

## Financial education 'prevents youth homelessness' - evaluation findings

*64% drop in eviction rates for 'at risk' young people*

**A pioneering 'simulated living' money skills programme has seen dramatic reductions in the number of vulnerable young people being evicted from UK social housing.**

Nearly a thousand 16-25 year olds, in care or sheltered housing, took part in a two year impact study of the charity MyBnk's '[The Money House](#)' project in traditionally deprived areas of London.

Findings from independent evaluators, ERS, found participants were now three times less likely to have unsustainable arrears. There was a 64% drop in evictions for those 'at risk' of losing their home.

In the midst of a housing and homelessness crisis, research tells us one in three care leavers currently lose their first home and it costs on average £7,056 to evict a tenant.

### Capability and exclusion

After MyBnk's expert-led intervention there was a:

- ⚡ 45% reduction in those incurring bank charges and missing bills.
- ⚡ 22% increase in those borrowing safely, and therefor avoiding loan sharks.
- ⚡ 27% increase in confidence managing money, which exceeds the national average for those who took part in the programme.

**£3.36**  
**Generated in**  
**social value**  
**for every £1**  
**spent**

There were also large reductions in instances of financial exclusion for those who were unbanked and had never saved or budgeted. 54% were now saving, 35% budgeting and 75% now had a current account and there was a 44% increase in those using online banking.

The homelessness prevention scheme is based in real flats in the Royal Borough of Greenwich, and London Borough of Newham. Over five days young people gain the skills, knowledge and confidence to live independently - learning how to manage their money, prioritise debts, avoid scams and navigate the banking and benefits system. Trainers use

'escape room' games, role play and activities mined from youth culture with diary room recordings to help bring money to life.

Now in its sixth year, funding has been extended to 2021 by the Berkeley Foundation and JPMorgan Chase Foundation. Five councils and various sheltered housing providers such as Shelter, Centrepont, the YMCA and De Paul have made it mandatory for any young person applying for housing.

Every £1 spent on the programme generated £3.36 in social value, according to the respected Housing Association Charitable Trust social value model.

### An investment in young people

The new Children and Social Work Act places a legal duty on local authorities to protect young care leavers' economic wellbeing and ensure access to financial information. In 2016 The Children's Society found that almost half of councils in England fail to offer these services.

ERS' findings strengthen the case for providing trained expert money guidance for vulnerable young people, which is backed by reports from the All Party Parliamentary Groups on Financial Education for Young People, and Ending Homelessness, and the Mayor of London.

The National Audit Office found problem debt is costing UK taxpayers £248m and wider society £900m per year. 18-24 year olds have average unsecured debts of £1,460 and are the UK's fastest growing group of debtors, according to the Financial Conduct Authority. They are also the most susceptible in society to fraud and scams, says the Policy Network.

The evaluation was part-funded by the Money Advice Service.

### Quotes

**Guy Rigden, CEO, MyBnk said:** *"Working with vulnerable young people at these transitional periods is crucial. That's when they are at the highest risk of making the poor financial decisions that can have lifelong consequences. Social and key workers are under immense time and resource pressures to meet the need.*

*These results, show investing in young people and the use of expert-led direct delivery of these specialist areas pays back for everyone."*

**Sarah Porretta, UK Financial Capability Director at Money Advice Service said:** *"There is a real lack of cost benefit analysis in financial education, including with young adults transitioning into independent living - but this report provides a fantastic contribution to the growing evidence base. The Money House is an excellent example of*

*providing vulnerable young people, such as those leaving care, with the skills and knowledge they need to manage their money and stay out of problem debt. By providing them with the awareness and confidence to seek advice, the programme has made strides in helping them with their transition to independent living. The findings from this programme will undoubtedly inform the practice and delivery of young people's financial education."*

**Keith Burge, Managing Director, ERS said:** *"Often in this job I have to tell organisations their interventions may not be getting the results they set out to achieve. That is not the case with The Money House. It is very gratifying to see such positive outcomes and the values generated by this project are testimony to the quality of the intervention which is clearly having a major impact on the lives of the young people concerned."*

**Sally Dickinson, Head of Berkeley Foundation said:** *"We are delighted with the results of this report, which demonstrate the significant impact The Money House is having on the lives of vulnerable young Londoners. This is a shining example of how the public, private and voluntary sectors can work together to help young people gain the skills and confidence to sustain their first homes, and I look forward to seeing the programme grow and develop over the coming years."*

### Case studies

- ⚡ Single mother, [Chanel, 19](#), shares how our youth homelessness prevention project helped her take control of her finances, and her future.
- ⚡ [Hawa, 20](#), is leaving the care system and about to move into her first home.
- ⚡ When [Tameera](#) turned 18 her dad stopped supporting her financially. Now 20, she has had to learn fast how to live on her own.

### Notes to editors

#### Data:

- ⚡ Report – [Executive Summary](#) - [Full report](#) – [Cost Benefit Analysis](#) - [Appendix](#)
- ⚡ Sample: 839 individuals.
- ⚡ Control group: 604.
- ⚡ National averages: Money Advice Service UK adult Financial Capability Survey, 2017.
- ⚡ HACT Social Value [model](#).
- ⚡ Eviction data - [Crisis](#).

#### 'Investment' Reports:

- ⚡ The Children's Society – [Cost of Being Care Free](#).
- ⚡ Mayor of London – [Short Changed](#).

# Press Release: The Money House

Money Advice Service Evaluation, Autumn 2018



- ⚡ APPG for Ending Homelessness – [Homelessness Prevention](#).
- ⚡ APPG on Financial Education for Young People – [Vulnerable Young People](#).

The Money House is funded by:

- ⚡ The Berkeley Foundation.
- ⚡ JP Morgan Chase Foundation.
- ⚡ Hyde Charitable Trust.

About MyBnk:

MyBnk is a charity that delivers expert-led financial education programmes to 7-25 year olds in UK schools and youth organisations.

Together with young people, they have created innovative, high impact and high energy workshops that bring money to life. MyBnk covers topics such as saving, budgeting, public finance, social enterprise and start-up entrepreneurship.

Alongside delivery, they also design projects and training programmes. Since 2007 they have helped over 220,000 young people learn how to manage their money in 1,300 schools and youth organisations.

About the Money Advice Service

The Money Advice Service is an independent organisation. It gives free, unbiased money guidance online at [moneyadvice.service.org.uk](http://moneyadvice.service.org.uk) or via free phone on 0800 138 7777. It also manages the delivery of Debt advice across the UK, which is provided through a variety of partners. The Service was set up by Government and is paid for by a statutory levy on the financial services industry, raised through the Financial Conduct Authority. Its statutory objectives are to enhance the understanding and knowledge of members of the public about financial matters (including the UK financial system); and to enhance the ability of members of the public to manage their own financial affairs.

About ERS:

Now in its 25<sup>th</sup> year of trading, ERS is a highly respected economic research consultancy, employing 18 people in offices in Bristol and Newcastle. The company undertakes a variety of economic and social research studies for government departments, non-departmental public bodies, local enterprise partnerships, local authorities, universities/colleges and a range of third sector organisations.

About the Berkeley Foundation:

The Berkeley Foundation was set up in 2011 by The Berkeley Group and became a registered charity in 2013. Since then it has committed £14.9 million to over 100 charities

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across London, the South of England and Birmingham. The Foundation focuses its work on helping young people overcome barriers, improve their lives and build a better society.

## About the JPMorgan Chase Foundation

The JPMorgan Chase Foundation's mission is to enable more people to contribute to and share in the rewards of a growing economy. We take a comprehensive approach to increasing economic opportunity, using our firm's global scale, talent and resources to make investments and create partnerships in three priority areas: Jobs & Skills, Small Business Expansion and Financial Health. In 2017, the firm and its Foundation invested in nonprofit organizations across the U.S. and in 40 countries around the world.

In addition, last year, 56,000 JPMorgan Chase employees provided 383,000 hours of volunteer service in the communities where they live and work.

**For more information or to visit a MyBnk session please contact [declan@mybnk.org](mailto:declan@mybnk.org) or call 020 3581 9920**