

## APPG on Financial Education for Young People Inquiry

Become is the leading charity for children in care and young care leavers in England. We established the APPG for Looked After Children and Care Leavers in 1998 and have provided the secretariat ever since. We provide help, support and advice to children in care and young care leavers about all aspects of their lives, including financial matters and their rights and entitlements.

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### 1. What are the current challenges that young people in care face in accessing financial education?

Looked after children are more likely than their peers to miss out on parts of their education due to placement moves and other factors<sup>1</sup>. This will include any financial education delivered in school or college. There is also no guarantee they will receive this kind of support at home, whether from a foster carer or residential worker. The many professionals involved in the life of every looked after child have a lot of competing priorities and immediate challenges that do not always leave sufficient time for supporting young people they work with to develop the life skills they will need for living independently in the future.

A 2015 Action for Children survey found that:

- 67% of the most vulnerable young people tell us they never had, or do not remember having, any financial education in school.
- 59% would not go to the bank as they find them intimidating and, sometimes, quite unhelpful.
- 87% would not go to the Jobcentre for financial information or help. It was seen as a no-go area<sup>2</sup>.

As Secretariat for the APPG for Looked After Children and Care Leavers, we hosted an APPG debate in 2016 on the motion 'Children can't leave care until they've completed a money management course.'<sup>3</sup> Points raised during that meeting included:

- One in three care experienced young people were in debt and of those, 28% owed more than £5,000.
- A young person said they were given no warning before they left care that they would no longer receive their allowance. They said their social worker told them they now needed to sign on for benefits but gave no advice on how to do so.
- Several professionals were against the motion and said that care-experienced young people need more than a money management course because some are dealing with acute poverty. One professional added that some young people in care miss out on education so a money management course would have to be accessible in other ways, not just in school.

### 2. Are there specific stages/aspects of the transition to adult life during which young people in care are particularly vulnerable to financial harm?

Children in care and care leavers are both less likely to receive adequate financial education, and more likely to need exactly that kind of support. Young people generally leave care at a younger age than many of their

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<sup>1</sup> Children's Commissioner, 2018 <https://www.childrenscommissioner.gov.uk/wp-content/uploads/2018/05/Childrens-Commissioners-2018-Stability-Index-Overview.pdf>

<sup>2</sup> Action for Children, 2015 <https://www.actionforchildren.org.uk/media/4247/gettingafairdeal2015.pdf>

<sup>3</sup> Become, 2016 <https://becomecharity.org.uk/media/1090/appg-summary-april-2016.pdf>

peers will stop living with their parents, and have to learn how to manage a household with limited money and support. Care leavers are entitled to funding and grants to help them set up a home, but often these can arrive as lump sums without accompanying guidance, which can be challenging to manage. Without skills such as maintaining a budget and regularly paying bills, care leavers are at risk of hardship including debts to payday lenders, bailiffs, food insecurity and homelessness.

Although financial skills can help avoid pitfalls and mitigate financial difficulties, it is important to remember that there is no way to budget yourself out of not being able to make ends meet. More than anything it is crucial that care leavers are financially secure and that the local authority as a corporate parent is providing for the children and young people it is responsible for.

Children in care and care leavers do not have the luxury of learning from their mistakes – a single financial error can cause significant problems, and they don't always have the right support to get them back on their feet financially.

### **3. How can we improve the access of young people in care to financial education - what role can central and local government, schools and other organisations play?**

Life skills including financial education ought to be a key part of what Leaving Care teams offer to young people as they prepare to leave care, with specific goals and actions outlined on a pathway plan and a Personal Adviser in place to support each care leaver. However, in practice we hear far too often from children in care and care leavers who have been let down by the services that should be supporting them. Pathway plans can feel like a 'tick box exercise' with little relevance to the support the young person actually receives. A key part of each local authority's corporate parenting responsibility is ensuring that every young person in their care is sufficiently prepared and supported to flourish in independent living, but the reality is that this is massively variable between different authorities and different regions.

It's important that children in care and care leavers are given multiple opportunities to access financial information, education and support, enabling them to learn at their own pace and in a way that suits them. Schools, foster carers and children's services teams all have a role to play to make sure this information is consistently available. Other services and organisations including jobcentres and banks can also do more to offer this information in an accessible and supportive way.

Each local authority now has a duty to produce a Local Offer for care leavers, which ought to clearly advertise where young people can access help and information about managing their finances.

### **4. What challenges are there specifically amongst foster children? What support is given to foster parents in providing the right financial advice to the children in their care?**

Many of the issues faced by children in care in accessing financial support are likely to be shared by those in both foster care and residential care settings. It is perhaps more likely that children in foster care would benefit from informal learning opportunities in a family home setting, compared to children in a children's home.

### **5. What more can schools do to improve financial education among children in care? Specifically, can the role of the Designated Safeguarding Person in schools be expanded to ensure children in care receive access to financial education?**

Schools, particularly designated teachers and virtual school staff, should be particularly monitoring their looked after students' attendance at financial education lessons and other life skills learning opportunities, making sure to offer alternative sessions if a student hasn't been able to attend. The Virtual School can play a big role here in coordinating between local schools and the leaving care team to ensure joined up messaging and engagement with young people in this area.