Kids clueless in cashless UK

CHILDREN are heading back to school - but they are not learning the vital lesson of how to manage their money.

Youngsters are less familiar with cash due to seeing their parents pay by card all the time, a study by University College London's Institute of Education has found.

It has left them struggling with basic tasks such as working out how much they should pay when at a shop checkout and how much change they should get.

Researcher Dr Jennie Golding, is "shocked" by the findings, and warns of a lack of financial knowledge which could add to Britain's growing debt crisis.

Significant problem

In one primary school, seven and eight-year-olds were using plastic cards to work out their shopping total and change due.

Half of the class had "significant difficulty", as they were unfamiliar with the use of coins, different combinations of values, or the notion of "change".

Her observations in a secondary school classroom found one of the teens was getting pocket money or working part-time.

If they went shopping, they were given money or their parents would pay - usually by card.

When the teacher showed one class of 11 and 12-year-olds a spreadsheet for her monthly budget, students showed no understanding of taxes or loans such as mortgages - describing them as " międzynarodala.

Dr Golding says: "There's already a generational divide with debt in this country. And those struggling with it will have been brought up handling money much more than youngsters today do."

The research is the problem will escalate and we will have more people not able to manage their money effectively and struggling with increased poverty as a result.

The same issues are continuing into later life.

A separate study by UCL Institute of Education and the University of Cambridge found one in three adults in England and Northern Ireland were "completely unable to estimate or work out the correct change when shopping". Britain in 10 in 10 struggle to understand when a simple discount is applied to an everyday product.

Professor John Berrin, also of the UCL Institute of Education, says: "The research highlighted how England is facing a crisis in terms of adults' financial literacy skills."

Aged 5-7

Understanding concept of money

At this stage it is about making the connection that the things we need and want cost money.

How to get these things, we need to earn money and save it, too.

Aged 8-11

Understanding value of money

Gift them to understand that money is precious and that is does not grow on trees. It is also about grasping the fact that different things cost different amounts of money, which is why prices are so important.

Aged 12-15

Understanding money management

Talking about:

- How much does it cost your parents to run your home?
- Talk about how much do people save a year?
- Talk about how much do people save a month?
- Talk about how much do people save a week?
- Talk about how much does it cost to buy a house?
- Talk about how much does it cost to buy a car?
- Talk about how much does it cost to buy a holiday?
- Talk about how much does it cost to buy a meal?
- Talk about how much does it cost to buy a drink?
- Talk about how much does it cost to buy a phone?
- Talk about how much does it cost to buy a computer?
- Talk about how much does it cost to buy a TV?
- Talk about how much does it cost to buy a DVD?
- Talk about how much does it cost to buy a book?
- Talk about how much does it cost to buy a CD?
- Talk about how much does it cost to buy a ticket?
- Talk about how much does it cost to buy a ticket to a show?
- Talk about how much does it cost to buy a ticket to a concert?
- Talk about how much does it cost to buy a ticket to a football match?
- Talk about how much does it cost to buy a ticket to a rugby match?
- Talk about how much does it cost to buy a ticket to a cricket match?
- Talk about how much does it cost to buy a ticket to a tennis match?
- Talk about how much does it cost to buy a ticket to a squash match?
- Talk about how much does it cost to buy a ticket to a badminton match?
- Talk about how much does it cost to buy a ticket to a netball match?
- Talk about how much does it cost to buy a ticket to a hockey match?
- Talk about how much does it cost to buy a ticket to a volleyball match?
- Talk about how much does it cost to buy a ticket to a cheerleading match?
- Talk about how much does it cost to buy a ticket to a gymnastics match?
- Talk about how much does it cost to buy a ticket to a figure skating match?
- Talk about how much does it cost to buy a ticket to a diving match?
- Talk about how much does it cost to buy a ticket to a synchronized swimming match?
- Talk about how much does it cost to buy a ticket to a stage show?
- Talk about how much does it cost to buy a ticket to a circus show?
- Talk about how much does it cost to buy a ticket to a pantomime show?
- Talk about how much does it cost to buy a ticket to a magic show?
- Talk about how much does it cost to buy a ticket to a mystery show?
- Talk about how much does it cost to buy a ticket to a comedy show?
- Talk about how much does it cost to buy a ticket to a music show?
- Talk about how much does it cost to buy a ticket to a ballet show?
- Talk about how much does it cost to buy a ticket to a dance show?
- Talk about how much does it cost to buy a ticket to a opera show?
- Talk about how much does it cost to buy a ticket to a theater show?
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