

## **UK Financial Capability Strategy – Children and Young People**

### **Consultation Response from Wrexham Anti-Poverty Delivery Group – October 2014**

#### **Consultation question 1: What time period should the Financial Capability Strategy cover?**

Minimum 5 year period with consideration to be given to a two stage approach – a medium term strategy for 5 years and a longer term for 10 years to start seeing real impact across a generational change. 5 years may be insufficient to see change in deep rooted social problems. The strategy should also continue beyond the life of a Parliamentary period. It is essential that regular/annual reviews are built in to ensure the strategy continues to take into consideration forthcoming changes in benefits, taxes, minimum wage, interest rates and any learning from the implementation of the strategy itself and whether or not activities/services delivered as a result of the strategy are having the desired impact.

#### **Consultation question 2: What is your view of the Financial Capability Framework?**

The framework is comprehensive and includes a number of influencing factors and individuals. The connection box should also contain a specific reference to education and the Ease and accessibility box needs to also include that any skills and knowledge need not only to be relevant but also that the delivery of these is 'engaging to children and young people' – relevant to their lives and CYP friendly. It is positive to note that the framework acknowledges that one of the negative influences is that for many families and individuals talking openly and honestly about money and in particular problems with money remains difficult to openly talk about. It is acknowledged that the priority actions to deliver on this framework are included in the later section of the strategy.

#### **Consultation question 3: How far do you agree with the objectives of the Financial Capability Strategy?**

It is unclear in the document what the objectives of the strategy are – we can easily identify the recommendations, priorities and recommended actions and would agree with all of these. It should also be acknowledged within the strategy and by Government that at a time or significantly reducing resources that the implementation of this strategy should be accompanied by the appropriate resources needed for it to be successful.

There needs to be reference to the specific elements of the strategy that would be covered by the devolved powers to Wales. Government within the document is always referring to Westminster when this is not the case for Wales—where does this document sit with WG Anti-Poverty Strategy.

#### **Consultation question 4: What is your view of the financially capable behaviour domains?**

The domains appear to be relevant and considered. One behaviour which may be crucial for some young people is in finding out for themselves and independently accessing information and advice about finance, benefits etc. We are not sure what this would be in terms of a 'behaviour domain' but feel that this may be excluded in the domains as it currently stands. It is assumed this strategy is written for professionals, potentially consideration could be given to the development of a more accessible and easy read version for CYP and their parents - in Wrexham for example 25% of adult populations have low literacy rates. Different language and culture also need to be taken into

account (generally CYP have limited control over financial matters). There does not appear to be a reference to the domains reflecting culture and how different cultures deal with finance – i.e. certain cultures would never give women any money.

**Consultation question 5: How important is it to measure financial wellbeing to help measure the impact of the Financial Capability Strategy?**

This is highly important, however it is acknowledged that this may be a challenge to measure effectively. A definition of financial wellbeing would be required and an impact evaluation tool developed – the tool would need to be usable universally with all services contributing to implementing the strategy to ensure effective measurement of outcomes and to identify areas where more work/different activities may be required to achieve the desired outcome.

It is not clear who would set the wellbeing levels – Government or independent – i.e. minimum wage vs living wage debate and minimum income standard. Consideration should be given to ensuring that the levels set are not politicised i.e. would a Government increase the threshold level at a time when there is a benefits freeze or reduction.

**Consultation question 6: What are your views on the priorities for action that have been identified as a focus for the Strategy? Should any additional areas be added?**

We agree with the priorities listed however it is felt that they also need to incorporate reference specifically to children living in poverty or in areas of deprivation and families living in challenging debt situations as target/priority groups. The priority is written in a manner that assumes that a C or YP actually has access to money. There is no reference in the general text about the role that Credit Unions can have in educational role.

**Consultation question 7: How far do you support the Strategy's aim for children and young people?**

We agree with the overall aim, in particular the reference to education as it is seen that Education is a key player in the implementation of the strategy, both in terms of educating children and young people and also in terms of engaging parents in the agenda. Schools should be incentivised as much as possible by Government to ensuring education on financial capability is part of the core curriculum. Discussion would need to take place between the UK and WG as education is a devolved power in Wales. Many parents will need support to do what is envisaged in the strategy, at home. If they struggle with money management and financial inclusion themselves, they may not be in a position to help their children. Support for parents is therefore needed to enable them to support their children.

**Consultation question 8: What is your view of the recommendations for action relating to children and young people? How could they be improved?**

Agree with all recommendations for action, however as mentioned earlier in this response it is felt that reference to target groups of CYP and Parents is necessary.

An additional action under priority two could be around those services who are providing financial support and advice who may not be currently reaching CYP to be engaged with by education services

to provide additional education and learning on the importance on managing money in a 'hands on' practical and fun way (ideally outside of the classroom environment and more in the real world!). Within the classroom in maths lessons for example real life financial situations should be used more. More detail could be added regarding what could be covered in secondary schools such as Bank accounts and credit cards, Loan sharks, Pay day loan companies, Credit rating websites, Insolvency and bankruptcy, benefits and local sources of financial support and guidance.

**ADDITIONAL GENERAL COMMENTS:**

- **References to Wales are quite limited and in some sections actions are defined as England only – pg 3 primary education no reference to strengthening what happens in Wales. No reference within the document to working with the Welsh Government and the role they have in a devolved administration for Education.**
- **There does not appear to be a reference within the document to the often large levels of debt that young people coming out of university will have. This has an immediate effect on how their financial position will be in later life and when they may have a family.**
- **As mentioned in the responses provided above, there needs to be financial assistance to support the delivery of this strategy at a time of reducing resources.**