

Money matters

As young people approach adulthood, it becomes increasingly important for them to have basic financial awareness and money management skills. These can make an important contribution both to the way they live their life day-to-day, and also the level of economic well-being they have over the longer term. Research shows that people who lack money management skills are more likely to be excluded from mainstream financial services. Now that most wages and benefits are paid straight into a bank account, everyone needs to have a basic level of awareness of the products on offer and how to use them effectively.

Many young people think about the immediate material benefits that money can bring, but you can encourage them to think more broadly about the role that money will play in their life, for example by highlighting its influence on some of the key decisions they are likely to make in the near future, for example:

- whether to stay in education or get a job and how an education maintenance grant might be able to help them
- whether to stay at home or live with friends – rent is the biggest outgoing for most people living on their own
- how to live on a small budget and still have enough to go out.

You will probably be able to give basic information about budgeting and saving. If you want to brush up your knowledge, see *Useful Resources* on page 99. Many of these resources are aimed at young people.

If someone in your group needs some more detailed advice around personal debt issues, it might help to put them in touch with a money adviser. Money advisers are usually based in places like the Citizens Advice Bureau or independent advice centres. Sometimes, money advisers are employed by local voluntary organisations or local authorities. Alternatively, you could recommend that the young person contacts one of the free, confidential helplines listed in *Useful Resources*.

If you want to do more work on the financial support available to young people between the ages of 16 and 18, in the context of further education, training or benefits, you may find *Worksheet 20: Financial support for young people* a useful starting point, either for your reference or as a handout for the young people you are working with.

Learning outcomes

Young people will improve their money management skills, in particular, budgeting and saving.

You will need

- paper and pens
- *Worksheet 20: Financial support for young people*.

Suggested icebreakers:

True or false?

What's in my pocket?

(See page 21)



Activity 27:
Spend or save?

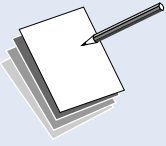
1. Divide young people into small groups of three or four.
2. Tell the groups to imagine that they will receive, as a group, £10 a week for the next six weeks to spend as they choose. Ask each group to decide:
 - how they would spend the money on a weekly basis
 - how they would spend the money if they were to save it up until the end of the six weeks.
3. Invite each group to feed back their decisions to the whole group. Discuss how they made their decisions, the feelings involved and the choices made, for example, did they divide the money up or spend it as a group?
4. Back in small groups, ask each group to decide how they would save the money if they had to save it up over the six-week period. For example, would they keep it in a bank or building society? Invite feedback.
5. To explore the issue of trust in relation to money ask them to consider for themselves how they would feel if:
 - they borrowed money from a friend but could not afford to pay it back
 - they lent money to a friend who was then unable to pay it back.

Reflection

What skills and knowledge are necessary to effectively manage money?

How does money affect your self-esteem?

Why is it important to be able to manage your money?



Worksheet 20: Financial support for young people

There is a range of financial support available after Year 11. All 16- to 18-year-olds are entitled to a free place at a sixth form or further education college. The type of financial support available depends on your situation. It could include:

- Education Maintenance Allowance
- Learner Support Fund
- Child Benefit (paid to your parents)
- Care to Learn (if you are a student and parent).

Alternatively, you could do work-based training, either through an apprenticeship or through Entry to Employment (e2e). An apprenticeship will pay you a wage. An e2e training scheme pays a training allowance of £40 a week.

There are also some benefits you might be entitled to, depending on your situation, particularly if you are not in training or work. The main ones are:

- Jobseeker's Allowance (JSA)
- Income Support.

Education Maintenance Allowance (EMA)

What is it? EMA is a weekly payment of £10, £20 or £30 a week depending on your household income. It can help with the day-to-day costs of staying on at school or college. You could also get bonuses of up to £500 over two years, depending on whether you stick with the course and the progress you make.

Who can get it? You can get an EMA if your parents' or carers' income is not more than £30,000 a year. The amount you get will depend on their earnings. Your course needs to be for at least 12 hours a week.

How do I claim it? You need to fill in an application form. To get a form, call the EMA helpline free on 080 810 16 2 19.

Care to Learn

What is it? An allowance to help young parents pay for child care while they carry on in learning.

Who can claim it? Young parents aged between 16 and 19 in education who use and pay for registered child care.

How do I claim it? For more details ring the Care To Learn helpline on 0845 600 2809 or go to: www.dfes.gov.uk/caretolearn

Child Benefit

What is it? Benefit paid to people bringing up children.

Worksheet 20: Financial support for young people- continued

Who can claim it? If you are studying full-time, under 19 and live with your parents, or someone acting as your parents, they can claim Child Benefit for you. If they get other benefits like Income support or Jobseeker's Allowance (see below), they can also claim an allowance for you.

How do I claim it? Your parents/carers will already be collecting it. Let them know that they can carry on claiming it while you are studying.

Income Support

What is it? Benefit for people aged 16 or over who are on a low income and who are not required to be available for work.

Who can claim it? You can claim income support if you are working on average for less than 16 hours a week, or not working at all. If you live with a partner, they must be working for less than 24 hours a week, on average. Income support is not usually paid to full-time students – though some, for instance lone parents or people with disabilities, might qualify.

How do I claim it? To claim Income Support you need to get a form from your local Jobcentre Plus or social security office.

Jobseeker's Allowance (JSA)

What is it? JSA is a benefit for unemployed people who are fit to work and actively looking for work.

Who can claim it? It is normally for people aged 18 or over. Sometimes 16- and 17-year-olds can claim it in special circumstances, for example:

- if you have been forced to live away from your parents or carer
- if you are a member of a couple with children
- if you have just left care or custody and you live away from home for a 'good reason'.

Can I still claim benefit if I don't fit into any of the circumstances above? You may be able to get JSA if you are suffering 'severe hardship', for example because you can no longer live at home and have little or no money, or live at home but your family cannot support you. When you apply for a severe hardship payment you will have an interview with an advisor at the Jobcentre. You should mention if you have any health problems, difficulties at home, or whether you will become homeless if you don't receive a payment. Claim in the same way as for ordinary JSA but make sure you tell people you are claiming under the severe hardship rules. Don't be put off – if you are in severe hardship, you have a right to a claim.

How do I claim it? You need to register with Connexions for training and work and they will complete the paperwork with you. Take the form to the Jobcentre and they will draw up a Jobseeker's Agreement with you. You can look for training as well as for work.

Worksheet 20: Financial support for young people- continued

Learner Support Fund

What is it? A fund for students in financial difficulties, to help with things like accommodation, travel or support services.

Who can claim it? Students over 16 in further education or sixth form. You can claim it if you're receiving other funding, such as an EMA (see above), but it's intended for special needs and circumstances not covered by other grants.

How do I claim it? For more information speak to your school, college or local authority. You can find your local authority's details at: www.dfes.gov.uk/leagateway

What other allowances or benefits might I be able to claim?

Bridging Allowance: This pays a fixed daily rate to help you meet expenses (for example travel to interviews) while you are looking for a training place. For more information contact your local Jobcentre Plus office.

Housing Benefit: You can apply if you have to pay rent and are on a low income. You don't have to be claiming Income Support or JSA. Your local council will have more details.

Help with health costs: This includes free prescriptions and dental treatment. You can claim it if you or your partner are getting Income Support or income-based JSA.

Social Fund Crisis Loan: If you are in severe hardship you can apply for an interest-free loan from the Social Fund. You have to pay it back. To find out more, contact your local Jobcentre Plus or social security office.

Sure Start Maternity Grant: Up to £500 if you are expecting a baby and on a low income. You will also be entitled to Child Benefit and may be able to claim Income Support.

What if I have recently been in care?

There are new laws in place to make sure that social services provide care leavers with the support they need, both personally and financially. This means care leavers are no longer able to claim Income Support, JSA or Housing Benefit. Speak to your personal adviser or key worker about your financial situation and record it in your Pathway Plan.

Further information

For information and advice try Connexions Direct: www.connexions-direct.com

For information on work-based training including apprenticeships: www.apprenticeships.org.uk

For an overview of the financial support available: www.dfes.gov.uk/financialhelp

For an overview of benefits available: www.jobcentreplus.gov.uk