letting young people walk round to see others' posters, or ask each group in turn to show poster at front.

Step 4) Review. Ask: "What are the key banking issues? Are there others not covered in the posters?" Many banks accounts now come with a charge and present some products such as insurance as free. This is another hot topic to explore as some young people end up paying for things twice, and may not be sure what their insurance covers.



Hot banking issues

Bank charges

Banks charge people's bank accounts for things like unpaid Direct Debits, 'bounced' cheques and unauthorised overdrafts. The charges can be as much as £35 a time.

Banks may refund charges if asked to do so, but it can take some time and effort.

There is useful information on the Citizens Advice website

www.adviceguide.org.uk/england/debt_e/debt_banking_e/how_bank_accounts_work.htm

Proof of address for a new account

When opening a new bank account, people are asked for proof of identification and address. This is because of government rules about money laundering (to do with crime and terrorism). This proof could be: driving licence, passport, recent bank statement, birth certificate, recent gas or electricity bill, letters about benefits you are receiving or being on the electoral roll. See further examples at:

www.moneyadviceservice.org.uk/en/articles/identity-requirements-for-basic-bank-accounts

Guidance to banks says they can be flexible about which documents they accept to prove ID and address, for example a letter from a youth worker, hostel or college but individual bank branches may not be. Sometimes, branches can be persuaded to take different kinds of proof of address.

Cash machine charges

Some machines charge for getting money out, some don't. If a machine charges, it's usually about £1.50 however much is taken out.

Machines that charge should have information on them that they charge. This info can be in small letters! Before you get your money you should also get a warning on the screen that you will be charged for using the machine.

Other options could be using cash back at shops, garages etc (you may need to spend a certain amount for this) or using a free machine.

Getting it right with Direct Debits

Many people get bank charges because their Direct Debits (or standing orders) go out a day or two before their money goes in, rather than a day or two after.

When setting up a Direct Debit, it's best to choose a date that suits your cash flow, for example a couple of days after your pay or benefits are paid.



9.5 Managing a bank account

What's it about?

As well as supporting a young person when choosing and opening a bank account you can also encourage them to manage that account by checking it regularly. This will help them with 'keeping track' of their money and 'making ends meet' and also ensure that any mistakes or fraudulent activity on the account are spotted and corrected.

Objectives

This activity will help young people:

- To identify a range of ways in which they can monitor their bank account and choose the ones that suit them best
- Practise managing online banking or checking paper statements

What do I need?

- Flipchart paper and pens
- Laptop with internet access or examples of mock bank statements

How do I run it?

Step 1) Ask the group how many of them have a bank account and how they check what's going on with their account i.e. what's going in and what's coming out. Note these ideas on flipchart and then add any other ideas from the group of how they could do this. If prompts are needed they can think about what family and friends do. You can then add anything missing; the final list should include balance statements at cash point machines, paper statements in the post, online statements and texts sent to your phone. Ask the group what is the benefit of knowing what's going on. You should draw out that it helps to keep track of your money so that it stops you getting into difficulties and it also helps planning for things, plus spotting mistakes and fraudulent activity.

Step 2) If you have laptop(s) and internet access the young people can have a go at using the online banking simulator at www.moneymatterstome.com

Alternatively you can take along some mock bank statements and ask them to work in small groups to find out certain information from the statements such as whether the person is overdrawn (and what this means), what has been the most expensive thing they've bought, what bills they are paying on Direct Debit (and what a Direct Debit is) etc.

Step 3) Review the learning by asking them what has surprised or interested them most.



10. Mobile phones

Overview

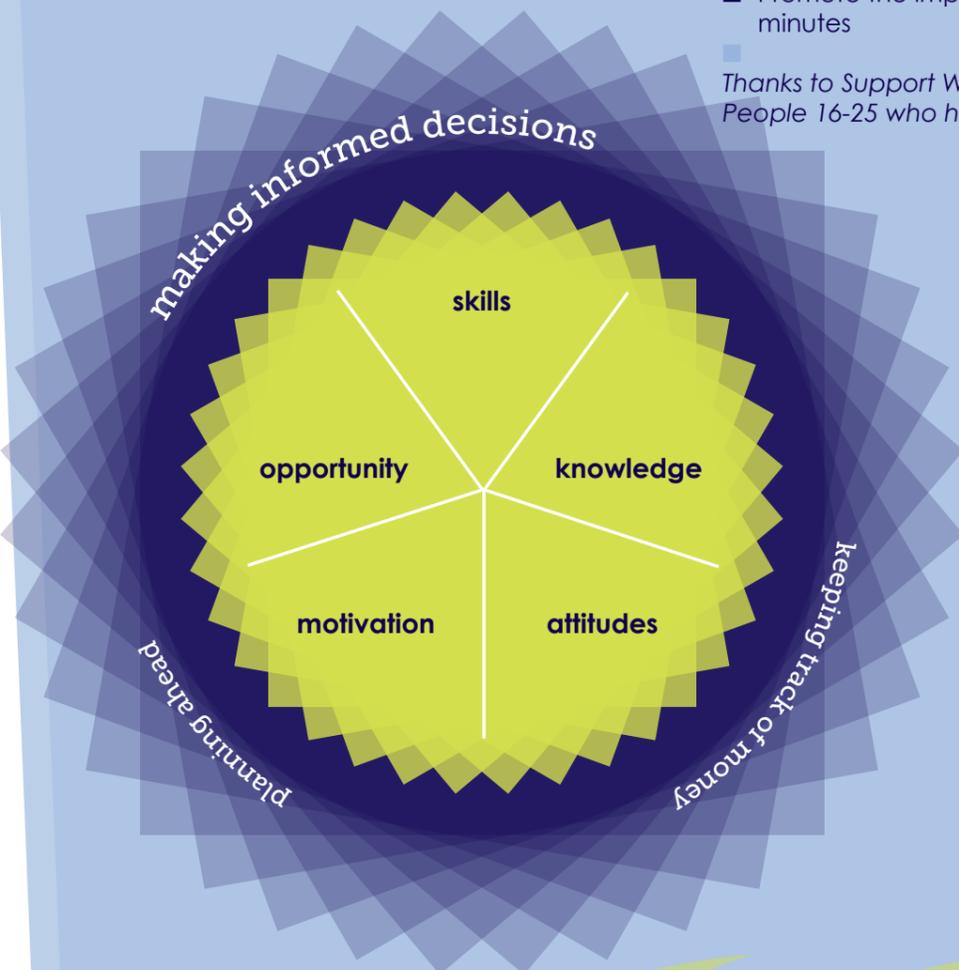
Mobile phones are an important part of a young person's life. There are lots of different deals for phones out there, often with some very hard selling tactics and young people can soon get into difficulties by taking on a contract that doesn't match their needs and clocking up very high bills for running over their minutes etc.

Objectives

The ideas and activities below will help you:

- Increase young people's knowledge about all the things they need to find out and consider when getting a phone to make an informed decision
- Explore all the pitfalls about various mobile phone deals
- Promote the importance of keeping track of minutes

Thanks to Support Workers at Independent People 16-25 who helped develop this section.



Some young people end up with more than one mobile phone contract either because they take a second contract out if they lose one, or they take contracts out for their friends who can't get a contract because they have bad credit or a record of fraud.

1625 Independent People, Housing Support Worker

10.1

Mobile phone

What's it about?

This activity is designed to help young people think about what their needs are and be able to choose the right mobile phone deal for them. It helps to reinforce the key things they need to find out about when choosing a mobile phone contract by getting them to have to remember and repeat this information.

What do I need?

- Flipchart paper and pens
- A4 sheets of paper

How do I run it?

Step 1) On a large piece of paper draw a basic picture of a mobile phone in the middle and surrounding this draw pictures to represent the key things that you need to think about when choosing a mobile phone deal - see the list below for some ideas. For this activity it's best to keep the drawings simple and basic so young people can easily replicate them.

- Cost of handset
- Amount of talk time
- Amount of Internet access
- Cost of text messages/amount of free texts
- Cost of calls to landlines
- Cost of line rental
- Cost of calls to other networks
- Apps available and cost of these

Step 2) Split the young people into teams of 4 and give each of them a half sheet of A4 paper and pens.

Step 3) Use the picture you prepared in step 1 and explain "I'm going to show you a picture I drew earlier, the challenge is for each team to copy it on the piece of paper I've given you. How you will do this is one member of each team will come up to the front and have 2 minutes to look at the picture. They go back to their teams and try and draw everything they can remember on their paper in 2 minutes. Then the second person from each team comes up and does the same, then the third and then the fourth (if there are less than 4 in the team someone can go up a second time). The winning team is the one with the most accurate picture."

Steps 4) Give the teams a couple of minutes to decide how they are going to approach this challenge. Check they all understand and know who is going to go up first, then start the game.

Step 5) When the time is up put all the pictures up and choose a winner(s)

Step 6) Review - create a discussion about what is important to find out about mobile phones in order to get the best deal. You might also discuss some of the hard selling tactics that are used and how to deal with these and what your rights are e.g. a 14 day period in which to change your mind if you buy the phone over the telephone and where to get further information such as:

www.adviceguide.org.uk/england/search.htm?query=mobile+phone+contracts

Further useful information on paying for and insuring your phone go to:

www.moneyadviceservice.org.uk/en/articles/paying-for-and-protecting-your-phone



10.2

Mobile phone grand prix

What's it about?

Young people can often be 'driven' by the desire to have a specific phone rather than a phone and price plan that serves a purpose and meets a set of specific needs. Getting to the finish line and acquiring a phone, a young person can often get caught in a fast paced and competitive market, which means a young person could end up making a costly mistake with significant consequences. Encouraging a young person to slow down and consider all factors in making a purchase will reduce the likelihood of a 'car crash' purchase. This activity represents a young person's driven desire to get a phone quickly and what pit stops need to be put into place to prevent the car (mobile phone purchase) spinning out of control.

What do I need?

The primary resources required are:

- 1 track with pit stop area
- 2-4 cars
- Stop watch
- Pit stop cards – Which have a series of questions on that the young person needs to consider on - see below for some ideas

You can make this activity as creative as possible or as basic as required. If you are limited with time and resources you can use a piece of flipchart paper and a toy car. This can work in either a one-to-one or group context. Design a course and make it as difficult as you desire. If you have time, money and desire use remote control cars and either a toy rug with outlined course (these can be purchased for £15 from Argos or online) or chalk a course outside. Produce some pit stop flags with a series of questions on, the question should be:

- PAYG or Contract?
- PAYG: How will you pay? How often?
- Contract: Which bank account? Do you have enough money to cover basic plus add on costs?
- How many minutes, texts and how much data will you use?
- What's the best plan you have found so far?
- How can you save money?
- Will you need insurance? How much does this cost?

How do I run it?

Run the activity explaining this is supposed to be fun task that will improve their driving and buying a mobile phone skills. Their mission is simple to complete a lap in the fastest time possible!

Step 1) Ask the young person to get their car round the circuit in the fastest time. Run the activity, and at regular intervals wave the pit stop flag and ask one question at a time, follow the sequence of questions outlined above. Once the lap has finished and the questions have been asked, ask the young person do they think they could do it quicker? If yes, run activity exactly the same as before. If they say no, ask them why not?

Step 2) Run it again and compare the time to the first recording, hopefully the time will have improved. Ask the young person, "how did that feel? What did you do differently compared to the first time?"

Step 3) Ask again if they think they could do it quicker? If yes, run activity exactly the same as before. If they say no, ask them why not? You can keep repeating this as many times as appropriate and is useful.

Step 4) Review - explore how things changed each lap; hopefully they will acknowledge that they knew more answers to the questions each time. Conclude that the more we are aware of the answers to these questions the quicker we can finish the race.

Step 5) Explain that buying a mobile phone and price plan can be like a grand prix, the finish line is walking out of the shop with a phone in hand, however if we don't make the necessary pit stops our car (purchased product) can spin out of control and we can lose the race by crashing. Explain the mission is still the same, to complete a lap in the fastest time. However to make it more of a challenge when the pit stop flag is waved the car must come in to the pit answer the question and then can return to the track.



MINDSPACE review points



Norms – Who is influencing us in our choice of mobile?



Incentives – What are the incentives mobile phone companies use to get us to buy their product? What might we gain and lose with these?



Salience – How influenced are we by wanting the latest version of a phone rather than the best phone and plan for our pocket?

Top tip

It's worth checking with young people if their chosen tariff really does suit their need. "One young person I was working with was beginning to get into debt so I went through their budget with them and checked where their money was going. The key issue was their mobile phone contract. They set it up on an introductory offer of £25 a month for 100 minutes, unlimited texts and downloads. They lived away from their

mum and spoke a lot by phone. She regularly went over her tariff, most months this was around £80. I spoke to the phone company and explained the situation, thankfully they listened and we changed her contract to unlimited minutes too which is £35 a month, therefore saving her £50 a month."

1625 Independent People,
Cashpoint Project Worker

10.3

What's the best deal?

What's it about?

This activity helps young people to consider all the information they need to think about and compare when deciding on which mobile phone to choose.

What do I need?

Range of leaflets or screen prints of different mobile phone options and deals. Money Saving Expert is a good source:
www.moneysavingexpert.com

How do I run it?

Step 1) Get young people to work in small groups of 3 or 4, each with 2 to 4 leaflets of different mobile phone options, depending on needs of the group.

Step 2) Explain "you have 20 minutes to have a look through the information you have and come up with the best deal for someone wanting 60 minutes of talk time, unlimited texts and downloads". During this time go around each group to check understanding and to support as appropriate.

Make sure they are thinking about:

- Cost of handset
- Cost of talk time
- Cost of Internet access
- Cost of text messages/amount of free texts
- Cost of calls to landlines
- Cost of line rental
- Cost of calls to other networks
- Apps available and cost of these

Step 3) At the end of the time, get each group to share what they have found out.

Step 4) Review - "what helped to compare the different deals? Any surprises? What has been useful to find out and how can this help when choosing a mobile phone?"

For further information on phone deals go to www.moneysavingexpert.com



11. Enabling young people to make informed choices about saving and borrowing

Overview

There are many pressures on young people to borrow money in order to get things sooner rather than later and many opportunities to do so, some of them at very high rates of interest (in some cases up to 5000% APR) such as payday lenders on local high streets and companies that lend via the telephone. Our experience has shown some young people think the higher the APR the better the deal; this section helps build knowledge and understanding to help young people make more informed choices.

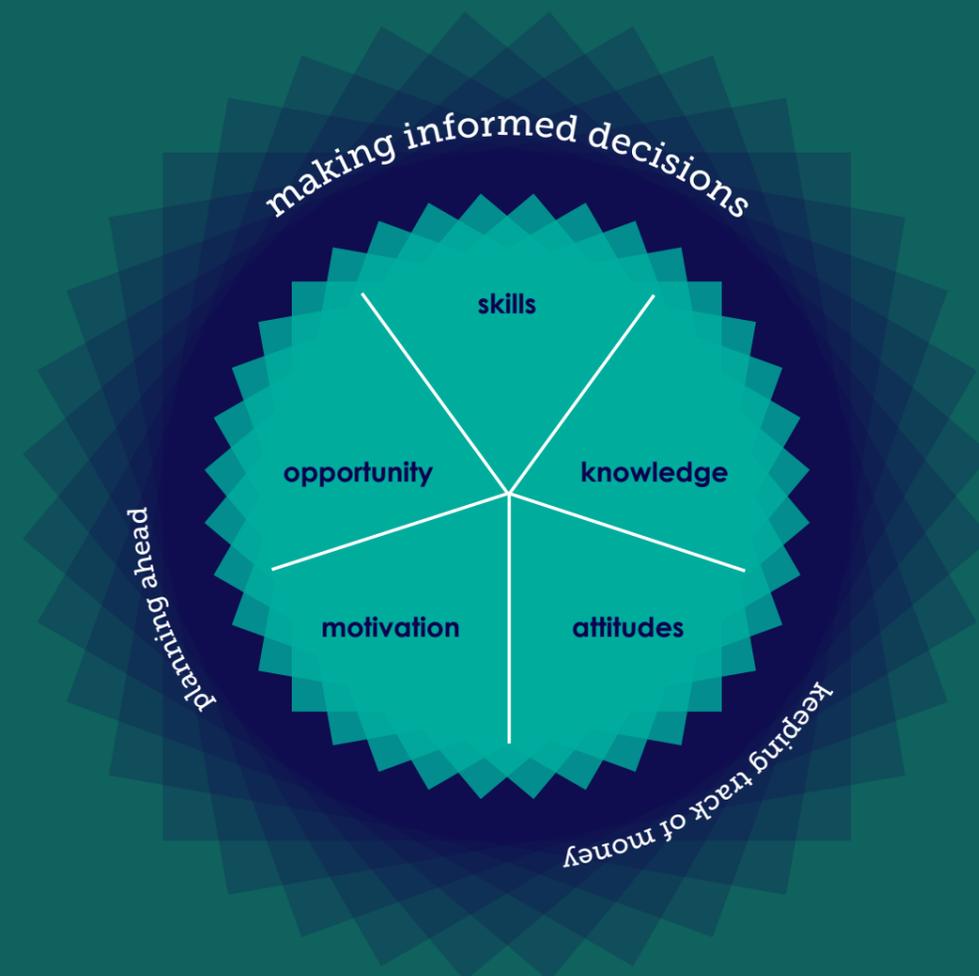
Objectives

The ideas and activities below will help you:

- Explore the reasons for both borrowing and saving
- Build knowledge on the best ways to save and borrow and where to find the information
- Build awareness of the cost of borrowing and how to compare costs from different lenders
- Promote the attitude of saving more and borrowing less to help make ends meet

Key information for whole section - APR (annual percentage rate) is what is charged for borrowing. It helps us to compare deals i.e. a higher APR will cost us more.

Financial Capability Wheel



Borrowing costs more

Use the example over to help demonstrate this, you can talk it through or write it out on flipchart.

It usually costs money to borrow and sometimes it costs a lot. Imagine you owe £1000 on your credit card at an interest rate (APR) of 25.9% pa.

You pay the minimum each month, 3% or £5, whichever is the greater. In the first month you pay 3% of £1000 = £30.

The £30 is deducted from your next bill. But interest would be added on – just under £20. So the debt is reduced by around £10.

It would take around 18 years to pay off the whole balance. Total payments would be about £2,500, i.e. £1,500 more than first borrowed.

See Money Advice Service Link below for a loan calculator:

<https://www.moneyadvice.org.uk/en/tools/loan-calculator>

Like many other online calculators this tool asks you to enter the amount borrowed, annual interest rate and length of time borrowed and will work out repayments and total interest paid.

11.1

The why and the how

What's it about?

This activity introduces the idea that we have choices when it comes to our money and how we get things. We can save, we can borrow, we can do both. It is important to make the right choice for us.

What do I need?

- Flipchart paper and pens

How do I run it?

Step 1) You can either run this activity as whole group discussion, or put the group into 2 teams and run as a bit of a competition to help drive conversations.

Step 2) Copy out the tables here on flipchart.

Step 3) First ask "why would you save money?" If the answer is that they don't, get them thinking about why they might save, or why they think other people might save. If you need to prompt the discussion further get them thinking about saving for a rainy day or unexpected things for example losing their mobile phone, and saving for treats and fun things for example a meal out with a friend on their birthday. Then ask "how and where can you save money?", again be ready to prompt conversation and link this to ideas and activities in section 8.

Step 4) Next ask "why would you borrow money?" This is often a similar list to "why save", which helps promote the psychology of saving more and borrowing less, see below. Next ask "how and where can you borrow money?", again make sure all the main options are covered.



Why save?

How and where can you save?

Why borrow?

How and where can you borrow?

Step 5) Review - "what are the advantages and disadvantages of saving and borrowing?" It's good here to make connections for the young people with other aspects of managing money e.g. if they are borrowing money to buy everyday essential things they will end up with less money to manage on, as they will have additional costs of paying back interest on what they've borrowed. If this is the case they might need to go back and look again at what they have coming in and going out and try to make it balance without having to borrow. It's also useful to begin to promote the idea of saving part of what they want to buy and borrowing less which the next activity helps to demonstrate.



MINDSPACE review points

-  **Incentives** – What are some of the gains and losses in borrowing? And what are some of the gains and losses in saving? What motivates us?
-  **Norms** – How are we influenced by others when we borrow to buy something we want but don't necessarily need?
-  **Ego** – Would we feel better about ourselves if we saved up, or borrowed to buy something we want?

11.2

Comparing the cost of credit

What's it about?

It's up to us whether we save or borrow in order to get things but it's important to think about the results of our choices so that we can make the right choice for ourselves. This activity is designed to raise awareness of the different costs of borrowing and to enable young people to calculate the costs of borrowing.

What do I need?

- Prepare 1 copy of each case study pages 80-83
- Blank table below as a handout
- Cost of credit top tips (on page 79)
- Pre written flipchart or whiteboard with the table below written on it
- Information on local credit union(s)

How do I run it?

Step 1) Put the young people into 5 groups and give each one a different case study. If there are not enough for 5 groups just give out as many of the case studies as you have groups and write up the answers for the other ones yourself.

Step 2) Explain "each group has a case study of a young person who has borrowed money, all the young people in these case studies has borrowed the same amount which is £500 from different sources. The table on the handout and flipchart shows different payment options for each young person. Use this table and a calculator to calculate how much interest your case study young person will have paid in total if they pay it off over 1 or 2 years." Be ready to go around and help groups with the maths; it's not a maths test!

Step 3) When each group has finished ask them to come and write the amounts in the flipchart, or

you can write these up for them.

Step 4) Review "look at all the amounts paid back", "who had the best deal?" go through each and reveal where they borrowed the money from and what the APR is. It's useful to emphasise it can make a big difference to how much something costs us depending on whether we have to borrow money to get it and where we borrow that money from and how long it takes us to pay it back. It's worth checking this out before we borrow as we may not think those £50 trainers are such a good deal if they end up costing us £100 and we are still paying for them after we've thrown them away!

Step 5) To extend the review further use the credit top tips at the end of the section and give information on local credit unions and other sources of information such as the money advice service website: www.moneyadviceservice.org.uk/en/articles/borrowing-and-credit-basics



MINDSPACE review points



Incentives – What was the incentive for each of our characters to choose the finance option they did? What was the reason for not saving? How much money will someone lose by borrowing rather than saving up for what they want?



Norms – How influenced do you think each of our characters were by their friends? What else could they do?



Ego – How do you feel about yourself when you get something new? How do you feel about yourself when you are in debt?

Cost of credit top tips

1. Think about it

- Do you really need/want this item?
- Can you wait until you've saved for it?
- Can you buy a cheaper version or get it second hand?

2. What will it cost?

- Can you afford the repayments? (And what happens if you miss a payment?)
- How long will you have to make payments for?
- How much will it cost you in total? (including interest and any other charges such as payment protection, extended guarantee etc)

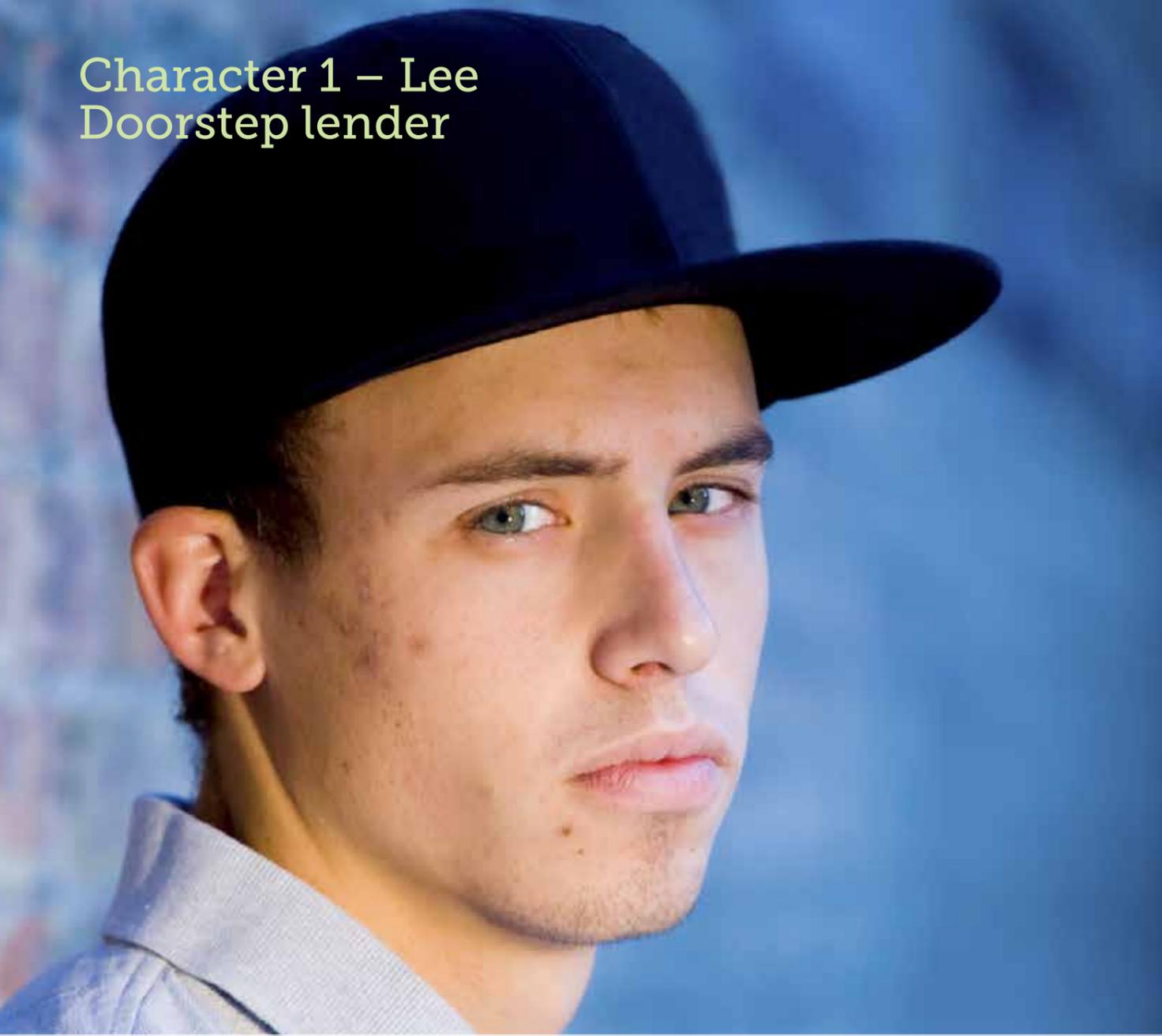
3. Take the time to think about it and shop around

- Can you get a better deal elsewhere?
- Think it over, don't be rushed

I did this activity with a group last week, at the end they all wanted to take the figures home to show their families as they were quite shocked with how much they were paying above the actual price of what the item cost in the first place.

Cashpoint worker, Independent People 16-25, Bristol

Character 1 – Lee Doorstep lender



Lee is 17 years old. He is currently on a referral order for assault and working with the Youth Offending Service. Although Lee has a youth offending worker he is not working with any support services to look at issues such as housing, employment and financial support. Lee would not class himself as homeless even though he does not have any stable accommodation and has been sleeping on his friend's floor for the past month.

Financing himself by borrowing from friends and petty theft, Lee has recently started to borrow from a doorstep lender. Lee has used the money to repay some of his friends, buy food, top up his mobile phone and buy cannabis and ecstasy, which he states helps him cope with the stress of the situation. He purchases cannabis and ecstasy not only for his own personal use,

but to sell on and make money from. Lee was allowed to pay some of the money for the drugs now and some later, which he now has no means to pay for. Lee is very worried about the consequences of this.

Also the doorstep lender did not define the terms of the £500 loan stating that Lee could make repayments 'as and when' he had the money. Time has passed and the lender has started to put pressure on Lee to make repayments.

Use this table and a calculator to calculate how much interest your case study young person will have paid in total if they pay it off over 1 or 2 years.

Character 2 – Chantelle Store card



Chantelle is an 18 year old care leaver. She is currently on an apprenticeship scheme which she attends four days a week. The scheme aims to equip Chantelle with a number of skills, and the confidence to gain employment. She describes it as boring as "all they do is arts and crafts and there are no fit lads". Although close to leaving the programme she states that she needs the money it provides, which together with the amount she gets from the leaving care team for attending the apprenticeship, gives her more than she would otherwise get on job seekers allowance. She currently lives in a supported accommodation project which requires her to have a number of regular financial commitments.

Chantelle feels isolated in her accommodation and has a limited social network. She raises

herself image and confidence by clothes shopping. Since turning 18, Chantelle has opened 3 store cards with Top Shop, Miss Selfridges and New Look. With a high APR Chantelle did not realise how much she would have to repay on top of the £500 she has already spent.

Chantelle likes to drink on a regular basis spending her money on alcohol, often cheap wine and cider. Due to the amounts she consumes and the vulnerable situations she manages to get into while under the influence her leaving care worker has describe Chantelle as at risk and sexually vulnerable.

Use this table and a calculator to calculate how much interest your case study young person will have paid in total if they pay it off over 1 or 2 years.

Character 3 – Lisa Credit Union

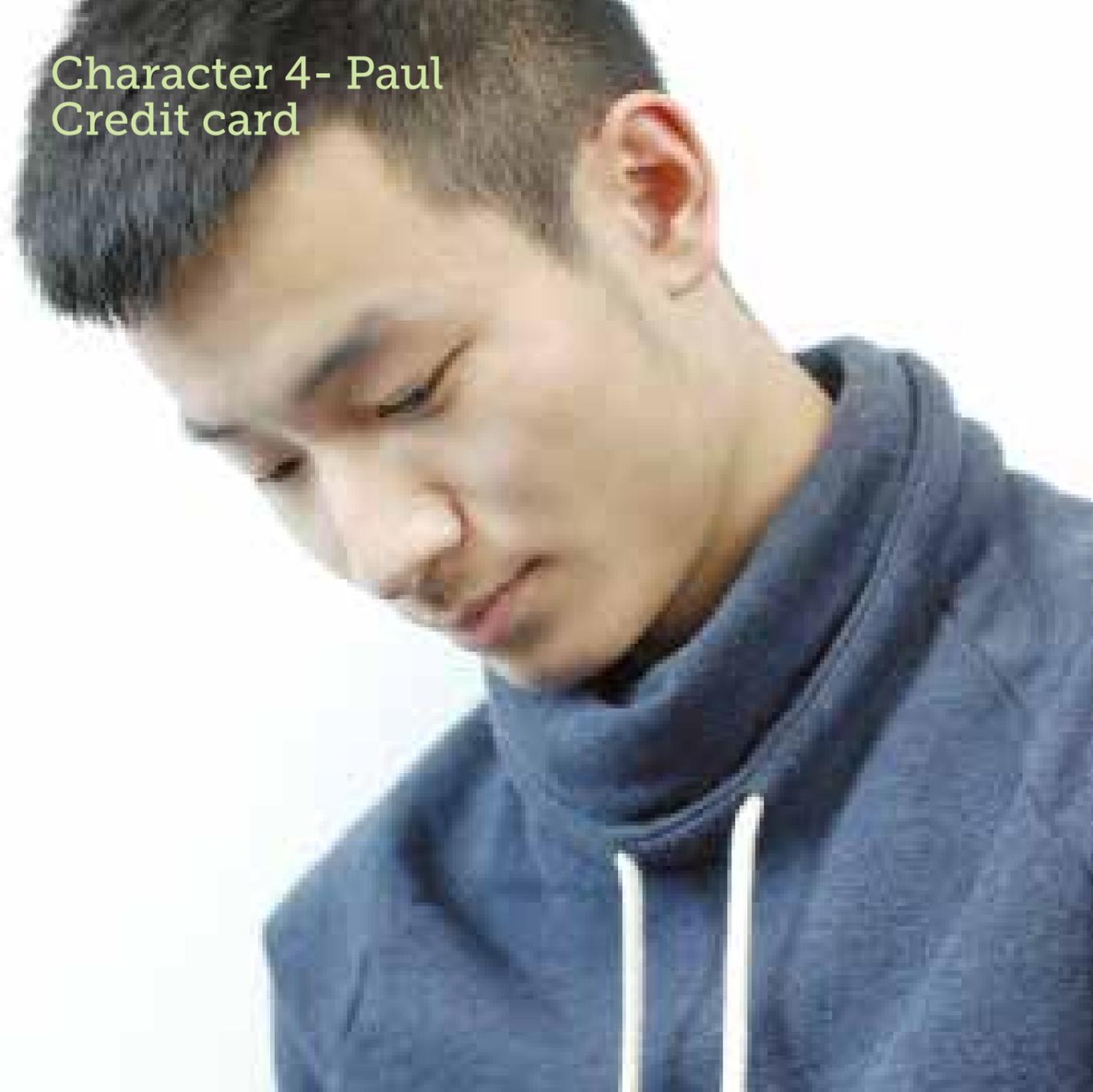


Lisa is 18 years old and unemployed. She is a single mother living on her own in a one bedroom flat. Struggling with the limited money she has available to her, she receives income support and child benefit. Lisa has recently taken out a loan of £500 from her local credit union. A large proportion of Lisa's money is spent on items required for her daughter and the majority of purchases she makes are through the catalogue where she buys clothes for herself, her daughter and house hold furniture. Lisa is using the money to pay off high catalogue bills and give her additional spending money.

Lisa identifies that she needs help with money and finds it difficult to cope. However she is very reluctant to seek help as she feels that people, especially professionals, look down on her and can't understand what she is going through. Last year Lisa verbally assaulted a woman working at the local Jobcentre Plus resulting in a Police caution. Lisa feels that she does have anger management problems but these are the result of her financial situation.

Use this table and a calculator to calculate how much interest your case study young person will have paid in total if they pay it off over 1 or 2 years.

Character 4- Paul Credit card



Paul is 20 years old. He has a part time job working in a bar for cash in hand, for which he receives £50 a week. Paul has started a number of employment courses and apprenticeships but fails to complete courses and sees them as pointless. He lives with his mum and is currently considering applying for the army. However due to his previous bad behaviour and criminal convictions for assault and theft it is unlikely that he will be accepted.

A large number of Paul's friends from the estate are unemployed and blame this on immigrants and refugees for taking 'their' jobs. Paul and his friends can be very loud, disruptive and

aggressive. He has a different girlfriend every week and likes to keep up his image. Although seen as a 'hard man' by his friends he dotes on his mum.

Paul loves cars and has recently taken out a credit card loan of £500 to go with the money his mum is lending him to buy a second hand car. The money will not only help him buy the car but also the desired extras, alloys, neon lights etc.

Use this table and a calculator to calculate how much interest your case study young person will have paid in total if they pay it off over 1 or 2 years.

Cost of credit table

Name	Monthly Payment	Length of loan	Total amount paid	Total interest paid	Annual Percentage rate (APR)
Lee (doorstep lender)	£ 70	1 year	£833	£333	177%
	£ 51	2 years	£1223	£723	
Chantelle (store card)	£ 46	1 year	£551	£51	19.9%
	£ 26	2 years	£601	£101	
Lisa (Credit Union)	£ 45	1 year	£536	£36	13.68%
	£ 24	2 years	£570	£70	
Paul (credit card)	£ 48	1 year	£575	£75	29.8%
	£ 28	2 years	£649	£149	

11.3

Reading the small print

What's it about?

One of the problems with taking on financial products such as store cards, mobile phone contracts, a bank account or insurance is we often don't really know what we're taking on, whether it's something we want and need and how much it will cost us, as well as any penalties that we might have to pay without realising it. So it is vital that we know and understand 'what the deal is' from the information we are given.

What do I need?

- A range of local leaflets giving information on credit, store cards, mobile phone deals, bank accounts (such as current accounts with additional things like insurance)
- Flipchart paper and pens

How do I run it?

Step 1) Split the young people into groups of 3 or 4 and give each group a selection of 3 to 5 leaflets on a range of financial products and some flipchart paper and pens. Explain "each group has to use these leaflets to find out all the different ways in which the company responsible for the product will make money from you and note these down on your flipchart paper" Give the groups 10-15 minutes to do this, going around each group to check they understand and offer support where needed. If prompts are needed you could ask:

- Are there charges when money is borrowed
- Are there costs if repayments are missed
- What happens if you go over your tariff
- Are there any extra costs such as insurance
- What is the APR (the amount of interest they are charged)

Step 2) Get each group to share what they've found out, make sure you add any points that might be missing.

Step 3) Create discussion about what experiences they've had of being caught out by the small print. Also discuss how advertising and hard selling puts them under pressure to take on these contracts and other pressures they are under e.g. from friends to take out a mobile phone contract for them.

Step 4) Review - "were there any surprises in what you found out?" What would they do differently next time they think about a new mobile phone, credit card or store card?

Emphasise the following points:

- Costs can vary between lenders and companies
- There are a number of ways lenders and companies can make money from us
- Sometimes we can end up paying for something we don't want or need
- There can be pressure to encourage us to take on deals or contracts
- So it's important to check the facts and be assertive



11.4

Higher lower

What's it about?

This activity is a good icebreaker or energiser for a session on credit. It's based on the TV show 'Play Your Cards Right'. The aim of the activity is to raise awareness of the cost of credit and how APR can be a useful way to compare costs.

What do I need?

- Cost of Credit Cards - see pages 88, you can adapt these to represent local sources of borrowing
- Develop the cards which work well as A4 size. These need to be two sided with the logo and amount borrowed with time period on the front e.g. '£1K loan over 12 months', and the APR and amount to be paid back on the back e.g. '23.9%, pay back £120.92'

How do I run it?

Step 1) You can run this activity as a big group or a team game – awarding points for correct higher or lower guesses.

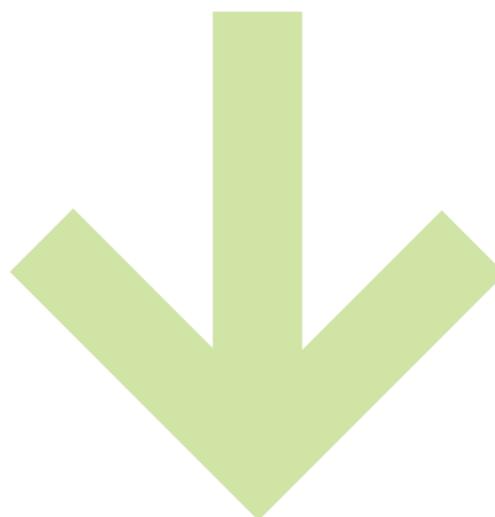
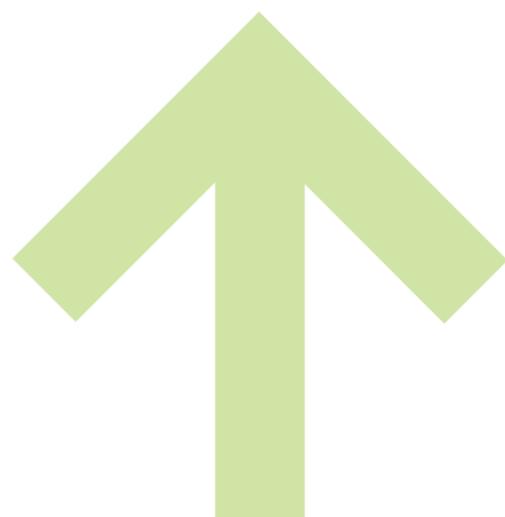
Step 2) Show the first of your cards, firstly the front which has the source of credit and then turn it over to show the back which gives the APR if you borrow from this company and what this actually means in terms of the extra money you would pay.

Step 3) Show the front of the next card and ask "is the APR (cost of borrowing) higher or lower than the last card?" Then show them the answer by turning over the card. Keep going until you've shown all the cards.

Step 4) **Review.** Ask "what were your reactions? Any surprises?" It's important to stress that these are just examples of typical rates for the different lenders as they will be changing all the time so they always need to check with the lender what rate is being charged at the time they want to borrow and is available to them (sometimes the better rates are only available to people with a good credit rating like home owners etc).



Acknowledgement: North Warwickshire Citizens Advice Bureau



11.5

Resisting the pressure

What's it about?

It can be hard to resist the pressure in the market place and to be assertive to get the product we want. Many people find it hard to deal with confrontational situations and can end up buying products they don't actually want or can't afford because of a slick sales patter. Being confident about how to say no in a polite yet assertive way is a valuable skill to have in any situation. This activity is designed to build awareness as to why it is that we often go into a situation expecting to get one thing, yet come out the other side with something different! The activity also helps young people understand how to get what they want by being assertive and to practice strategies and behaviours to help them be more assertive.

What do I need?

- 'Being Assertive' cards pages 89
- Photocopies of Case Studies Card pages 89

How do I run it?

Step 1) Ask "how many of you have gone into a shop with the intention of buying one thing and after a discussion with the sales person come out with something twice as expensive?" or "who has been pressurised into taking out insurance on a phone when they don't want it – or got a store card when they already have 10 in their pocket?" Explain that this activity looks at how and why we get into some of these situations and how to get out of them again.

Step 2) Divide the young people into pairs. Give each pair a set of 'Being Assertive' cards and ask them to match the two halves of the sentences together. Explain that some of the sentences describe the meaning of assertiveness and others are tips on how to be assertive.

Step 3) Bring the group back together and have a discussion about the sentences, beginning with the meanings of the word 'assertiveness' followed by the tips:

- How many of these skills do they think they have?
- What do they find the hardest thing(s) to do?
- What stops us being assertive in some situations? (Answers should include: feeling embarrassed, not understanding what's being sold to you, being frightened into thinking you've got to do it, being persuaded that everyone has that product)
- Can anyone give examples of situations where this has happened to them?

Step 4) In the same or different pairs give them the four case studies cards. Ask them to work through the case studies, with one of them playing the part of the person being pressurised and the other playing the part of the person applying the pressure (e.g. sales person). The job of the person playing the first role is to say no assertively, while the job of the person playing the other role is to try and persuade the first person to agree (this can include begging, urging, and verbally bullying). Give pairs three minutes on each case study, swapping around the roles after each case study (e.g. situation one- young person 1 plays first person, young person 2 plays second person. Situation two- young person 1 plays second person, young person 2 plays first person etc.).

Step 5) Review - after all scenarios have played out (or your time is up), get together and discuss: the different ways people tried to make the person say yes; how difficult it was to keep saying no; whether anyone gave in – and how this made them feel; whether anyone became aggressive; the value of being able to say no.

Adapted from MoneyAware – UK Youth 2010



MINDSPACE review points



Incentive – What's in it for me by saying yes to a loan? What am I afraid of losing if I say no?



Norms – How much am I being influenced by my need to fit in? Can I still do this without borrowing money?



Ego – How will I feel about myself if I say yes? How will I feel about myself if I say no? Saying no will mean I save more in the future - how would that feel?

Cost of credit

NatWest

£1k loan over 12 months

23.9% APR

Pay back £1,120.92

SHOPACHECK

£300 over 32 weeks

399.7% APR

Pay back £480

PROVIDENT
Personal Credit

£500 over 12 months

272% APR

Pay back £910

Credit Union

£500 over 12 months

24.9% APR

Pay back £562.84
(Glasgow Credit Union figures)

wonga
bom

£400 (max) over 28 days

4,214% APR

Pay back £517.48

Bright House

Buy a PSP Vita over 52 weeks
(Game shop price £219.99)

29.9% APR

Pay back £327.51
(£571.48 with service cover)

Resisting the pressure: being assertive cards

Respecting other people's views	even if you don't like or agree with them
Be	clear and firm
In cases where you can't refuse	explain that the situation is causing you problems and try
negotiating in order to make the situation more acceptable	to you
Recognising that	you can and do make mistakes
Believing	in yourself
Don't mumble or stutter	and don't apologise too much (e.g. keep saying you're
	sorry, and give lots of reasons)
Being clear	about what you want to happen
Look the other person	in the eyes where you are talking to them
Think about	what you want to happen before discussing it
Being calm	and in control of yourself

Case Studies cards

Work through each of these case studies changing after each study which of you is person one (saying no assertively) and which is person two (persuading the first person to agree).

1. A good friend asks you to lend him £20 for the weekend and promises to pay you back on Monday. However, he has borrowed money from you before and taken a long time to return it. Also, you're a bit short of money yourself at the moment.

3. The sales assistant in a shop is determined to sell you a warranty of the MP3 player you've just bought. You know that warranties are very expensive and often not worth the money you have to pay, but the assistant won't take no for an answer.

2. You go into a shop and choose a relatively simple pay-as-you-go phone that you think will be ideal for calls and texts. But the sales assistant is really pushy, and says that she can give you one that has a great camera and loads more functions on a contract that she's sure you can afford.

4. You're in a shop with a friend who wants you to buy something. He says that you can just about afford it, but you know your debts are rising. Your friend keeps on saying that you can put it on your credit card and pay it off later.

12. Helping young people to manage debt

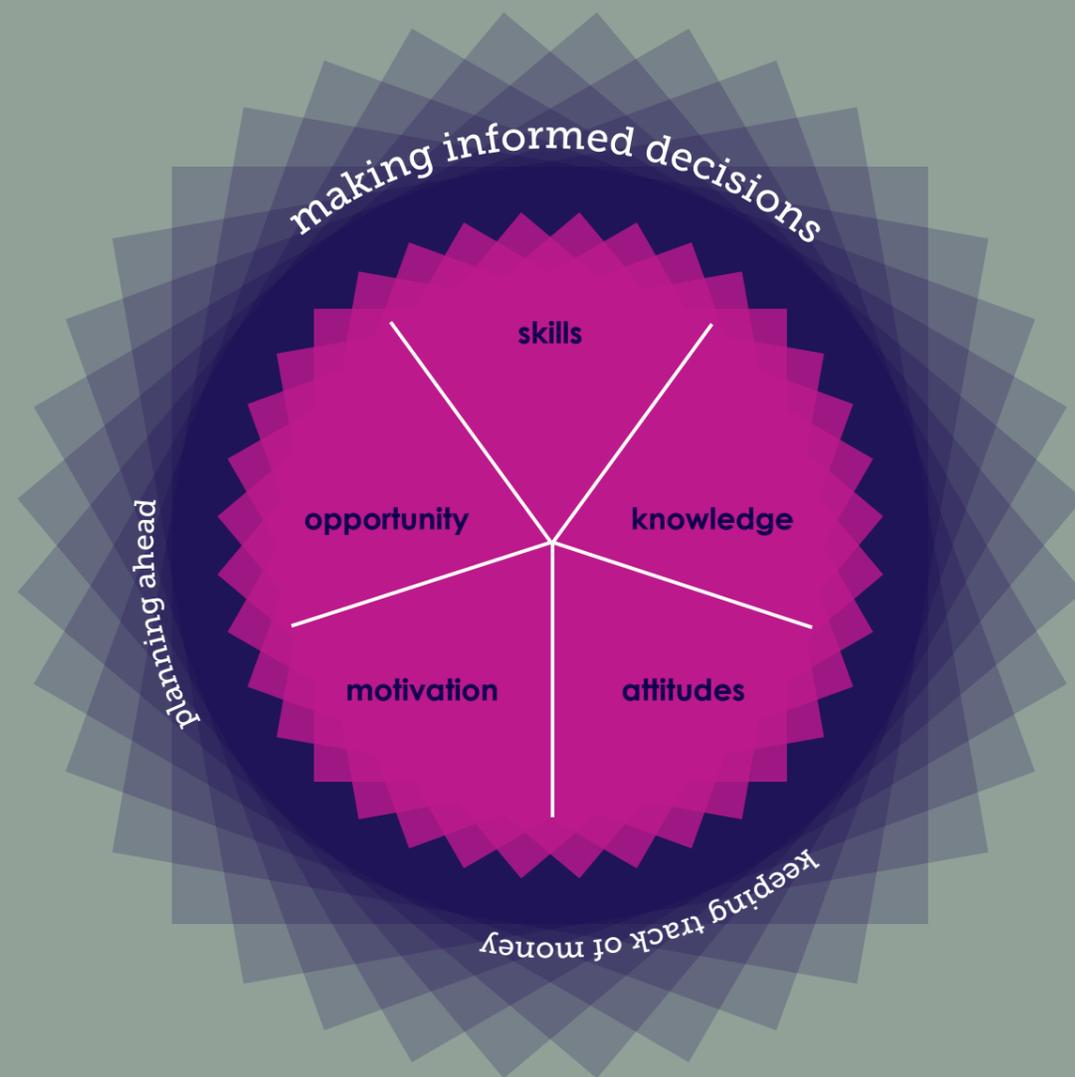
Overview

Getting into difficulties with paying bills can lead to debt and the situation can soon spiral out of control with very serious consequences. It's important to act quickly if things are going wrong and to get specialist advice when needed. A preferred option for young people can be to avoid dealing with the problem, often because of a lack of confidence about their ability to do anything about it.

Objectives

The ideas and activities below will help you:

- Build young people's awareness of the different types of debts and the impact of them
- Increase young people's knowledge and confidence to tackle money problems before they get really serious and get help when they need it
- Share information with young people about where they can go for specialist help around debts



12.1

Does debt matter?

What's it about?

In order for young people to take debt seriously they need to recognise, for themselves, what some of the downsides of getting into debt are. They may be aware of some of the most immediate and obvious ones like being hassled to pay money back but they may not know about the longer term problems it can cause like not being able to borrow in the future because of a bad credit rating or losing their home because of not paying their rent.

What do I need?

- Flipchart paper and pens
- Post-it notes

How do I run it?

Step 1) Introduce this activity by asking the group how they think people can start to get into problems with keeping up with their bills and so get into debt. Jot some of these ideas on the flipchart.

Below is a list of useful prompts:

- Loss of job
- Leaving home or moving into a new home
- Relationship breakdown
- Ill health or disability
- Problems with benefits
- Drug or alcohol dependency
- Problem gambling
- Pressure to spend/availability of credit

Step 2) Put the young people into small groups and give each group some post-it notes and a marker pen. Ask them to think of as many different consequences of being in debt/behind with bills and write each idea on a separate post-it note and then stick them on the flipchart. Go around the groups and if they need prompting ask them to think of people they might know who have had problems with debt and what effect this has had on them, or things they've seen on TV programmes or read about in the paper.

Below is a list of useful prompts that will help:

- Stress, worry, anger, fear, embarrassment
- Avoidance of the problem and some people
- Health issues
- Further money problems
- Future problems such as unable to borrow for a car or home

Step 3) Group the post-its as the young people start to put them up into the similar points.

Step 4) Review - Summarise the main ideas and add anything missing. Emphasise getting into difficulties with our bills can have a really serious effect on our lives so it's important not to hide our head in the sand if things start to go wrong.



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How do things start going wrong and what can we do?

What's it about?

An important first step is for young people to be able to spot when things are going wrong and think about the best thing to do to stop the problems getting worse, including getting help and advice.

What do I need?

- Scenarios cards - see page 93
- Options cards - see pages 93-95. One set for each group
- Blank cards
- Marker pens

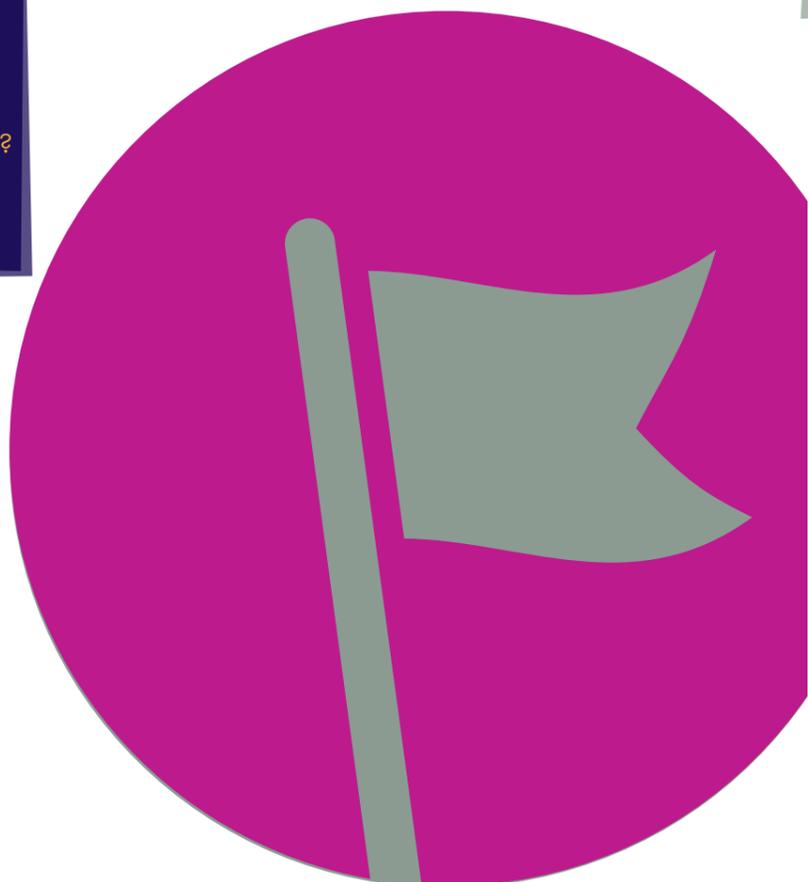
How do I run it?

Step 1) Put the young people into groups, each with a different scenario, a set of the option cards, a few blank cards and a marker pen. Ask them to read through their scenario and then look at the options and discuss pluses and minuses for each. They have blank cards to write any other options they think of on. Stress with this activity that there is no right or wrong answer and that people might have quite different ideas. Give them 10 minutes to do this, and go around and prompt discussions by asking things like:

- Which options might they choose and why?
- Which options might they not choose and why?
- What stops them choosing these?

Step 2) Once all have finished, ask each group in turn to give an example of an option for their character and the pluses and minuses for this choice.

Step 3) Review - when each group has given a few ideas, have a whole group discussion on the reasons for the choices. It's important to emphasise we can get into difficulties in paying our bills for all sorts of different reasons but the important thing is to take action as quickly as we can when things are going wrong and get help, see the links below.



Scenario Cards

1. When I was shopping for some new jeans in town a while ago I was told that I could have 20% off them if I took out a store card. I just had to fill out a form and then got the card through the post. Since then I've bought a load more stuff using the card and now owe £600 on it and can't pay it back. Every time I get a letter about it the amount of money I owe has gone up so now I've just stopped opening the letters. I don't know what to do.
2. My mum is always stressed out about money and she is starting to drink every night. She borrows money from someone who comes to our flat. I think it's someone who lives on the estate because I recognise her face. I've started to shoplift with my mates to get the things I need rather than ask my mum for money. But my mates are starting to nick stuff to sell. It feels like it's beginning to get out of control. I don't know what to do.
3. Over the last few weeks my friends and I have been experimenting with drugs. I have now borrowed £200 from this guy I met in the pub. He told me I would only have to pay £4.00 per week and used to come round to my house to collect it. Now I've got behind with my payments and he's started threatening me so I'm staying at a friend's house. I don't know what to do.
4. I opened a bank account when I started my part time job because they said I needed one for them to pay my wages in. When I got a new mobile phone contract I arranged monthly Direct Debit payments from my bank account because this made my payments cheaper. But because I keep going over my limit on the contract my monthly payments are usually higher than they should be and because I haven't had enough money in my account my bank has charged me for going overdrawn. In the last 3 months I've been charged over £100. I don't know what to do.

Options Cards

Keep on shoplifting

Sell stuff

Change
your name

Tell
someone
and seek
help

Beg on the
street

Get a job

Go & see
your key
worker

Sell some
drugs

Borrow off
a friend

Borrow
off your
parents

Just forget
about it

Move
house

Sell your
TV

Borrow off
a doorstep
lender

12.3

What is important and what is urgent?

What's it about?

When it comes to debts not all of them are equally important. Sometimes the ones that seem most important to us are actually the least important ones; they can seem important because there is an urgent deadline or because we are being hassled about it or threatened with legal action. This activity is designed to get young people to consider what is important and what is urgent when it comes to dealing with their bills and debts. It will also help young people recognise that although action needs to be taken with all their bills and debts to stop things getting worse, it is the ones that have the most serious consequences that are the most important to deal with first, such as not paying your rent, which can lead to you losing your home.

What do I need?

- Unpaid bills letters see pages xx-xx

How do I run it?

Step 1) Split the young people into small groups give each group the 6 letters about unpaid bills. Either use sample letters supplied, or copies of real letters with client details covered up; this can be done by photocopying client letter, then covering up client details with Tippex or black marker pen, then copying from this, checking details are covered enough on copies.

Step 2) Give them 10-15 minutes to sort them into important/not important, urgent/not urgent and discuss their reasons. Warn them that just because something is urgent it may not be important and vice versa.

Step 3) Go round to check on the discussions and ask prompting questions such as:

- How did they make their decisions about importance when they sorted the letters?
- Did the letters seem written in a certain way? What effect do you think they were going for?
- How do they think their clients would deal with their own letters?

Step 4) Review - Once everyone has got as far as they can get the whole group's attention back. It's important that this activity creates discussion rather than people getting it right or wrong. Get a few ideas from each group and key learning points. Emphasise the letters that sounded the most urgent were not always the most important one. There is a danger that we are tempted to pay the person who shouts loudest or sounds most threatening which can mean that more important debts such as rent get left. The most important thing is if people are receiving these types of letters and aren't sure what to do that they find specialist help, see links below.



Natural Gas
PO Box 222
Manchester

Avenue
Notown

Our ref: NG/1234/05067

30 January 2013

Final Notice Immediate Action Necessary To Pay £193.64 Owed

You still have not paid your Gas bill even though we sent you a reminder, including details of how you can pay the amount you owe.

If you do not pay your account, or contact us, within the next 10 days we will take action to recover the debt.

We will either cut off your gas supply or fit a card prepayment meter. If you don't let us in when we call we will immediately ask a magistrate for a warrant which lets us enter your property even if you are not there. We can do this by law. If we do this it could mean you will also have to pay costs of up to £31.30.

If you cannot pay phone us on 0808 xxx xxx. It is in your own interest to contact us to discuss a payment arrangement.

Credit account number: 05067 Amount due: £193.64

Signature: _____ Date: _____

Code: 33-22-33 Cash/Cheque total

Borough of Anytown
Anytown Town Hall
Gabriel Road, Anytown

Avenue,
Anytown

15 January 2013

Dear

You currently have rent arrears of:

Rent of £385.00 is owed at 1 November 2012.

If you do not clear these arrears, the Mayor and Burgesses of the Borough of Anytown intend to take legal action and apply to Court for an order requiring you to give up possession of your home.

If you want to discuss this letter you should contact your Neighbourhood Housing Officer.

Signed *P Chen*

Head of Legal Services

On behalf of the Mayor and Burgesses of the Borough of Anytown, Anytown Town Hall, Gabriel Road,
Anytown Tel: 000 123 4567



Aggregated Collections, 1 Union Street, Anytown

Street
Anytown

FORMAL NOTICE OF LEGAL ACTION

Dear Ms

I regret to note that you are not making payments as agreed despite all our efforts to help you.

THIS SITUATION CANNOT BE ALLOWED TO CONTINUE.

I now advise you of our intention to commence legal proceedings. I will remind you that, if a judgement is entered and the debt remains unpaid, we have the right to take any or all of the following actions:

- Warrant of Execution against your belongings by a court appointed bailiff;
- Attachment of earnings against your current and future employers;
- Bankruptcy if the debt exceeds £750;
- A charging order against your property (if you are a homeowner).

All judgements are recorded with the relevant credit reference agencies and will make it extremely difficult for you to obtain future credit facilities.

There remains one way to prevent the course of action I have described above. Contact me to discuss this option.

Yours Faithfully,

A. Griffiths

Regional Manager
T: 0111 223344

PS: DO NOT IGNORE THIS SITUATION, IT WILL NOT GO AWAY UNLESS YOU HELP US TO HELP YOU.

Mobile phone company
1 New Street
Anytown

Ms.
Terrace
Anytown

Bill for your mobile phone
1 August – 1 September 2012

Line rental	15.00
Calls	5.00
Texts	2.30

Total **22.30**

PAY NOW OR YOUR PHONE MAY BE CUT OFF.
YOU MAY THEN BE LIABLE FOR RECONNECTION CHARGES.

30 November 2012

Case ref:

Mr
Street
Anytown

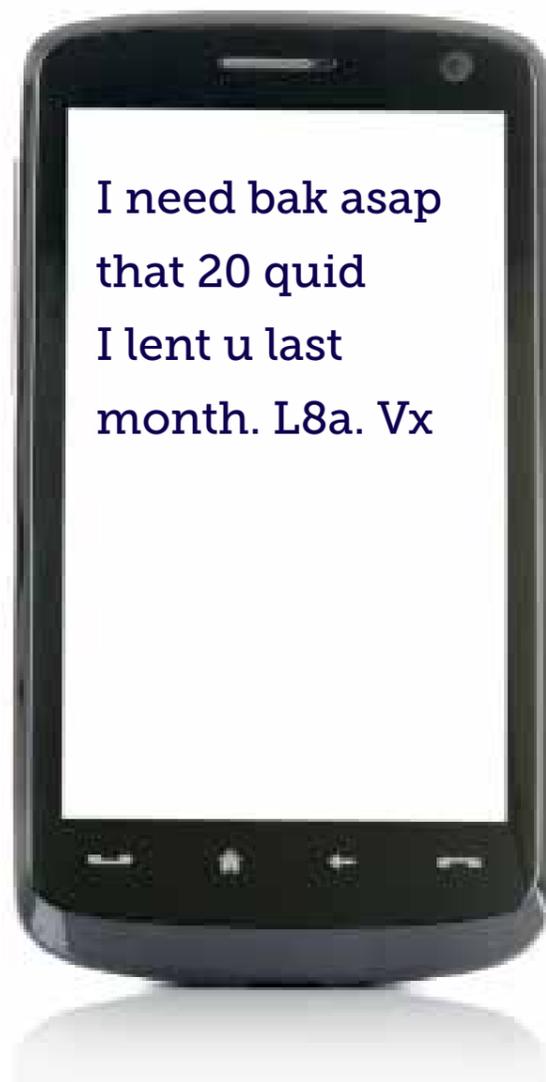
Your fine from Case ref: xxxxx is £120.00.

This fine is due in weekly instalments of £10.00.

If you miss a payment, this will be seen as a default in payment. Further action can then be taken.

J Omari

Signed for
Court administrator
Anytown Magistrates Court



1 Priority and non priority debts and their consequences 4

What's it about?

Whilst all debts are important it is accepted by creditors and the courts that some debts are more important than others because they have the most serious consequences. These are called priority debts. Other debts have less serious consequences and are called non-priority debts. It's important that young people are aware that all debts are not equally important because if they don't have enough money to pay everyone they will need to prioritise paying the most important ones first.

What do I need?

- Bills or debts cards, see pages 104-108
- Consequences cards, see pages 110-114
- Summary table of priority/non-priority debts page 103 which has been developed so you can give out to young people

How do I run it?

Step 1) Explain that if we get into difficulties with our bills and debts and don't have enough money to pay them all it's important to know which ones are most serious and why. These are called priority debts. All the others are called non-priority; this doesn't mean that they don't matter but if you don't have money to pay everyone they will have to wait.

Step 2) Give each group a set of debt cards with pictures of bills on such as rent, gas, mobile phone. They have to sort their cards into priority and non-priority, either on the wall, floor or a table.

Step 3) They are then given a set of consequences cards for non-payment of these items of expenditure, which they put on next to the expenditure that they match and then reorder their priorities if they wish.

Step 4) During the above two steps spend time going around each group, asking what they are basing their decisions on and feed in some of the ideas below to help them to sort the debts and match the consequences:

- Debts are divided into 'priority' and 'non-priority' for repaying by money advisers
- Priority is based on the effect of not paying
- Emphasise the difference between the exercise we did earlier (essential and non-essential) and priority and non-priority
- There are some common priority debts, e.g. rent, gas and some that vary for each person, e.g. phone, car loan (if car essential)

Step 5) Review - create a discussion and ask what they based their decisions on. Confirm or correct the consequences of non-payment of different things, use the answer sheet below on priority/non-priority debts and top tip (acknowledgement: Citizens Advice) you can give this out for people to take away. The key issues are that young people may not sort their own debts according to priority and non-priority debts, and that explaining the consequences to them can help with this. The most important thing is if people are receiving these types of letters and aren't sure what to do that they find specialist help, see links below.



Priority bills and debts

 Electricity and gas	<ul style="list-style-type: none"> ■ You could be cut off ■ Your water supply cannot be cut off ■ You may have to have a pre-payment meter
 Rent or mortgage	<ul style="list-style-type: none"> ■ You could lose your home
 TV licence	<ul style="list-style-type: none"> ■ You could have money taken from your benefits or wages ■ A bailiff could take your belongings ■ You could get a very big fine ■ You could go to prison
 Council Tax	<ul style="list-style-type: none"> ■ A bailiff could take your belongings ■ You could have money taken from your benefits or wages ■ You could go to prison
 Maintenance for others, including support for children	<ul style="list-style-type: none"> ■ A bailiff could take your belongings ■ You could have money taken from your benefits, wages or bank account ■ You could go to prison
 Court fines	<ul style="list-style-type: none"> ■ You could go to prison
Non priority debts	
 Catalogue	<ul style="list-style-type: none"> ■ You can be taken to a county court and ordered to repay the money ■ Your credit rating can go down ■ The amount you owe may go up a lot because of the interest charged
 Credit or Store Card	
 Mobile phone	
 Personal loan e.g. from a bank, doorstep or payday lender	
 Friends and family	

© Citizens Advice –from the financial capability trainer's session pack 'helping your clients deal with their debts'

Note: Loan Sharks are illegal money lenders and borrowing from them is never a good idea. For more information see www.moneyadvice.service.org.uk/en/articles/how-to-spot-a-loan-shark

**court
fines**



Bills or debts cards

electricity



Bills or debts cards

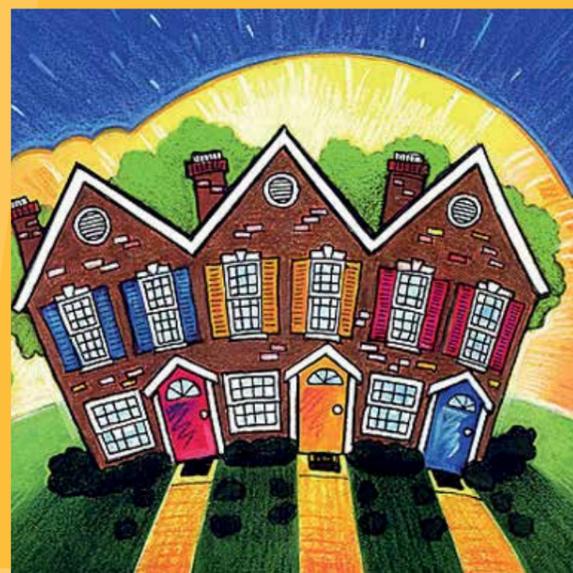
gas



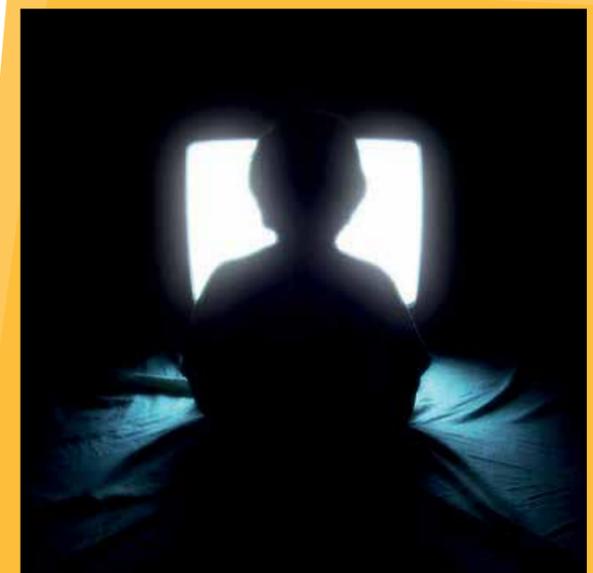
**water
rates**



rent



tv licence



council tax



Bills or debts cards

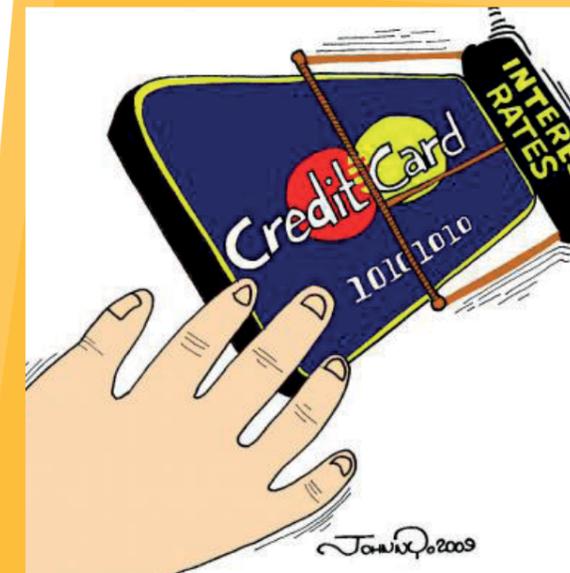
maintenance for others including support for children.



mobile phone



credit card



Bills or debts cards

doorstep lender



family

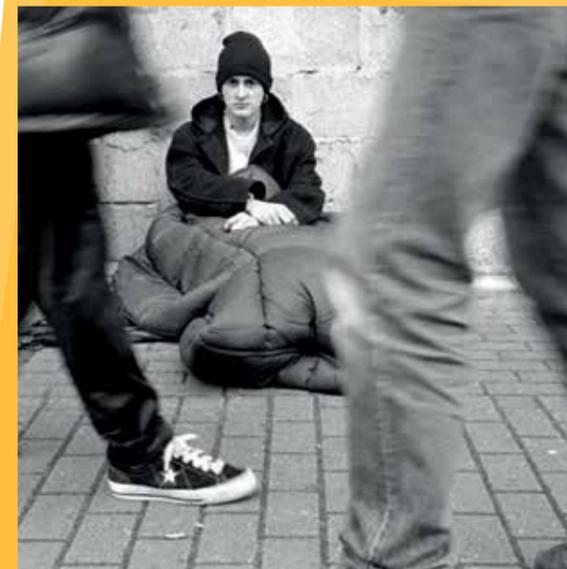


friends



Bills or debts cards

**you could
become
homeless**



Consequence cards

loan sharks



**a bailiff can
be sent in to
take your
things and
sell them
to pay off the
debt**



**you could
be sent to
prison**



Consequence cards

catalogue



Consequence cards

**money can be taken
from your benefits**

**money can be taken
from your earnings**

**bank loan
or overdraft**

store card



**you could
have your
gas cut
off**



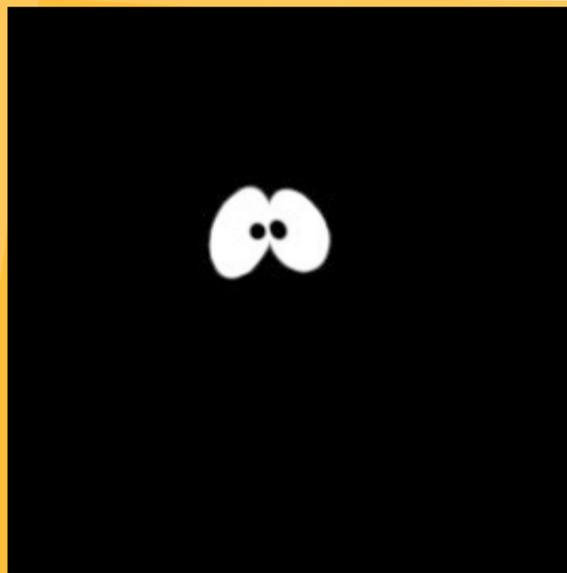
Consequence cards

**you may be
taken to court
and ordered
to repay the
money**

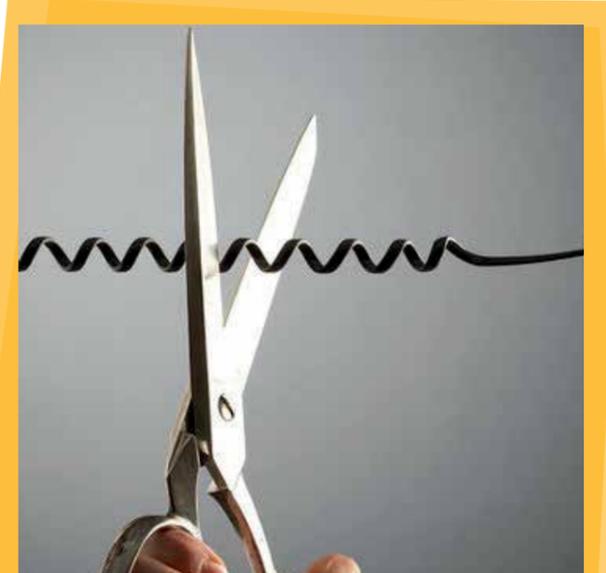


Consequence cards

**you could
have your
electricity
cut off**



**your phone
may be cut off**



**you may
have to have
prepayment
meter**



**you may be
threatened**



the amount you owe may go up a lot because of the interest charged



Consequence cards

your credit rating may go down (making it harder to borrow money in the future)

12.5

Getting help when it's needed

What's it about?

Getting proper information and advice quickly is vital when it comes to dealing with debts that are becoming unmanageable. This can be a daunting prospect for young people so you can help by explaining how to seek help and supporting them to do so.

What do I need?

- Information about local sources of debt advice
- Flipchart paper with the below 5 key steps to getting help written on them, using pictures as well as words can help:

1. Find out where you can get help (online, by phone or face-to-face) and if needed make an appointment.
 2. Get all the information together about who you owe money to and how much, as well as what stage things have got to.
 3. Get information together on what money you have coming in and going out.
 4. Contact the source of help you've chosen.
 5. Go along for the appointment/have the telephone call/look at the online help.
- How do I run it?**

Step 1) Explain that it is important to get help quickly when things start to go wrong especially with debts as they will only get worse if left. They are going to look at the steps involved in getting help and what they can do to make the journey as easy and successful as possible.

Step 2) Lay the 5 pieces of flipchart paper on the floor and get everyone to stand on the first one and discuss what they need to do at this stage of the journey. Then move onto the second flip and so on until you've got to the end.

Step 3) Review - create a discussion about what helped them move along the journey. Draw out the importance of having detailed information about their money in and out as well as the most recent information and papers about their debts before they speak to a debt adviser. Encourage them to look at how they can get support on their journey from friends, family, their key worker etc. Emphasise tackling debt can be really daunting but if we take one step at a time and get help, we can sort out debt problems and avoid the most serious consequences such as losing our home.

The most important thing is if people are receiving these types of letters and aren't sure what to do that they find specialist help, see links below.



Many young people just bury their head in the sand around debt, I have used these activities to begin to open up the conversations.

Foundation Skills Tutor, Knightstone Housing, Bristol

Tips for dealing with debt

The main advice for someone with debt problems is to get reliable help and advice from a genuine specialist adviser from an independent agency such as a Citizens Advice Bureau.

Encourage young people not to ignore debts. They won't go away. Leaving them can end up costing more.

Young people's instincts about which are priority debts may be technically wrong. Explain this, but be flexible and respect their views. A repayment schedule that they may have chosen is one they may be more committed to. In any case, learning

comes from experience, and making mistakes is not something to be eliminated.

Getting out of debt is usually a long haul. Encourage young people not to put their lives on hold, and build in non-financial rewards for successes.

Use the table below as a handout to give to young people to take away, and build the points into the reviews of the activities in this section.

1		Don't ignore the problem - it won't go away. The longer you leave it, the worse it gets.
2		Make the most of your income - check you are claiming all the benefits and tax credits you can. If you've lost your job, or are off work because you're ill, check if any debts are covered by payment protection insurance.
3		Tackle your priority debts first - for example, debts that could mean losing your home, or having your gas or electric cut off.
4		Work out your personal budget - show it to your creditors when you contact them.
5		Get in touch with your creditors straight away and explain your situation. Contact all of your creditors. If you arrange to pay some but not others, you may get into difficulty again. You do not need to offer payment straight away.
6		Work out a reasonable offer for each creditor. Don't worry if the offer seems small. Creditors prefer a regular small amount more than an offer you can't afford.
7		Don't give up trying to agree an offer, even if creditors are difficult. If the first person you speak to is unhelpful, ask to speak to someone more senior. They may be able to agree to what you want.
8		Always keep copies of letters and papers you send or get.
9		Don't borrow money to pay off your bills without thinking carefully. Get advice first. This kind of borrowing could lead to you losing your home.
10		Get advice from a Citizens Advice Bureau or other independent advice service. If you get taken to court, do this urgently. Fill in reply forms to court papers, and let the court have all the facts. Always go to court hearings and take your personal budget with you.

© Citizens Advice – from the financial capability trainer's session pack 'helping your clients deal with their debts'.

Useful sources of information including debt

www.adviceguide.org.uk has a range of factsheets on credit and debt including 'Help with debt', 'Dealing with people you owe money to', and 'What happens if you are taken to court for money you owe'

You can also find your nearest Citizens Advice Bureau on Advice Guide

www.moneyadvice.org.uk online calculators for loans, mortgages, budgets etc, as well as lots of useful information about savings and other money matters

www.moneycharity.org.uk provides education, information and advice on money matters

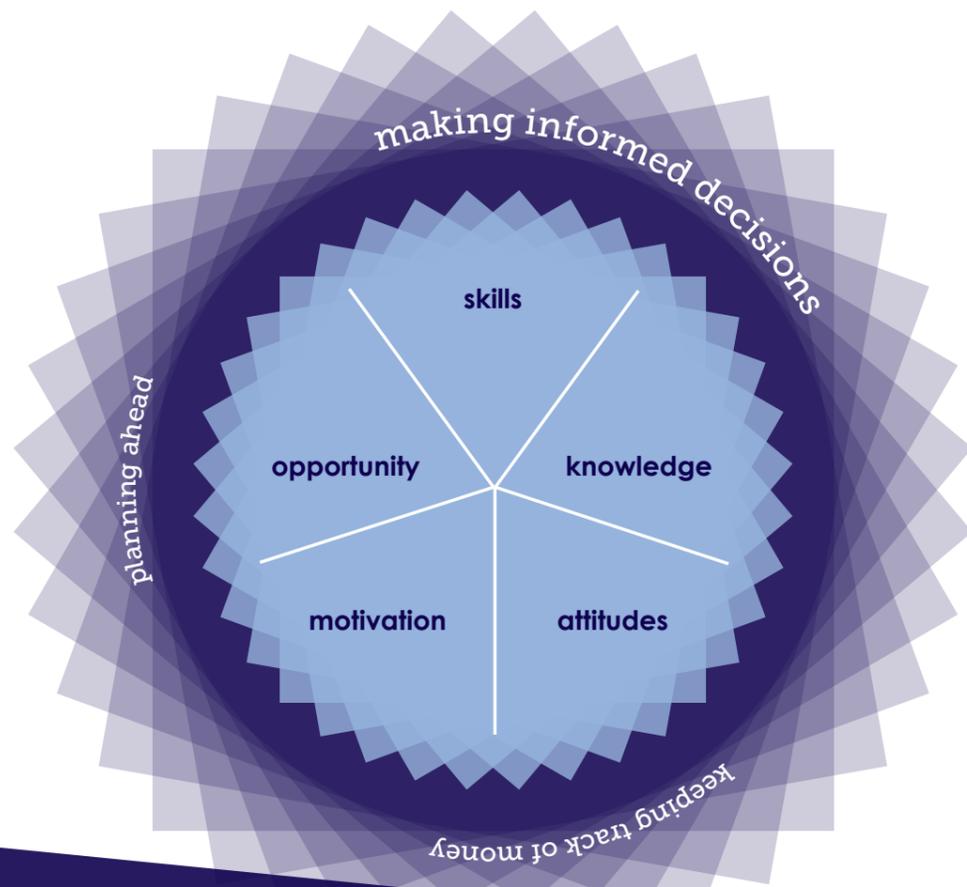
www.nationaldebtline.co.uk gives free advice via their website or by telephone on 0808 808 4000

www.payplan.com and www.ccs.co.uk both offer free money advice

www.stepchange.org lots of useful advice, and has a mobile app to help with debt



13. Illegal Money Lending



Overview

Young people borrow money for a variety of reasons. These borrowing decisions can have a considerable impact on a young person's life.

Borrowing should not be promoted to young people as a bad decision; rather, awareness should be raised about the different types of borrowing and the consequences of each option. In previous sections, we have looked at borrowing options from legal sources; however, for a variety of reasons young people may become involved in illegal money lending.

It should be made very clear to young people that if they are borrowing money from a loan shark they ARE NOT doing anything illegal and will not be punished or judged for this choice, they instead should be praised for speaking out and seeking support.

In this chapter, we will seek to clarify what illegal money lending is; the signs and symptoms that a young person may be involved with an illegal money lender; the consequences; sources of support for young people and practitioners; and best practice in working in this area.

Objectives

The ideas and activities below will help you:

- Identify key factors that may indicate that a young person is involved with illegal money lending
- Understand the term 'Illegal Money Lending' (IML)
- Explore a variety of activities designed to educate young people on IML
- Understand support systems available to support those involved in IML

What is Illegal Money Lending?

Money lending is a regulated activity and is governed by the Financial Services and Markets Act (2000). The purpose of the Act is to ensure that individuals engaged in money lending are fit and proper (no convictions for fraud etc.) and can comply with the rules. They are given authorisation to operate by the Financial Conduct Authority, who administer the authorisation regime and have the power to refuse applications or revoke authorisation.

Illegal money lenders are commonly referred to as 'loan sharks'. When the term loan shark is used it often conjures up a preconceived image of what a loan shark may look like. What is your image? A balding, overweight, middle aged white male? A Phil Mitchell look alike? Or an old lady with white curly hair who walks with a stick? The reality is that both images are correct: individuals of both descriptions have been convicted of illegal money lending (Google 'Joan the loan'). There is not just one type of look when it comes to a loan shark; it could be anybody. It is important that young people understand that loan sharks come in different shapes, sizes, ethnicities, ages, etc.

An important part of helping to educate young people about loan sharks is challenging any perceived image, as this could make them more likely to become vulnerable to borrowing from a source who they perceive to be friendly, nice, and approachable, which could have serious consequences which could have serious consequences.

Loan sharks charge extremely high levels of interest, which are often almost impossible to calculate. This is usually because the rate of repayment varies from customer to customer and the loan shark often adds on various indiscriminate charges throughout the lifetime of the loan. In cases where the Illegal Money Lending Team (IMLT) have been able to calculate an APR, rates vary from 8000% to 4,200,000%. Most victims have little or no knowledge about how much they have paid back and the loan sharks' records are scant. As loans are often taken out whilst other loans are in the process of being paid back, victims can lose track of how much they actually owe. If payments are missed then the amount owed soon spirals out of control.

Loans given are often unenforceable, so the loan shark uses threats, fear, intimidation, and sometimes violence to get the money back. It becomes an unbalanced power relationship. Loan sharks have a disproportionate impact on society as they prey on the most vulnerable members of the community; those they feel they can bully and intimidate. However, they will often act as a friend up until the point that someone cannot pay – then they turn very nasty very quickly.

In one case, a loan shark kidnapped his victim. He attacked him and drove him round the homes of other clients as a warning as to what may happen to them if they missed repayments. He then took him to his home where he continued the attack, which included cutting the victim's face with a machete. The loan shark was sentenced to six years and nine months in prison for this horrific assault. (Case study provided by the IMLT 2017.)





Why would a young person want to borrow from an illegal money lender?

Whilst we can provide several case studies of why not to get involved with a loan shark, it is important to understand why, despite the consequences, young people can still end up borrowing money from a loan shark.

Crisis point

Due to a variety of circumstances, a young person could just be desperate for money. They see themselves as having no other option and are willing to deal with the consequences of borrowing from this source.

Ease of access

Many young people are intimidated by formal and legal lending routes as they can see this as an overcomplicated and frustrating process to go through to get some money. A young person could also be intimidated by the application process. This could be due to literacy or numeracy inadequacies, embarrassment or fear of being judged about their circumstances, or lack of confidence in engaging and communicating with individuals at the lending source. Apart from a fear of judgement or inadequacy there is also a fear of rejection. Therefore, a friendly person offering to lend any amount of money, no questions asked or forms to complete and a guaranteed 'YES', can be their chosen choice.

Lack of knowledge

This is a fundamental area that can have a significant impact in deterring young people from becoming involved with a loan shark. Often young people are unaware of the wide range of legal borrowing options available to them and are ill-prepared to formally apply to borrow

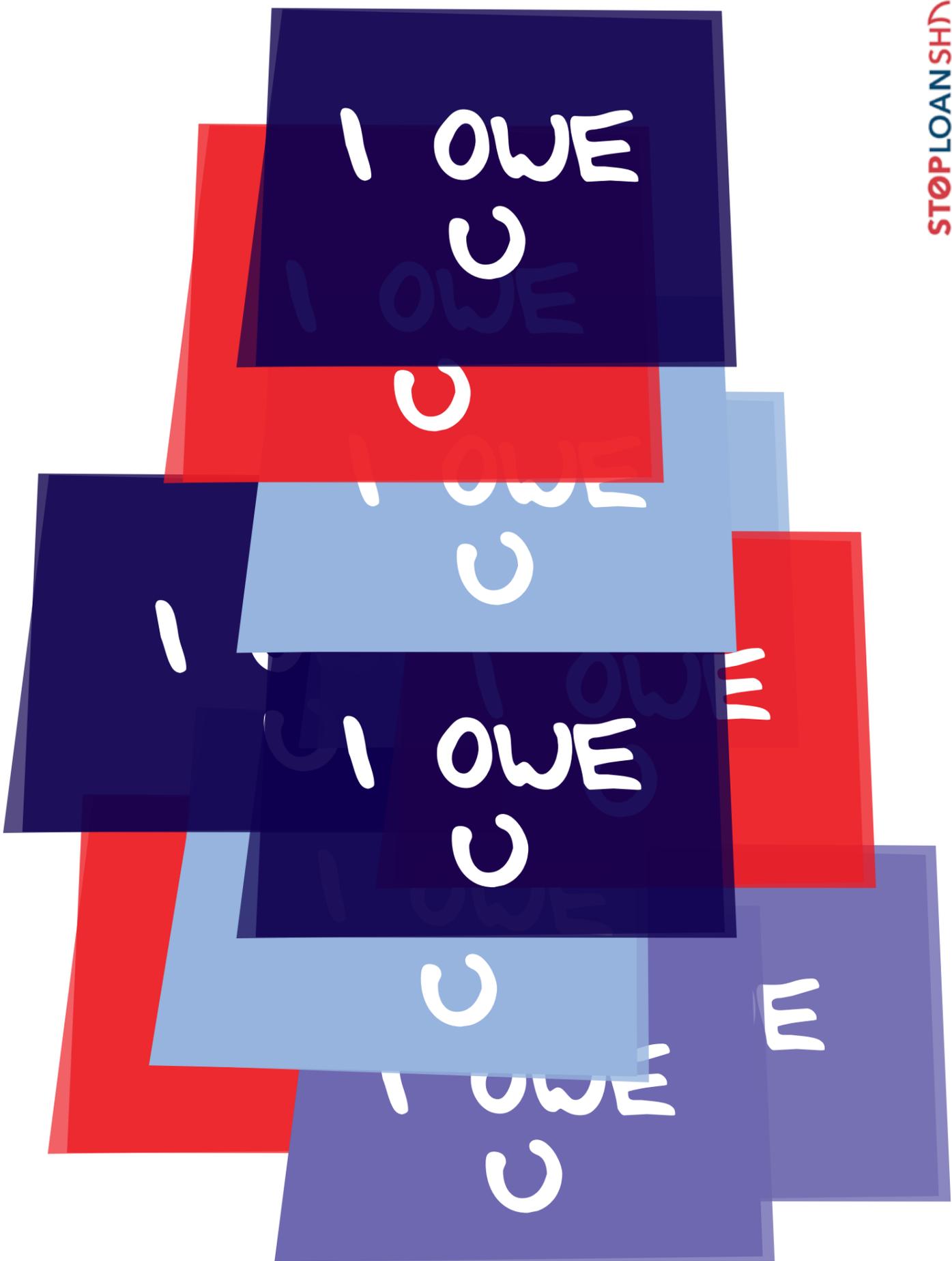
from legal sources, not knowing how to improve their credit worthiness or to prevent themselves being in a crisis where they require money immediately. Young people are often unaware that lending by a mate, a mate's mate, or someone in the community, is illegal as it is not regulated. They often have a perceived image of a loan shark, and when a person does not fit that image they are more likely to be open to the idea of borrowing money from them.

Signs a young person may be involved with an illegal money lender

A key concept to remember is that behaviour is often like an iceberg: you will only ever see the tip, and most of what is happening will be below water and out of sight. Therefore, it is important that you stay vigilant to any change in behaviour or to any exhibition of behaviour you feel may demonstrate that a young person is scared, feeling anxious, or threatened.

A young person may demonstrate:

- A change in appearance
- Restless, chaotic behaviour
- Emotional distress
- Moody, aggressive or argumentative behaviour
- Non-attendance
- Desperation for money – no matter what
- Or none of the above



What can I do?...

Raise awareness: the what, who, how

First things first

It is important to be a practitioner that young people feel comfortable talking to. Remember the most effective way to help a young person is to be open and accessible, and to provide a supportive and non-judgemental relationship which encourages them to engage with you. If a young person is involved with a loan shark you will need to share that information externally and you will need to reassure the young person that what is happening is wrong. It is important to reassure them that the loan shark's behaviour and not their own is wrong, that the borrowing needs to stop, and the young person needs to be kept safe. To do so, an individual will need to follow their organisational safeguarding policies and procedures and contact the Illegal Money Lending Team and the local Police. Further information about the Illegal Money Lending Team will follow at the end of this chapter.

Education

Education is key and as the old saying goes, prevention is better than cure. If you can start to embed key messages in your work with young people early on you are more likely to have a long-term significance and a positive impact. Young people need support on their financial decisions; they need to be presented with as many options as possible and support to make informed decisions. This is where partnership working is invaluable. Find out what community money services are available, i.e. projects specifically funded to educate others on financial capability. Find out about local credit unions and make links with the nearest Citizens Advice.

If a young person is educated and supported towards being financially capable as part of an ongoing scheme of individual needs-led work, they are less likely to make rash and impulsive financial decisions, and therefore if any borrowing is required it is done through a legal, regulated lender with the best rate available for the young person, as discussed in previous chapters.

However, young people will present with different circumstances at different stages of their lives. Your role may dictate that you only have a one-off interaction with a young person and they are coming to you because of how their finances are affecting their life. It is important here that young people are engaged in a supportive and

non-judgemental way that provides them with as many options as possible. It is key that the worker does not limit the choices they offer them if they deem them unsuitable for a young person. The work must be young person-centric, and the young person themselves must decide what is the best option for them. Therefore, it is important that the worker presents or signposts to information about the wider range of borrowing sources available to prevent a young person feeling that their only option is to go to a loan shark.

To prevent a young person being attracted to the option of borrowing from a loan shark, it must be presented that the loan shark is operating illegally and will use dangerous methods to ensure that their money, plus significant interest, is repaid. Young people need to be educated on the dangers of loan sharks and how they operate to get young people to borrow from them in the first place, to deter them from this option.

Having restricted options can lead young people to a loan shark. Young people can easily be groomed into taking out a loan and loan sharks will specifically target the most vulnerable young people. A young person may be vulnerable because of pre-existing financial circumstances, mental health concerns, lack of knowledge or awareness, or peer relationships, for example. Some loan sharks will actively target those young people to gain trust, establish rapport, and build a relationship to make a young person feel comfortable borrowing from a 'mate'. The reality is that not only is a young person more likely to borrow from a mate, they are less likely to grass on a mate, and this is exploited by the loan shark to the point where they know they can use a variety of threatening techniques to extract repayment of the initial loan and considerable interest. See some of the real-life case studies in this section to see this in action.

The challenge for any worker is to tap into the psychology of borrowing and what may lead a young person to a loan shark. A young person needs to be aware of what a loan shark is, how they may look and act, the consequences of borrowing, and most importantly the support available to help stop a loan shark.

Here are some activities to help you educate young people.

13.1

To borrow or not to borrow - that is the question?

What's it about?

This is an activity designed to help understand the psychology of money, what a young person's motivation is for borrowing, and value-driven behaviour.

What do I need?

- Flip chart paper or A4 paper
- Pens
- Magazine

How do I run it?

This activity can be done one-to-one or in a group work setting. Challenge a young person to create an image. The image can be drawn, cut out of a magazine, printed off the internet, etc. The image must be of something that would be worth borrowing money for. This will demonstrate their values and what need/s they are trying to satisfy. The image can be of ANYTHING, it is important you do not dictate this. A young person may struggle with this idea initially, not because they don't know what is important to them, but because they may lack the confidence to share it publicly. That is why it is important you create the environment to help the young person feel comfortable. The image could be anything: a new phone, clothes, food, alcohol, or it could be of a house, related to paying rent, or electric essentials to survive (e.g. heating, cooker). The image could also be of people, which may indicate going out, or needing money for other people because of threats or to help them, etc.

Ask the young person to put the image centrally on ideally a piece of flip chart or A4 paper. Around the image, ask them to write feelings. Ask: "How will you FEEL borrowing the money for that image?" This is a key, deep-rooted question. Again, it is very important that you do not question those feelings or add a value judgement; merely encourage the young person to put down their feelings. Once this has been done, ask the young person "How can you get that image?" Elicit financial and non-financial answers. Do they need money to achieve the image? Write answers all around

the image, with a line from the answer coming from the image (picture a spider diagram). For the options which require money, they will then draw a line off and list each way they can obtain the money. Make sure they list ALL options. (A loan shark may come up here, but not under that name; rather a 'mate' they could borrow from). This will be repetitive, but to repeat the same options for every answer that required raising money shows there are options. We want to promote means of obtaining the image in a cheaper, non-harmful way, but for the options that require finance we want to show that there are always a variety of options to obtain money. Remember we want to keep them away from loan sharks and this activity will help you facilitate a conversation with the young person/people about their options and why they should not go to a loan shark.



13.2

From Tinder to Judge Rinder

What's it about?

This is an activity to explore a young person's value-driven behaviour in deciding who they would borrow money from, if needed, and to challenge stereotypical images of loan sharks. It uses Judge Rinder to emphasise that illegal money lending is in fact illegal and has legal consequences for the loan shark.

What do I need?

- Printed images of Judge Rinder and other random faces. Vary these in terms of age, ethnicity, sex, appearance, etc.

How do I run it?

This activity is based on the popular dating app Tinder, where you are presented with several images of people interested in dating. They swipe right if they like them and left if they don't. You will need several images of people, ideally between 6-8, which are varied in terms of gender, ethnicity, and distinguishing features. Then print off an image of Judge Rinder (available via Google) in his legal attire.

Shuffle the images and place in a line, face down, with the image of Judge Rinder at the top, visible. Ask the young person/people to start at the left side of the line and to turn the first image over. Give the young person 10 seconds to decide whether they would borrow money from this person. If the answer is yes, 'swipe right to like'. The young person moves the image up from the line and to the right with the image still visible. Repeat this process along the line with all the images. If a young person says no to the question "would you borrow money from this person?" then they turn the image over (so it's not visible) and move it down to the left. At the end of activity, you may have some images visible and some not.

Don't worry if a young person has not chosen any images, as this gives you the perfect opportunity to review with them what factors made them decide whether they would borrow money from these people. It gives you a lot of material to discuss around their borrowing decisions and what influences these choices.

You can then use this information to **reinforce the message that even though you may find a person that has all the characteristics of somebody you would borrow from, they may still be an illegal money lender and getting involved will have serious consequences.**

For those young people that have been able to choose an image/s, ask the following review questions:

- What characteristics do these people have in common?
- What is it about them that would make you want to borrow money from them?
- Which one could be a 'loan shark'?
- What makes someone a loan shark?
- Why do you think there is an image of Judge Rinder there?
- What is the relationship between those images and Judge Rinder?

The activity is designed to help you understand a young person's values, what drives their behaviour, and what may influence their decision to borrow money from somebody. This is a process of helping young people to understand what influences their decisions, and raising awareness of how those factors may lead them to unsafe decisions. A young person must be taken on a journey of awareness to understand and be educated about what influences them, as this approach has a much more powerful impact than simply being told, and is likely to have a longer-term impact. Once a young person is aware of what characteristics a person may have that would influence whether they borrow from them, they then need to understand that what that person (the loan shark – NOT THE YOUNG PERSON) is doing is illegal. They must understand that a lender has no right to threaten or hurt someone to extract money from them, and that it is a criminal offence that could put the lender in court. Educate the young person on what illegal money lending is as part of this process and share how important it is that young people do not become victims of loan sharks.

Variation of this activity – Friend or Foe

Using the same images and review questions as the previous activity, the activity can be adapted to a 'friend or foe' exercise, where the images are converted into masks. Some group members wear these, and the other group members decide whether they are 'friend' (okay to borrow money from them) or 'foe' (wouldn't borrow money from them).

13.3

To Grass or not to Grass

What's it about?

This activity will seek to identify the values and barriers a young person has about speaking out and reporting someone they know may be committing an illegal offence.

What do I need?

- A4 paper or a flip chart
- Pens

How do I run it?

Once a young person becomes aware of a loan shark's activity, or becomes a victim of a loan shark, they are often reluctant to speak out for a variety of reasons. Firstly, it could be for fear of consequence, for example a young person may fear being hurt or embarrassed or fear that someone close to them may be targeted. This fear is a powerful tool for loan sharks, and enables them to carry out their activities and their methods of ensuring repayment. Once a young person is stuck in this psychological situation, they may worry about further escalation of these consequences which will further prevent them from speaking out. This can cause considerable stress and lead to mental illness.

A young person may also not want to be known as a 'grass'. It is important to challenge why it is important to that individual that they are not seen as a grass. It is often not just fear of individual consequence but damage to personal reputation. Young people may also fail to speak out because they are simply unaware of who to speak to and what support is available. It is therefore important to signpost to the relevant support networks and the Illegal Money Lending Team.

This is a simple activity that will get the conversation started. Use a piece of A4 paper or flipchart, divide into two sections and write

on one side 'Not to Grass' and on the other 'Grass'. Support the young person/people to list first all the barriers to speaking out and write these under 'Not to Grass'. Once this is completed then move on to the 'Grass' column. Ask the young people to explain all the reasons why a person should speak out if they are aware of or involved with a loan shark. It is important that this column is completed AFTER the 'Not to Grass' column to have maximum impact and to ensure lasting, solution-focused messages stay with the young person after the activity. Once this column is done, reiterate the importance of speaking out, what sort of information is important to pass on about any loan shark activity, and where this information should be passed on to (see IMLT details at the end of this chapter).



Case Study - Luke

It is important that educating young people is as real and relative as possible. Included here are several case studies provided by the IMLT

Luke was struggling to buy food. He was claiming ESA (Employment Support Allowance) and suffering from mental health issues. He became aware of a bloke who was offering unsecured loans in his area and, believing it was a legitimate company who could help tide him over, he decided to take the loan out.

Luke was told he would be able to borrow £50. The loan shark explained that Luke would need to repay £60 a month for 11 months. He knew he would be paying back £660 for a £50 loan but Luke was desperate and believed he would be able to pay back the money using his ESA allowance.

Luke paid back £900 but the loan shark said he still owed £300. Luke was stressed and starving himself to pay the £60 each month. The loan shark was sending him threatening text messages saying that he was going to 'come

around and sort him out', although Luke was making regular payments every month. Luke was then attacked at his mother's home; the loan shark barged into the house and punched and kicked him. The incident was reported to the police but the threatening text messages continued. Luke was terrified and felt there was nowhere safe to go.

The loan shark continued sending text messages alleging Luke had missed payments, and would turn up at Luke's house late at night, forcing Luke to hide and not answer the door. This continued for about 17 months and Luke never missed a payment. Then he reported the loan shark.

Now he is no longer paying the loan shark Luke is happier, more settled, and has some spare money each month to see his mates.

Case Study - Sally



A young woman named Sally had borrowed money from a well-known loan shark in her community. He threatened her on the phone and shouted across the road at her, so she was worried about her safety. An older female friend reported the loan shark on her behalf, although she too had been a victim.

Sally continued to borrow and make payments to the loan shark, regardless of advice and support offered to her by others. Sally said that she was too busy to be bothered with "that boring stuff" and had no intention of following through with agreed support.

Sally borrowed money for herself, her boyfriend, and her Aunty, mainly for alcohol, tobacco, and weekend spending. Although others were

concerned for her, she was not worried. She said that she would always be on benefits and claim a carers allowance, and would never get a job just to pay the loan shark back – so she would always be in debt.

Eventually the harassment got too much and Sally and her Aunty gave a statement to the police. Shortly after, the loan shark was arrested and cautioned. Other witnesses advised that all activity had stopped and the loan shark hadn't been seen in the area.

Case Study - Paul



(Reported in the Mirror newspaper)

A VICTIM of loan sharks has told how the vicious crooks kidnapped him and attacked him with a machete and baseball bat when he fell behind with his repayments. Hard-up Paul Whitehouse, 21, endured three hours of terror after being snatched at a bus stop.

Father and son thugs Lee and Christopher Walker - who charged an astounding APR of up to 117,000 per cent - threatened to slice off his ear, just like a scene from 1992 movie Reservoir Dogs. They had bundled their victim into a car, threatened to harm his mother and brother and repeatedly punched him in the face during a nightmare 90-minute ride.

Paul said: "Lee told me, 'I'll blow your kneecaps off'. I thought I was going to die." The racketeers hunted down Paul when he lost his job and failed to keep up £50-a-week payments on a £1,000 loan. The debt rapidly soared to £3,000.

After his capture the pair took him to Lee Walker's home in Glebe Farm, Birmingham. "Lee went upstairs and came down with a machete about 18 inches long," said Paul. "Then Chris came in with a baseball bat. He said, 'Do you know what this is for?' I said, 'Battering people' and Lee said, 'Wrong. Breaking kneecaps'."

Chris Walker, 19, swung at Paul's left knee before ordering him to spread his hands on the table.

Lee Walker, 39, then thrust a butcher's knife at Paul's fingers, stopping just short of stabbing him. Paul said: "Chris got the baseball bat and whacked it on my knuckles. He punched me in the face and the blood dripped on to the tablecloth. "Lee got the machete and with the tip scratched it under my left eye, making it bleed. I was terrified for my life." Chris then put a Stanley knife to his ear. Paul added: "He said, 'Shall we chop his ear off?' Lee said, 'We should chop it off as a warning'."

Paul told in a statement to Birmingham Crown Court how the torture ended when he was freed with a warning that he would "vanish" if he didn't pay £500 a month.

The callous pair face sentence this month for kidnap and assault. Lee Walker will also be dealt with for wounding, blackmail, money lending and counterfeiting. The two preyed on 50 other debtors and forced some of them to sell fake goods in markets.

Experts revealed that anyone borrowing £1,000 from the crooks at their top 117,000 per cent APR would end up paying back an astonishing £4,850 in four weeks to clear the debt.



You can help stop loan sharks and the impact they have on young people and their communities. Firstly, through the prevention work discussed in this chapter. Secondly, you can report any information, suspicions, or concerns you may have confidentially and anonymously to the Illegal Money Lending Team in your country.

You must follow your safeguarding policies and procedures. Based on the situation and information you are provided with, you may need to make an immediate call to the police and local safeguarding team if you feel a young person or vulnerable adult is at risk. You must ALSO pass the same information onto the Illegal Money Lending Team. You can contact the IMLT in the following ways:

England

TO REPORT A LOAN SHARK
TELEPHONE 0300 555 2222

You can now report a loan shark online at :
www.stoploansharks.co.uk
Twitter: @LoanSharkNews
Facebook: www.facebook.com/stoploansharksproject

Wales

24hr Hotline: 0300 123 3311
Text LOAN SHARK and the lender's details to 60003
Email: imlu@cardiff.gov.uk
Facebook: Stop Loan Sharks Wales

Scotland

Tel: 0800 074 0878
Web: www.tsscot.co.uk

14. Further information and resources

There is a lot of information and guidance available online, so much so that it can sometimes be overwhelming. So your support and encouragement for your people in looking at what is available can make a big difference.

The following websites provide some useful information and guidance, as well as video clips and interactive tools for managing money.

You can help young people find what is most helpful to them by:

- Familiarising yourself with the websites and how to get easily to the areas that might be of most interest to your young people
- Discussing with them what sort of information or guidance they want to find e.g this could be preparing for a change in their lives such as leaving home or starting work or could be on a specific topic such as borrowing money, managing debt or choosing and opening a bank account
- Exploring the sites with them, encouraging them to have a go and recognising that it can sometimes be a little frustrating and it's important not to give up
- Looking up answers to specific questions such as whether bailiffs have the right to enter your home

www.moneyadvice.service.org.uk

The Money Advice Service website gives information on all aspects of money and also has video clips and interactive tools such as a money health check, a budget planner and a loan calculator.

www.adviceguide.org.uk

The Citizens Advice's public information site gives information on a wide range of areas including debt, credit, benefits, work, housing, discrimination and consumer rights and you can also download fact sheets on these topics. It gives additional information on topics that are particularly relevant at the time such as payday loans and online games.

You can also find out details of your local Citizens Advice Bureau and their opening hours if you want to get some face-to-face or telephone advice.

www.youngscot.org/info/money

Young Scott has lots of useful information about money, budgeting, credit and debt aimed at young people.

www.moneysavingexpert.com provides money saving tips and information on best deals.

www.themoneycharity.org.uk

The Money Charity provides education, information and advice on money matters in an appropriate way for young people and adults. It provides online tools, provides direct delivery of financial education workshops to young people and produces the Student Money Manual each year, which contains essential information on Student Finance and managing your finances as a student.

www.youthmoney.org.uk

Youth Money is an independent, non-commercial charity with news and ideas for experiential learning about money. Maintained by journalist and writer PJ White, it is individual, sometimes quirky, but based on sound principles and usually thought provoking.

www.moneymatterstome.com has easy to use information and interactive workshops including an online banking simulator.

www.pfeg.org/resources pfeg (Personal Finance Education Group) hosts a range of resources that support the delivery of financial education to young people aged between 4 and 19 years old, including SEN and Looked After Children. Pfeg provides free, practical advice for anyone involved in teaching young people about money. To access the Advisory Service email support@pfeg.org or call 0300 6660 127.

www.barclaysmoneyskills.com/Information/Resource-Centre/Young-people.aspx has interactive activities and games on money management topics for delivery to young people aged 16-25.

www.cablink.org.uk/money_advice_service_helping_young_people_with_learning_difficulties_to_understand_money has a range of activities for helping young people with learning difficulties to understand money.

www.turn2us.org.uk has information on accessing benefits and grants, including a benefits calculator.

www.nationaldebtline.co.uk gives free advice via their website or by telephone on 0808 808 4000.

www.toynbeehall.org.uk

Toynbee Hall offer services to help a wide range of people, providing free advice, helping people make their money go further and improving people's health and wellbeing.

Further training for youth practitioners

Developing Youth Practice, who developed this toolkit, are continuing to deliver the Young People and Money Training which this toolkit has been based on. This training is for at all those wanting to help young people manage their money better, with an emphasis on the more vulnerable groups. The day is full of practical activities and tips to engage young people around money matters and is delivered by experienced youth workers. This training is also available as a Level 2 Accredited option with The Open College Network. We also offer consultancy and bespoke train the trainer packages to organisations looking to embed financial capability into their wider practice.

Please get in touch for more details:
www.developingyouthpractice.co.uk

The Money for Life Programme also offers further training:

<https://www.moneyforlifeprogramme.org.uk/get-involved/money-mentors/> or

<https://www.moneyforlifeprogramme.org.uk/get-involved/teach-me/> or

<https://www.moneyforlifeprogramme.org.uk/get-involved/teach-others/>

Opportunities to look at information and resources with young people

Situation 1

You are having a discussion with your young person about the possibility of staying on in education. They are worried about having no money if they do this. You suggest checking out what costs might be involved and also what sources of income there might be to support them.
www.moneyadvice.org.uk/en/categories/staying-on-in-education

The Money Charity's Student Money Manual is the essential guide to student finance and managing money at university. It is aimed at prospective university students. It can be downloaded:
<http://themoneycharity.org.uk/student-moneymanual/>

Situation 2

You are working with a group of young people and want to get some discussion going about money. You show them the video clips of young people talking about money to prompt some discussion i.e do they agree/disagree with what's been said, what's their point of view?
www.moneyadvice.org.uk/en/categories/teenage-voices-on-first-financial-decisions

Situation 3

A group of young people are talking about looking for jobs and are mainly focussing on how great (or not) it will be to have a job. You agree that it is a big step and checking out the money side of things can help make it successful. Suggest looking at some information on this online.
www.moneyadvice.org.uk/en/categories/moving-into-work

www.turn2us.org.uk/benefits_search.aspx

Situation 4

You are working with a young person to prepare them for leaving foster care and moving into their own home. You suggest that it might be useful to look at all the things that they may need to think about well in advance so that they can make sure everything goes well.
www.moneyadvice.org.uk/en/categories/independent-living

Situation 5

You are working with a young person who has just bought a new mobile phone which they were able to get by getting a loan from a local payday lender on their high street. They know what their weekly repayments are but not how much it will cost in total. You suggest using an online calculator to work this out.
www.moneyadvice.org.uk/en/tools/loan-calculator

Situation 6

A group of young people are talking about the things they want to do and get such as a new mobile phone, a holiday with friends etc and how they can get the money for these things. One of them mentions the adverts they've heard for Wonga. You remind them that Wonga, like most money lenders, charge for borrowing from them and suggest that you have a look at some of the different ways they can borrow money and compare how much these might cost.
www.moneyadvice.org.uk/en/articles/borrowing-and-credit-basics

Situation 7

You are working with a young person who has just got a job and has been told that he needs to have a bank account for his wages to be paid in. He asks for your advice on what bank he should go to. You suggest that you start by looking up some information on the different types of bank account that are available so that he can decide which one would be best.

www.moneyadvice.org.uk/en/categories/choosing-the-right-account

You can watch a video on choosing a bank account www.moneyadvice.org.uk/en/videos/how-to-choose-a-bank-account

You can also try out online banking using an interactive tool www.moneymatterstome.com/1-What-money-is-and-money-exchange/Sub1/BANKING-OnlineBankingSimulator.htm

Situation 8

A group of young people are arguing about whether phone in competitions are a rip off. You say that there a number of ways in which people can be ripped off, including things like identity fraud and suggest that you have a look at some information on this.
www.moneyadvice.org.uk/en/articles/beginners-guide-to-scams

Situation 9

For the third time in the last month a young person you are working with has run out of money before his next benefit payment and is asking you for help. You sort them out on the condition that you spend some time looking at ways to stop this happening all the time. You suggest looking online for some tips on how to manage on a low income:
www.moneyadvice.org.uk/en/categories/low-income-survival-tips

Or using an online budget planner:
www.moneyadvice.org.uk/en/categories/budget-planner

You can also do a quick benefits check to see if your young person is getting everything they're entitled to:
www.turn2us.org.uk/benefits_search.aspx

Situation 10

A young person brings in a letter from their landlord saying that they are behind with their rent and if they don't do something about it the landlord will take them to court. They tell you that they are also behind with other bills. You suggest that you check online for some advice on this and to find out where they can go for some face-to-face advice if they need to.
www.adviceguide.org.uk/england/debt_e/debt_help_with_debt_e/how_to_sort_out_your_debts.htm

Situation 11

The issue of insurance has come up in a discussion you are having with a group of young people about bank accounts. Someone mentions that they have insurance included with their bank account but don't know why or what it's for. The discussion then moves on to insurance for mobile phone. You can explain that insurance is simply paying out money, on a regular basis, to help deal with particular problems that might happen in the future such as losing your phone (mobile phone insurance), unable to pay a loan because of illness or losing your job (Payment Protection Insurance a bank may offer or automatically include with certain types of account), being in a car accident (remember it's a criminal offence not to have at least 3rd party car insurance if you drive a car), having to cancel a holiday or being ill on holiday (holiday and/or health insurance). Stress that the important thing is to decide what, if any, insurance might be important for you and then find the best deal.

There is information on mobile phone insurance at www.moneyadvice.org.uk/en/articles/paying-for-and-protecting-your-phone

And information on best deals for all sorts of insurance cover at www.moneysavingexpert.com

When and how to refer young people for specialist advice and support

When it comes to information about benefits, debt and consumer rights (and many other areas) it's important to be aware that information can change very quickly. What you know one day can easily be out-of-date the next, so it's important that you always check information that you give young people from an up-to-date and reliable source such as the websites that have been previously mentioned.

It is also important to refer young people for specialist advice and support when needed as some matters, such as benefit entitlement and consumer rights will require specialist advice and many problems, such as debts, can become much more serious if action is not taken quickly.

For free benefits, debt, consumer and other advice, face-to-face or on the telephone, you can contact your local Citizens advice Bureau, details of which you can find on www.citizensadvice.org.uk

For free debt advice you can contact National Debtline on 0808 808 4000.

You should also check out what other free advice services are available in your local area including those specifically for young people – see www.thesite.org/community/localadvicefinder

Accredited learning

For some young people having their learning accredited can support others goals and aspirations. There are a number of options available, two we have found to work well are:

UK Youth - Youth Achievement Awards
www.ukyouth.org/accredited-learning/youth-achievement-awards#.Uxn4sk3iu00

Whilst the Youth Achievement Awards can be used to recognise learning in a wide range of situations, UK Youth have produced a resource to help you deliver and accredit financial awareness activities with young people. This resource can be purchased (cost: £15 plus p&p) by contacting UK Youth on publications@ukyouth.org or by visiting: www.lulu.com/shop/andrew-cummings-and-mark-reader-and-terry-fiehn/money-aware/paperback/product-13038274.html

ASDAN finance accredited learning
For more details see:
www.asdan.org.uk/Personal_Finance

Other resources

Trainer's manual written by UK Youth and based on the original Young People and Money Training programme. This has lots more activity ideas and resources.

Trainer's manual written by UK Youth designed to enable you to deliver a one day training programme to young people around financial issues (cost: £11 plus p&p). This has lots more activity ideas and resources.

www.lulu.com/shop/andrew-cummings/trainers-manual-young-people-and-money/paperback/product-11050395.html

15. What's next? - embedding in practice

Evaluation of the Young People and Money Programme demonstrated the importance of not only training practitioners but ensuring they had ongoing support and the resources necessary to implement what they had learned. In order to do this it was essential that financial capability was embedded in the policies, procedures and practice of organisations.

Case Study – Centrepoin

Centrepoin works with homeless young people providing supported housing. They have embedded financial capability into their work, assessing young people's ability to manage their money from the beginning and measuring their progress throughout. They have specialist workers supporting young people directly through access to courses and one-to-one support. The specialist workers also have responsibility for coordinating financial capability across the organisation, training and supporting the workforce.

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Young people on a regular basis or once a month have a key session where they set an action plan which helps them to look at how they are developing. Centrepoin records the distance travelled and are able to support the young people to understand where the areas of weakness are or their likely challenges, and intervene with one of the workshops or further specialist support.

Centrepoin has a number of Moneywise programmes currently available, supporting young people to become financially capable. Programmes include:

- The Moneywise Ambassador Programme, a peer-to-peer mentoring programme, which gives young people tangible examples of how they can become financially capable and in turn move on successfully
- Financially capable workshops delivered by external partners and staff covering areas such as dealing with debt, living on a budget, opening an bank account, saving and maximizing income
- Financial Advisors from the Money Advice Service and Toynbee Hall - available to all Centrepoin young people as and when required

Centrepoin believes that in order to embed financial capability it is always most effective when young people are involved with both the delivery and strategy.

Bigger projects - other ways to embed into practice

To help embed financial capability into more of your delivery look for other opportunities in amongst what you already do, and take opportunities to develop money management skills that can be used in personal day-to-day living.

Below are some examples of how other projects have done this:

Residential - For the residential, young people have been given the budget and had to plan the menu and meal accordingly. You could set this up as a Ready Steady Cook competition with different groups having the same budget for different nights of the week. This idea can be extended to more of the trip - the accommodation, travel and activities. The incentive here can be by saving in one area they have more to spend in another area or for next time.

Social enterprises - one youth project set up a programme called 'learn to earn'. Young people were given a set up budget and they could choose how they turned this into more money. One group set up a market stall selling hats and gloves, another group made commissioned hanging baskets, another called 'funky fancy furniture' did up old furniture. The incentive here is to make a profit to invest back into future projects and activities See the Keyfund Kerching case study below.

Bike projects - The charity 'Life Cycle' run bike workshops in prisons where second hand bikes are reconditioned and sold on for a profit that goes back into running the workshop. Young people also learn bike maintenance skills which in the future can help them make ends meet by using bikes as a means of transport.

Independent living - a youth project gains access to rundown properties through the housing department at the council. The project works on a budget to do the place up, and also encourages young people to think about all the day-to-day living costs in a place of your own.

Beeping babies - as part of sexual health programmes many projects use the beeping babies to get young people to think about what it would be like to have a baby. Part of this is also to consider how expenditure would change if they had a baby, and what it would cost.

More ideas for creative projects which link to financial capability can be found on the Money for Life Challenge website:

<https://www.moneyforlifechallenge.org.uk>

Case Study: Keyfund Kerching

In the UK money education is more widely available than ever yet the average 18-21 year old owes £8,195 in unsecured debts and 37% of people in the UK who are in debt are under 30 years old. The charity Keyfund believes debt is perpetuated by unhealthy relationships with money.

The Kerching programme exists to help young people, youth practitioners, parents and communities make better use of financial information, bringing about the attitudinal change, increased self-awareness, transferable skill sets and enhanced emotional intelligence needed to achieve consistently sound financial decision making.

Cupcake businesses, jewellery making, tie dye t-shirts and coffee mornings are just some of the business ideas and social enterprises that young people conjure up to practically develop what they learn across the "Money and Me" training programme. Kerching can be embedded across any organisation to improve the relationship young people have with money. By recognising personal values, linking them to money management skills and internalising those skills for the long-term Kerching can help young people avoid the debt trap.

“ I personally really enjoyed the experience; it has helped me to have a new look on creating a business and I have earned experience throughout. ”

Max,
young Kerching participant

“ Kerching was a good opportunity for young people of our age to get to know more about budgeting and the importance of planning to achieve goals. ”

Emma, Callum, Connor,
young Kerching participant

“ My favourite part of the whole project was the money and me part as it told me how to manage my money properly and learn to work with others even if you didn't want to. ”

Sophie,
young Kerching participant

“ I have enjoyed working with the different groups of young people and supporting them through the Kerching process. It has been a fast process to complete with visible results. ”

Gillian,
Kerching facilitator

“ I think that the whole Kerching challenge was very good because it allowed the young people to use their imagination and also improve their self-esteem, raise aspirations and get them to understand the importance of budgeting and proper planning ”

Andy,
Kerching facilitator

More details: www.keyfund.org.uk

16. Bibliography

A full version of this literature review is available at www.developingyouthpractice.co.uk.

This literature review has informed the toolkit; evidence based research into what works has underpinned the methods and activities throughout the toolkit. We have included the key literature reviewed and links to where you can find out more.

Literature overview

1. Introducing financial capability skills: A pilot study with Fairbridge West, Bristol
2. International evidence
3. Behaviour Change
4. Recent UK initiatives and research
5. EU and UK Youth Work Strategies
6. Vulnerable Consumers
7. OECD surveys and conferences
8. Workplace learning
9. Further links

1. 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, July, 2005
www.pfrc.bris.ac.uk/Reports/introducing_financial.pdf

2. International evidence

An Introduction to Child and Youth Finance Education: Developing Quality Financial, Social and Livelihoods Education for Children and Youth Child and Youth Finance International 2012 Jerro Billimoria
http://childfinanceinternational.org/index.php?option=com_mtree&task=att_download&link_id=376&cf_id=200

Financial Knowledge and Behaviour Survey June 2013

Massey University's New Zealand Centre for Personal Financial Education
www.cflri.org.nz/financial-literacy/current-projects/research-projects#s6

Research projects

Internationally, a large relatively new player is the Child and Youth Finance Initiative:
<http://childfinanceinternational.org>
J. Billimoria et al. OECD framework 2012 (UNICEF framework). Relevance for the project is level 4 for 15+ years.
http://childfinanceinternational.org/index.php?option=com_mtree&task=att_download&link_id=376&cf_id=200

3. Behaviour Change

Financial Literacy and Behavioural Change, Australian Securities and Investment Commission, March 2011
[www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep230-financial-literacy-and-behavioural-change.pdf/\\$file/rep230-financial-literacy-and-behavioural-change.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep230-financial-literacy-and-behavioural-change.pdf/$file/rep230-financial-literacy-and-behavioural-change.pdf)

Behavioural economics

(Source: de Meza, D, Irlenbusch, B and Reyniers, D, 'Financial Capability: a behavioural economics perspective', consumer research 69, FSA 2008)

Nudges

(Source: Thaler, RH and Sunstein, CR, 'Nudge: improving decisions about health, wealth and happiness', Yale University Press, New Haven 2008)

MINDSPACE

(Source: Elliott, A.; Dolan, P; Vlaev, I, Adnaenssens, C and Metcalfe, R, 'Transforming Financial Behaviour: developing interventions that build financial capability', CFEB Consumer Research Report 01, Consumer Finance Education Body 2010)

4. Recent UK Initiatives and Research Money Advice Service

Money Lives: Research for the Money Advice Service (March 2014)

A pioneering research on the ways that people manage their money. 72 families over a period of nine months were followed to understand their attitudes and motivations towards money management and the key factors that influence their ability to make the most of their finances.
<https://www.moneyadviceservice.org.uk/en/static/money-lives>

The Financial Capability of 15-17 year olds: Money Advice Service 2013

This report helps us to understand attitudes about money matters and financial behaviours among young people aged 15-17. It will inform our approach on helping them make the most of their money.
<https://www.moneyadviceservice.org.uk/en/static/the-financial-capability-of-15-17-year-olds>

Impact Review of Financial Education for Young People 2012

https://www.moneyadviceservice.org.uk/.../research_jun12_impactreview

Habit Formation and Learning in Young Children

Whitebread, David; Bingham, Sue; Money Advice Service and Cambridge University 2013
<https://www.moneyadviceservice.org.uk/en/static/habit-formation-and-learning-in-young-children>

Indebted lives: the complexities of life in debt

A major study on the over-indebted population in the UK by the Money Advice Service, which reveals what people living in debt need from advice services.
<https://www.moneyadviceservice.org.uk/en/static/indebted-lives-the-complexities-of-life-in-debt>

All-Party Parliamentary Group on Financial Education for Young People

www.pfeg.org/sites/default/files/Doc_downloads/APPG/Financial%20Education%20for%20Vulnerable%20Young%20People.pdf

Barclays Money Skills for Disadvantaged Young People Independent Impact Assessment August 2013

www.improvingfinancialconfidence.org/wp-content/uploads/2013/08/Barclays-Money-Skills-for-disadvantaged-young-people-11.pdf

5. EU and UK Youth Strategies

EU

Youth Strategy (2010-18) report An EU Strategy for Youth – investing and empowering
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0200:FIN:EN:PDF>

The future of the Council of Europe youth policy: Agenda 2020

www.coe.int/t/dg4/youth/Source/IG_Coop/Min_Conferences/2008_Kyiv_CEMRY_Declaration_en.pdf

England

Positive for Youth December 2011
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210383/Positive-for-Youth-progress-update.pdf

Outcomes Framework for Young People Services

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/175476/Framework_of_Outcomes_for_Young_People.pdf

The Youth Work National Occupational Standards (2012)

www.nya.org.uk/workforce-and-training/national-occupational-standards-in-youth-work

Scotland

Our Ambitions for Improving the Life Chances of young people in Scotland
Draft national youth strategy 2014-19
www.youthlinkscotland.org/webs/245/documents/YouthStrategyamended%20121213Final.pdf

National Practice Model

www.scotland.gov.uk/Resource/0040/00408987-500.jpg

More Choices More Chances

www.scotland.gov.uk/Publications/2006/06/13100205/0

Getting it Right for Every Child

www.scotland.gov.uk/Topics/People/Young-People/gettingitright/publications/practice-guide

Wales

Youth Work in Wales: Principles and Purposes (WLGA, 2013)
www.wlga.gov.uk/publications-and-consultation-responses-III/youth-work-in-wales-principles-and-purposes

Extending Entitlement: support for 11 to 25 year olds in Wales (Direction and Guidance, July 2002)

<http://wales.gov.uk/topics/childrenyoungpeople/participation/extendingentitlement1/youngpeopledirection?lang=en>

Youth Work in Wales: Principles and Purposes : Publications and Consultation Responses : Lifelong Learning, Leisure and Information : Topics : Welsh Local Government Association Welsh Government | Youth Engagement and Progression – a new Welsh Government framework for young people NEET

Youth Engagement and Progression Framework Implementation Plan

For further information please email: YouthEngagementandProgression@wales.gsi.gov.uk

The National Youth Work Strategy for Wales 2014-2018

<http://wales.gov.uk/topics/educationandskills/skillsandtraining/national-youth-work-strategy-for-wales/?lang=en>

Seven Core Aims for Children and Young People

<http://wales.gov.uk/topics/childrenyoungpeople/rights/sevencoreaims/?lang=en>

<http://wales.gov.uk/docs/dcells/consultation/130618-consultation-document-en.pdf>

<http://wales.gov.uk/topics/childrenyoungpeople/publications/youthworkcurriculum/?lang=en>

<http://wales.gov.uk/topics/childrenyoungpeople/publications/cypplanning/?lang=en>

Priorities for Youth in Education
www.deni.gov.uk/index/support-and-development-2/youth-service/priorities-for-youth

Youth Work A Model for Effective Practice
www.deni.gov.uk/youth_work_-_a_model_for_effective_practice-5.pdf

Developing a partnership approach with consumer organisations and industry
Martin Coppack; Partnerships & Consumer Insight, FCA

MIND, 'Still in the red'
www.mind.org.uk/media/273468/still-in-the-red.pdf

Royal College of Psychiatrists, 'Debt and mental health' publications
www.rcpsych.ac.uk/workinpsychiatry/qualityimprovement/research/debtandmentalhealth.aspx

Final Demand – debt and mental health – what people want health and social care workers to know and do.
www.rcpsych.ac.uk/pdf/Final_Demand.pdf

The Vulnerable Consumer of Financial Services: Law, Policy and Regulation (Cartwright,2011)
www.nottingham.ac.uk/business/forum/documents/researchreports/paper78.pdf

Consumer Focus – tackling Consumer Vulnerability 2012
www.consumerfocus.org.uk/files/2012/12/Tackling-consumer-vulnerability.pdf

BSI White Paper – Tackling Consumer Vulnerabilities
www.bsigroup.co.uk/Documents/customer-service/BSI-Providing-fair-flexible-and-inclusive-services-a-business-perspective-EN-UK.pdf

Gender issues
www.oecd.org/education/48111145.pdf

www.oecd.org/finance/financial-education/financialeducationandwomen.htm

PISA
www.oecd.org/pisa

Recent OECD conferences – useful content
OECD and Financial Services Board of South Africa International Conference on Financial Education 2011

OECD-Spain Conference 11/5/2012

OECD/INFE/GFLEC Global Policy Research Symposium to advance financial literacy 31/10/13

Learning styles
The Chartered Institute of Personnel Development has looked in depth at the research into how people learn and the website contains a number of useful factsheets with the latest thinking on psychology and neuroscience related to learning.
www.cipd.co.uk/hr-resources/factsheets/helping-people-learn.aspx

These issues are considered in more detail in the factsheet on learning styles and learning psychology.
www.cipd.co.uk/hr-resources/factsheets/learning-styles-psychology-learning.aspx
(Coffield, F et al. (2004) Learning Styles and Pedagogy in Post 16 Learning: a systematic and critical review. Learning and Skills Research Centre. www.lsda.org.uk/files/1543.pdf

pfeg (Personal Finance Education Group) projects are evaluated, so provide some pointers as to what is effective:
www.pfeg.org/policy-campaigning/evidenceimpact-pfeg%E2%80%99s-work
www.youngscot.net/what-we-do/key-documents/young-scot-impact-report-20122013.aspx#

In the academic field, a couple of articles relating specifically to young people (but not particularly recent) are: Mandell & Klein (2009); Walstad et al (2010)

Know your customer and inclusion:
www.fatf-gafi.org/media/fatf/documents/reports/AML_CFT_Measures_and_Financial_Inclusion_2013.pdf

<http://cfi-blog.org/tag/know-your-customerrequirements/>

<http://documents.worldbank.org/curated/en/2013/10/18477405/global-findex-databasefinancial-inclusion-youth>

www.oecd-ilibrary.org/finance-andinvestment/promoting-financial-inclusionthrough-financial-education_5k3xz6m88smpen;jsessionid=42ddarmm81o4r.x-oecd-live-02

www.microcreditsummit.org/uploads/resource/document/cohenm_financial_literacy_39948.pdf

Trusted partners financial education and national strategies
www.oecd.org/daf/fin/financial-education/OECD_INFE_High_Level_Principles_National_Strategies_Financial_Education_APEC.pdf

www.oecd.org/finance/financialeducation/48493142.pdf

www.oecd.org/finance/financial-education/Codes_of_Conduct_Private_Non_Profit_Fin_Edu_Public_Consultation_2013_2014.pdf

Confidence
www.bristol.ac.uk/geography/research/pfrc/themes/fincap

Kids and parents
www.wijzeringeldzaken.nl/media/13197/correlations_financial_behaviour_children_parents.pdf

<http://annaluardi.blogspot.fr/>

The Impact of High School Financial Education: Experimental Evidence from Brazil
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2367083#

pfeg are leading on a collaboration called Take Charge and as part of this they have been carrying out a mapping across the UK of organisations who do work around young people and financial capability and enterprise. This is the link to their website:
<http://takechargeuk.org/> and there you will find a link to the state of the nation map.