

The penny is droppin

'Bank run', 'sub-prime', 'repossession', 'recession' – chilling terms, causing us all to scrutinise our bank accounts, try to pay off loans quickly, and save more. The UK's personal financial literacy levels need to rise more than a notch or two – particularly among young people. Parents can be involved in personal finance education, but the pitch needs to be right.

Paddy O'Dea reports.

Fran Bradshaw, Hertfordshire's Primary Adviser for Mathematics, found that teaching personal finance needs care and attention. She says because money is a sensitive issue for many people, it's important to pitch personal finance education at the right level: 'Make sure it's delivered by somebody the children and parents can relate to.'

Fran was responsible for running two of three family learning pilots funded by the Personal Finance Education Group (pfeg). Twelve parents and their children (aged 10 to 11) regularly attended the first pilot. In this one, Fran found the conversations between parents and children made the crucial difference. The parents were reticent at first, but after they'd relaxed a little, they began to share their experiences.

For example, around managing their children's expectations: 'One mother said she listed things her son asked for on her fridge, with the costs. If he still wanted these after three months, they'd negotiate. The boy's wish list eventually reached over £500, but surprisingly, he didn't want much of it anymore. Other parents tried this, and children later remarked: "That's right Miss. You don't want it the *next* week. You kind of wanted it *then*." And they seemed much keener on waiting, budgeting, and saving for things. Parents did some joint budgeting with their children, and one mother remarked: "I've got change in my purse for the first time, ever!"'

Saving: needs vs wants

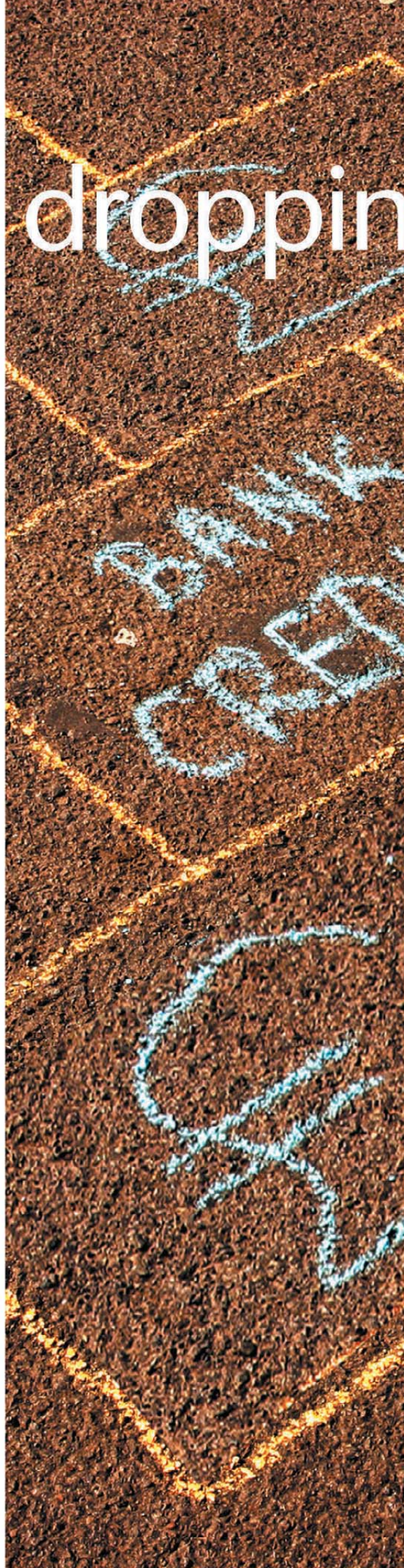
The second pilot group was more challenging. 'Parents didn't attend,' says Fran. 'It seemed to me to hinge on aspirations. Families attending the first pilot had low incomes but high aspirations; they really wanted to be there. The second group came from an area in which third generations of families receive welfare, and there seemed less aspiration. Some of what we did filtered back to parents – one turned up at the last session because their child had nagged them. But all of the children actually wanted their parents there; and their absence meant the activities had to be more child-centred, with no adults to give their side of the money story.'

Activities for both groups included opening fictional deposit accounts so children could see how interest accrued, allowing their savings to grow. Fran was careful to relate activities to their experience and abilities: 'If I started to talk about national insurance and tax brackets, eyes glazed.'

She also noticed the second group was very keen on earning money, but still lacked a grasp of some basic elements of personal finance. When they learnt about interest rates on loans, they were shocked – despite telling stories about their families hiding when loan sharks came knocking for overdue repayments.

The combination of a highly materialistic society and easily available credit can be a toxic blend and Fran struggled, as many parents do, to convey the idea of measuring desirability against what is affordable. The discussion came round to buying the latest brand of trainers, and whether this was realistic on a tight budget: 'The children would say: "Miss, you don't understand. We have to have them!" – adamant that designer trainers were a need, not a want... I'd drip-feed them ideas of saving and "waiting before buying", but whether they connected immediate gratification with debt, I've no idea.'

That she found it difficult to communicate this lesson emphasises Fran's key message: make sure information on personal finances is delivered by somebody the children can relate to: 'Probably, I wasn't the best person to run the pilot. Next time, I'll train teaching assistants, because they are often parents and live near these children, and the children trust them. I've asked a Bengali high-level teaching assistant (HLTA) and the school's maths subject leader to run the third pilot – it'll be easier for her to relate the material to Bengali parents and children.'



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Money dramas in Flintshire

Les Cooper, from Flintshire's Citizens Advice team, says: 'We must start encouraging people to achieve basic money management skills so they can avoid problems... young people want to learn about money but you have to be creative to harness this interest in a 14 year old, who traditionally borrows from mum or dad and forgets to pay it back – dangerous, if done in later life.'

The Flintshire Citizens Advice pilot, run by Les and his team, is bringing this message to life for young people, their families and communities, using drama.

Pupils at Flint High School and Ysgol Maes Garmon wrote a play about specific aspects of debt; and a Welsh language play, written by Maes Garmon pupils, explores the effect of unemployment on a family, and is now part

of their GCSE coursework. In both projects, young people also help others in their communities to navigate through harrowing debt experiences. A young Barnardo's carer learnt about the true meaning of APR and dissuaded her grandmother from applying for a credit card with a particularly high APR. Other pupils have discouraged their parents from borrowing from loan sharks and instead persuaded them to open credit union accounts.

With support from Barnardo's Young Carers, the plays are being filmed – to be available, free, through local authority outlets, libraries, schools and community centres. There are also plans for pupils to cascade this learning to younger pupils – and hopefully, through the school gates, into homes.

Big spenders – or savvy savers?

MyBnk – texting script for My Bank, a name coined by young people – is an educational charity that runs a youth-led banking scheme for young people. MyBnk holds innovative assemblies and workshops in schools and colleges covering topics such as saving and enterprise. Students develop financial and enterprise skills through hands-on management of a real bank and financial advice service, using real money.

Lily Lapenna, MyBnk's founder and director says: 'People view money and financial services differently. For example, Tower Hamlets has large Bengali and Somali populations that are often involved in informal money lending schemes and don't always have access to ordinary banking services. At MyBnk, we think that as school pupils become more comfortable about money, saving, taking out small interest-free loans, their confidence will find its way into their families. Siblings want to join MyBnk activities now and parents are also positive – some use the information booklets we hand our young MyBnkers. And more teachers and LAs are asking us to work with parents.'

About the fun part, Lily says: 'Running a MyBnk is exciting for these young people. They're responsible for it all! And when they get the hang of saving, understand its

benefits and long-term nature, learn about short and long-term goals, we help them shop around for a real bank to suit their needs. They're becoming much more informed consumers of banking products.'

Bethnal Green Technology College, Tower Hamlets: Ten students opened savings accounts on the first MyBnk day; deposits ranged from 20 pence to £2.50. The bank has grown and students are building regular savings habits. The young MyBnkers are very committed to their mini-financial service.

College of North East London: Approaching personal finances through ethical banking fired students' imaginations at their MyBnk Savvy Saver Assembly. Some opposed tobacco investments, others animal testing. The final vote? No investment in arms, in businesses that employ child labour or in organisations that damage the environment.

MyBnk runs interactive workshops and projects in schools on money management, generating ideas, ethical banking and social enterprise. Schools can sign up now for 2008–09. In the meantime – the 'hotseats' at www.mybnk.org are a 'must see'. Email info@mybnk.org or call 020 702 0377 for more information.

The UK picture

England The FSA, which leads the National Strategy for Financial Capability, has moved personal finance education up the agenda – at an individual and government level. Steve Stillwell, Manager of the Learning Team in the Strategy and Partnership Department (Financial Capability), says: 'I'm optimistic. Yes, in England, personal finance education isn't statutory – but there have been great strides over the past eighteen months. Right now, the curriculum is where we think we can make the most impact. And, Ofsted expects that schools will address it.'

From September 2008, £11.5m will support English primary secondary schools to embed personal finance education into a curriculum strand at KS3 and 4 – called 'economic well-being and financial capability'.

Wales The Welsh Assembly government is developing financial literacy as a priority. From September, it will be taught within the PSE (7–19) and mathematics (7–16) frameworks. The Personal Finance Education Group (pfe) has managed a pilot in two areas in Wales since July 2005 using a CD-ROM called Delio â Dyled (Dealing with Debt) to help young people between 11 and 25 from a wide range of backgrounds learn about personal finance. It is designed for informal educational contexts such as after-school clubs. To find out more, contact pfe (see right).

Northern Ireland The Northern Ireland Council for Curriculum, Examinations and Assessment (CCEA) has two FSA-funded positions to promote financial literacy's place in the Revised Curriculum. It is linked to the high-level outcome – experiencing economic and environmental well-being. Visit www.rewardinglearning.org.uk.

Scotland The Scottish Centre for Financial Education supports Scottish teachers with seminars, conferences and resources. Visit www.ltsotland.org.uk/financialeducation.

pfe is equipping teachers in England and Wales with resources to help embed pfe into teaching. Visit www.pfe.org or call 020 7330 9470.

More useful material for you in the ETC online series at www.continyou.org.uk/etconline

- Financial education: top tips and resources.
- Cash cards or tins? Steve Stillwell (Financial Services Authority) answers questions about pfe, parents and the UK's future personal finance capability.
- Micro finance – an inspiration (Lily Lapenna of MyBnk).