



Government plans for compulsory financial education at school will miss those most in need, says report

London, December 2009. Government plans to make financial education a compulsory part of Personal, Social and Health Education (PHSE) lessons in secondary schools will fail to help those most in need, says a report by MyBnk for the Aldridge Foundation.

The plans announced by Education Secretary of State Ed Balls will ensure that children leave school with an understanding of how to budget, deal with banks and make informed choices about saving and investing.

However, the report, 'Education Deficit', warns that vulnerable young people, including teenage parents, carers and those not in education, employment or training (NEET) will miss out on learning financial capability skills. The report highlights the impact this is already having on young people who say they often fear financial jargon and feel trapped by debt and limited life choices. It calls for a national strategy to target these excluded groups.

"These young people are in danger of completely disengaging themselves from the financial system rather than being taught how to manage their money. If you can't manage your money you can end up spiralling into debt and unable to make positive life choices," says Rod Aldridge, Chair of education charity the Aldridge Foundation.

"I welcome the Government's plans to include financial education in the National Curriculum but we also need a national strategy to reach the thousands of excluded young people who could turn their lives around if they learnt how to budget and save."

'Education Deficit' includes qualitative research conducted by MyBnk with 20 young people aged 12 -21 in Brighton and Hove and community organisations such as Connexions, CAB and a supported housing centre called StopOver One. It was designed to examine young people's relationship with money and their knowledge of financial services.

The young people interviewed said they weren't aware of the financial options available to them, didn't understand and were wary of banking jargon including the terms and conditions of different accounts. Some were unaware of where to go to for independent advice. In turn they found dealing with money stressful, were unable to save or budget with the small amount they received on benefits and were more likely to borrow money from family when they got into financial difficulties. Many felt let down that they hadn't been taught personal budgeting and finance skills at school.

“I didn’t know when I was at school what the cost of life would be,” said a teenage boy at Connexions centre. Dealing with money was ‘like walking on the highway, there’s a lot of distractions,’ said one girl.

A resident at the StopOver One supported housing centre expressed her sense of powerlessness saying: “My money falls through a black dark hole and I never see it. It’s a vicious circle.”

Older participants thought that if they’d been able to manage their personal finances earlier it would have encouraged them to pursue further education including university.

“If I had known earlier, I would have started saving when I was in year 9,” said one young person aged 13.

Lily Lapenna, founder of MyBnk says: “Equipping young people with vital money management skills could mean the difference between debt and financial exclusion or financial freedom, increased income and positive investment choices.”

The report highlights the disjointed nature of existing community based services and initiatives aimed at improving financial education. It recommends that coordination and communication be improved in order to improve young people’s access to appropriate education.

The Brighton and Hove area includes four of the country’s most economically deprived wards in which teenage pregnancy, youth homelessness and the number of young people not in education, employment or training (NEET) stands at 7%. In East Brighton, 27% of young people are classified as NEET. Despite the small sample size, the Aldridge Foundation and MyBnk believe that the findings also reflect the lives of young people in other disadvantaged communities.

ENDS

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INTERVIEWS are available with Rod Aldridge, Chair of the Aldridge Foundation, Lily Lapenna Founder and CEO of MyBnk and the young people who took part in the research.

NOTES TO EDITOR

The Aldridge Foundation was set up in 2006 by entrepreneur Rod Aldridge to open minds, challenge barriers and change life chances through entrepreneurship and education with a specific commitment to tackling educational under-achievement and social immobility among disadvantaged and excluded young people.

At its heart is a belief that by instilling an entrepreneurial attitude you can empower young people to improve their lives, inspire them to create innovative social and business enterprises, which in turn can stimulate community regeneration.

The Foundation sponsors two community academies in disadvantaged areas of Darwen, in Lancashire, and Falmer, near Brighton. It also funds innovative pilot projects that encourage entrepreneurship among excluded groups of people, such as those not in education, employment or training.

www.aldridgefoundation.com

MyBnk

MyBnk is an educational charity and was founded by a group of young people responding to a need to equip today's youth to avoid debt and financial exclusion, and to make enterprising choices about their lives. MyBnk inspires students to become 'savvy savers' and informed financial consumers with its innovative hands-on and fun approach.

MyBnk works with schools, colleges and youth organisations across London and the South East. So far MyBnk has reached 20,000 young people through its programmes. They have worked with a range of groups from primary and secondary school classes to Princes Trust Team Programme for academically disengaged young people, special needs students, NEET young people (Not in Employment, Education or Training) and teenage mums. MyBnk aims at working with 200 more schools and organisations over the next two years.

<http://www.mybnk.org>

Financial capability will become part of compulsory Personal, Social, Health and Economic education lessons at secondary school from September 2011. The aim is to give students the knowledge and skills needed to lead healthy and responsible lives as confident individuals and members of society.