# Promoting the financial wellbeing of children and young people: guidance for leaders of children and young people's services in Wales

Money & Pensions Service

# Contents

# Foreword
## Jane Hutt MS, Minister for Social Justice

Supporting the financial resilience of our children and young people is a key element of our activity to improve financial wellbeing in Wales.

I welcome the publication of this financial wellbeing guidance and the practitioner toolkit by the Money and Pensions Service. I would like to thank MaPS and the range of stakeholders that have worked collaboratively with them to produce the guides. These have included leaders of children and young people's services, practitioners who work with children and young people in vulnerable circumstances and organisations that represent the voices of children and young people.

These guides will support local authorities and practitioners to embed opportunities for talking and learning about money into the support they provide, helping children and young people to develop their money skills and habits and supporting them to access good quality money guidance when they need it.

Some young people are particularly at risk of having low levels of financial wellbeing and may need targeted financial education and guidance due to their circumstances, such as children in care and care leavers, young carers and young people at risk of homelessness.

Local authority services working with vulnerable children and young people on a day-to-day basis are particularly well-placed to help these young people develop the knowledge, skills and attitudes they need to make the most of their money now and for life ahead.

Many practitioners and Local Authorities are already delivering excellent financial wellbeing support to children and young people, around topics such as budgeting, saving, debt management, credit and pensions.

I very much hope the financial wellbeing guidance and practitioner toolkit will support them in their work to prepare children and young people for the financial challenges they may face and support their financial resilience into adulthood.

# Introduction

## Who is this guidance for?

- anyone leading services for children and young people in vulnerable circumstances, including Directors of Children's Services, Heads of Children's Services, and Executive Members for Social Services.
- managers of practitioners delivering services for children and young people in vulnerable circumstances, particularly Intensive Family Support Services (IFSS), CAHMS, Children's Social Services, Youth Services and Youth Offending/Justices Services.

This guidance is primarily for leaders and managers, but may also be useful for practitioners. The accompanying toolkit is for service providers and practitioners working in the community and directly with young people. It is designed to help them find opportunities to talk about money alongside the support they are already providing to children and young people and their families.

This guide aims to help leaders of children and young people's services find ways to strengthen the money skills, knowledge and habits of the children and young people they support. This might be through having conversations about money as part of the support you already provide, offering financial capability skills sessions, assisting young people to access money guidance,[1] or helping parents and carers think about their role in influencing their children about money.

We recognise that the age of the children and young people being supported by Local Authority services will vary. For the purposes of this guide we define children and young people as those up to the age of 25.

This guidance is not necessarily asking you or your teams to implement or fund new initiatives or become an expert in financial wellbeing. Instead, it aims to help you provide support for your frontline teams to:

- understand the benefits of financial wellbeing for children and young people and their families, and its connection to current policy priorities.
- find opportunities to integrate financial awareness into their work and the services they provide, or to expand and enhance existing financial capability provision.
- find further advice, resources and tools to help them deliver effective opportunities for the children and young people in their area to learn about money.

The skills, knowledge, attitudes and behaviours that help people to manage money and achieve good financial wellbeing begin to develop from an early age. Those supporting children and young people – including parents, schools and children and young people's services – can all play a part in helping them to develop the skills and knowledge they need for greater financial wellbeing in later life. Giving children and young people the skills and confidence to manage their money now and in the future will help promote their physical and mental health[2] and empower them to make the most of future educational and employment opportunities.

It is particularly important that children and young people growing up in vulnerable circumstances have opportunities to talk about money, gain money skills throughout childhood, and access quality money guidance as they become more independent. For example, children and young people who are care-experienced, those who have caring responsibilities or young people growing up in low-income households may be exposed to greater financial challenges at an earlier age and need extra support to build financial wellbeing and resilience.

## About the Money and Pensions Service

The Money and Pensions Service (MaPS) is an arm's-length body of the UK Government, sponsored by the Department for Work and Pensions. We help people – particularly those most in need – to improve their financial wellbeing and build a better, more confident future. We work to ensure people can access high quality money and pensions guidance and debt advice, and to improve the provision of financial education for children and young people at home, at school and in the community.

1 Guidance is an impartial service which will help you to identify your options and narrow down your choices but will not tell you what to do or which product to buy; the decision is yours. It is different from financial advice or debt advice, which only firms that are regulated by the Financial Conduct Authority (FCA) can offer, and will recommend a specific product or course of action for you to take given your circumstances and financial goals. The Money and Pensions Service, Understanding the difference between advice and guidance

2 Living in poverty impacts a child's whole life, affecting their education, housing and social environment and in turn impacting their health outcome (See Wales – RCPCH – State of Child Health)

**MoneyHelper**

Free, impartial, and expert online guidance on topics ranging from benefits, savings and renting, as well as helpful tools and calculators. Find us online or talk to us live for money guidance over the phone: 0800 138 7777. Alternatively, you can add +44 77 0134 2744 to your WhatsApp and send us a message.

You can also access a series of 'talking about money' guides tailored to different age groups, and specific resources that outline the financial support available for young carers. You can order physical copies of our guides, for individuals or for not-for-profit and public sector organisations to use, through our **guide ordering portal here**.

MoneyHelper has published new financial guidance for 16–24-year-olds: available here. This guidance introduces a range of money or pensions topics typical to all young adults when they start making independent financial decisions after leaving education and entering the labour market (including while job seeking or on an apprenticeship). It then signposts to more detailed MoneyHelper guidance or directly to external sources of support. Guidance for students and graduates can also be found here.

In January 2020, MaPS published the UK Strategy for Financial Wellbeing which aims to drive significant, coordinated change to the financial wellbeing of the UK. The strategy outlines a goal of 90,000 more children and young people receiving a meaningful financial education in Wales by 2030. This goal is supported by the Delivery Plan for Wales, which includes supporting children and young people who are most in need.

To make sure we reflect the needs of children and young people who are most in need, we have consulted:

- Local Authority managers and practitioners,
- third sector providers working with children and young people in the community (including specific vulnerable groups of children), and
- relevant national agencies.

**Acknowledgments**

The Money and Pensions Service (MaPS) would like to thank the children and young people's services leaders, managers and practitioners who took part in interviews and focus groups to inform the development of the guides. In addition, MaPS offers its thanks to the following people and organisations, whose views and advice have been invaluable in the writing of this guidance: Department for Work and Pensions; Department for Education; Department for Levelling Up Housing and Communities; Department for Culture, Media and Sport; Her Majesty's Treasury; Youth Justice Board; Local Government Association; Children's Commissioner for England; Royal Borough of Greenwich; London Borough of Barnet; Adur & Worthing Councils; Convention of Scottish Local Authorities (COSLA); Scottish Government; Welsh Government; Children's Commissioner for Wales; Children in Wales; Young Scot; Young Enterprise; Money Advice Scotland; Young Money; MyBnk; The Money Charity; The Share Foundation; The Mix; Barclays; Natwest; HSBC; Lloyds Banking Academy; The Family Building Society; Academy of Money; Mental Health and Money Advice; Open Palm; The Prince's Trust; Experian; Debt Advice Foundation; Office for Students; SFE for Practitioners; Council for Curriculums, Examination and Assessment (CCEA).

# What is financial wellbeing?

## Defining financial wellbeing

Financial wellbeing is known by different names. It is sometimes described as financial literacy, financial wellness, financial confidence or capability, or financial resilience.

> MaPS defines financial wellbeing in the following way:
>
> Financial wellbeing is about feeling secure and in control. It is about making the most of your money day to day, dealing with the unexpected, and being on track for a healthy financial future. In short: financially resilient, confident and empowered.[3]

## Why financial wellbeing matters to the children and young people you support

Experiences of money in childhood and as young adults can have an impact on financial wellbeing and resilience now and into adulthood. It is vital that all children and young people have opportunities to gain positive money skills, knowledge and habits in a range of settings, through formal and informal financial education and money guidance.

Since 2008, formal financial education has been a statutory part of the secondary school curriculum as part of Mathematical Development and Personal and Social Education,[4] but we know this is not sufficient to reach all young people. Young people in vulnerable circumstances may miss out on formal education and need more tailored support delivered outside of the school environment. This is where Local Authorities have an important role to play: reaching children and young people at other key moments in their journeys to financial independence. In Wales, just 35% of 7- to 17-year-olds say they have learnt about managing money at school or college, compared to 40% across the UK.[5]

Some experiences and contexts in childhood are predictors of poorer financial outcomes, including those of children and young people often already accessing the services provided by a Local Authority. For example, children and young people growing up in care, being a care leaver, having caring responsibilities, as well as growing up in an over-indebted household, or having a long-term illness, impairment or disability.[6]

These children and young people may:

- be at risk of having lower levels of financial capability, which could lead to poor outcomes or financial exploitation.
- be making money decisions at an earlier age than their peers, due to their circumstances.
- Face challenges associated with lower levels of financial capability, for example having lower literacy or numeracy skills.
- be living in homes where they are not receiving constructive financial influences and learning what they need.[7]

Many of these children and young people would benefit from targeted help beyond the financial education they receive in school or at home, tailored to their circumstances.

> *"The young people [we work with] may not have had any or possibly unhelpful information from family or parents. If they have had no information or learning around the subject, they may look to places where information is not safe, i.e., get-rich-quick schemes or scams."*
> **Social worker**

3 UK Strategy for Financial Wellbeing 2020-2030
4 Your Money Matters, Wales Edition (Young Money, 2019)
5 Children and Young People Financial Capability: Needs Analysis (April 2018)
6 Children and Young People Financial Capability Commissioning Plan: Contributing Analysis Reports
7 Children and Young People Financial Capability Deep Dive: Vulnerability

The economic impact of the Covid-19 pandemic and the subsequent cost of living crisis have exacerbated financial stress for many people in Wales and across the UK. Young people are experiencing disrupted education, loss of earnings, reduced access to work experience and barriers to affordable housing:

- 9.4% of 16–18-year-olds and 15.3% of 19–24-year-olds in Wales were estimated to be not in education, employment or training (NEET).[8]
- The number of people aged 18–24 claiming unemployment related benefits across the UK more than doubled from March to May 2020, at the start of the pandemic.[9]
- 51% of those aged 18–24 have reported feeling that they have made a poor decision about debt during the pandemic.[10]
- 37% of young people said that they were worried about having enough money to live on during lockdown, suggesting strong links between the mental health of young people and their understanding of money.[11]

Raising the financial wellbeing and capability of children and young people has never been more important to improving their future economic and educational success. The services you lead have a vital part to play in supporting those most in need gain financial confidence and resilience.

> *"I have found that many of the young people we are working with don't understand money and how it is connected to everything, especially when living independently. It is easy to fall into debt, unmanageable debt, without having financial awareness."*
> **Youth worker**

8 Young people not in education, employment or training (NEET) (2021)
9 Youth unemployment statistics (2022)
10 Thriving in the Age of Ambiguity: building resilience for the new realities of work
11 YMCA, Generation COVID: The economic impact of Covid-19 on young people in the United Kingdom (May 2021)

## Why financial wellbeing matters to Local Authorities and children and young people's services

We know that many practitioners are already giving young people some support with money matters, and that many want help and support to do so and to do more. Everyone involved in supporting a young person has a role to play in promoting their financial wellbeing.

Through your role in children and young people's services, you and your teams are uniquely placed to support children's financial wellbeing through a wide range of services and with local partners. Improving children and young people's financial capability is likely to have a positive impact on many of your broader initiatives and priorities, for example, supporting care-experienced young people to gain the life skills they need to thrive as they become independent; helping disabled young people access education and employment support; and ensuring young people moving into independence are able to manage a budget and maintain their tenancies.

Promoting children and young people's financial wellbeing can contribute to achieving many of the key priorities for children's services and social work teams, including requirements set out under the Social Services and Well-being (Wales) Act 2014, the homelessness strategy under section 50 of the Housing (Wales) Act 2014, and the Child Poverty Strategy 2015, such as:

- improving the wellbeing outcomes for people who need care and support and carers who need support,
- prevention of homelessness,
- preparing young people (especially those who are care-experienced) for independent living,
- increasing the preventative services within the community, and providing information, advice and assistance at an early point,
- supporting families living in poverty by giving them debt advice and financial guidance.

> *"Financial awareness plays a huge part when working on homelessness prevention. Many young people lack the skills to effectively manage their money and prioritise things which should not be prioritised when trying to maintain a tenancy. This can lead to housing-related debt and homelessness."*
> **Youth worker**

Developing good money skills is a vital part of living independently and achieving financial wellbeing – an important factor in supporting children and young people's mental health now and in the future. 17% of 16- and 17-year-olds report feeling anxious when thinking about their money, and this figure rises to 50% of 18- to 24-year-olds.[12]

Poor educational outcomes persist even after social work involvement ends, resulting in poorer lifetime outcomes. This shows that Local Authorities need to make up for the educational barriers and gaps experienced by the young people they support.

The Well-being of Future Generations (Wales) Act 2015 sets out goals for all public bodies, including Local Authorities in Wales. Those relating to financial capability and wellbeing include:

- A society in which people's physical and mental well being is maximised and in which choices and behaviours that benefit future health are understood.
- A society that enables people to fulfil their potential no matter what their background or circumstances.[13]

The Act also sets out a number of principles around sustainability, including prosperity, resilience and prevention. This requires public bodies to set how acting to prevent problems occurring or getting worse will help them meet their wider objectives. There is a real opportunity to use conversations about money as part of this prevention work, helping to close the widening gap caused by the pandemic, increase financial wellbeing, and, eventually, improve wider outcomes.[14]

We know that as well as having a significant positive impact on individuals and families, improvements in financial wellbeing will be beneficial for wider society. Improved financial wellbeing can lead to a reduction in debt and homelessness, in turn leading to less pressure on services.[15]

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12 Analysis of the 2018 Adult Financial Capability Survey (MaPS)
13 Llesiant Cenedlaethau'r Dyfodol/Well-being of Future Generations: Essentials Guide (Welsh Government, 2021)
14 Well-being of Future Generations (Wales) Act 2015: The Essentials (Cardiff Council)
15 UK Strategy for Financial Wellbeing (MaPS, 2020)

# Making a difference to the children and young people you support

Embedding financial wellbeing into the services you deliver to children and young people could make a huge difference to their financial resilience and confidence. Whether it is skilling up practitioners to have informal conversations about money, delivering money skills development sessions or helping young people access resources and guidance themselves, a coherent approach across your services will help ensure children and young people are in a stronger position to make sound money choices and avoid harmful debt and financial exploitation.

A multi-agency approach, as outlined in the Well-being of Future Generations (Wales) Act 2015, will provide an integrated and collaborative way of engaging with people and communities to help prevent problems occurring or getting worse. For example, Intensive Family Support Services (IFSS), Children's Social Services, and Youth Justice Services, as well as schools and voluntary and community sector organisations, could ensure conversations about money are introduced when they are most needed. The accompanying toolkit contains tips for working with other agencies and service providers.

This section highlights some of the groups of young people you and your teams may support, and the factors that could affect their financial wellbeing. It includes some suggestions for ways that your services may be able to help build financial awareness and money skills.

### Children in need and care-experienced young people

Children in care and care leavers are more likely than their peers to have experiences and characteristics associated with a higher risk of poor financial capability.[16] These can include lower educational outcomes (as a result of significantly disrupted school life); homelessness; having a longstanding illness or disability; having parents with no or low levels of qualifications; growing up in a low-income or over-indebted home; or having parents with low financial capability themselves.

As a result of the Welsh Government's 'Improving Outcomes for Children' Programme (which ran from 2016 to 2021), a number of legacy items have been shared to reflect ongoing priorities. These include the work of the Joint Social Services and Housing group, which explores what more can be done to support the transition from care to independent living, and places importance on developing young people's financial capabilities so that they can manage rent and bills.[17]

As a corporate parent, the Local Authority is responsible for ensuring care-experienced children and young people are prepared for living independently and are able to thrive. Supporting these young people with their financial capability and wellbeing can be seen as integral to this responsibility.

In February 2022, the Welsh Government announced a pilot scheme to trial Basic Income for all young people leaving care, which has now commenced. Starting one month after their 18th birthday, care leavers will be given £1,600 per month for 24 months. As part of this scheme, financial wellbeing training and signposting will be made available by the Welsh Government and partner organisations.[18]

The UK All Party Parliamentary Group (APPG) on Financial Education for Young People makes clear that there is 'no one silver bullet' when preparing children in care for financial stability, and identified that a number of key stakeholders contribute to raising financial awareness.[19] 62% of care leavers aged 16–32 felt that their personal advisors were helpful, but the APPG found that personal advisors often felt that they did not have access to adequate training on money management skills. The toolkit that accompanies this guidance provides resources to support Local Authority practitioners (including personal advisors) to have discussions about finance with young people.

Care-experienced young people often become financially independent earlier than a young person living at home, and might need additional support to help manage grants, understand how to budget, and learn how to meet financial obligations and priorities at a younger age. They are also less likely to have a financial safety net of parents or family that many other young people benefit from, subsequently putting them at an increased risk of homelessness.[20] Local Authority appointed personal advisors and bespoke pathway plans could be utilised to build solid financial foundations that will make a significant difference to the lives of care-experienced young people.

16 Children and Young People and Financial Capability: Needs Analysis (MAS, 2018)
17 Improving Outcomes for Children Programme: Legacy Report (Welsh Government, 2022)
18 Press release: Basic Income for care leavers in Wales announced (Welsh Government, February 2022)
19 Care to talk about Money? The Importance of Financial Education for Children in Care (Young Money, 2019)
20 All Party Parliamentary Group for Ending Homelessness Report (Crisis, 2017)

Recognising that money skills and habits start to form at a young age, work should begin as soon as possible, and form part of Care Plan reviews, to open up conversations about finances and give children and young people in care the opportunity to improve their confidence managing money. Programmes such as The Getting Ready project provide an intensive intervention that seeks to echo the support and guidance that non-looked-after young people receive within a family setting.[21]

### Child Trust Funds and Junior ISAs

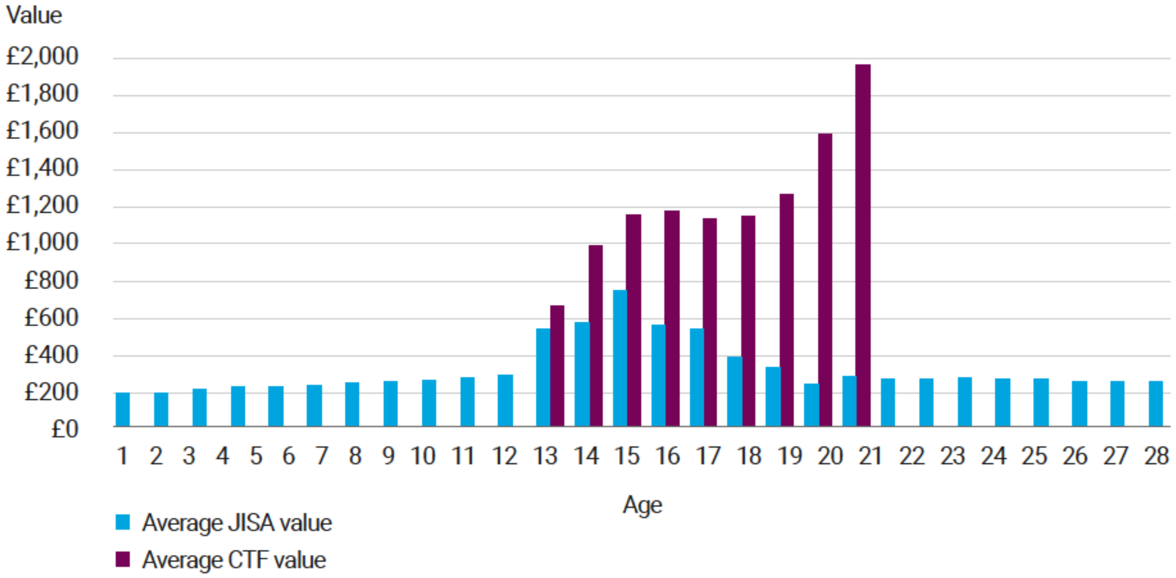
Child Trust Funds (CTFs)[22] were first introduced by the UK Government in 2005 for children who were born between 1 September 2002 and 2 January 2011. When CTFs became available, HMRC sent the parents or guardians of qualifying children a starting payment voucher of £250 (or £500 if you were on a low income). This voucher could then be used to set up a Child Trust Fund account in the child's name. If you didn't use the voucher within one year, HMRC would set up a Child Trust Fund account in your child's name on your behalf. The first CTFs started to mature in September 2020, when the oldest account holders turned 18. In addition to this, the Welsh Government contributed to the CTFs for a limited period; they provided £50 to all children, with a payment of £100 to all those children living in low-income households. Eligible children were those born between 1st September 2002 and 31st August 2005.

In addition to finding support and information on the MoneyHelper website, The Share Foundation can help. It has a statutory role in operating Junior ISA and CTFs for care-experienced children and young people, and its remit includes providing financial awareness programmes for these children and young people up to the age of 25.

The Share Foundation has found that incentivised learning (whereby children and young people can earn money by completing stages of the programme) is particularly effective for helping 15–17-year-olds in care to become engaged with the journey of building confidence in financial awareness, and includes this in its Stepladder Plus programme. (Note that the Stepladder Plus programme is not available across the whole of the UK and is not free to Local Authorities.)

It's important that adult care leavers are made aware of the Junior ISAs or CTFs which have been built up for them, and how organisations can help with the claiming process. They should also be aware of the wide variation in the valuation of these accounts, as a result of changing levels of UK Government grant funding over the years and the differing contribution policies of Local Authorities. This graph highlights the average account values by age:

**Average account value by age** [23]




21 Getting Ready, Voices From Care Cymru

22 CTFs have since been replaced by Junior ISAs, but those with existing Child Trust Fund accounts or vouchers can still keep their accounts and pay in. Find out more information about CTFs and Junior ISAs (and the difference between them) on the MoneyHelper website.

23 Average CTF/JSA Account Value by Age (The Share Foundation, 2022)

It is particularly important to ensure that young adults from low-income families born in the UK from 1 September 2002 are aware of their matured CTF. A survey undertaken by The Share Foundation indicates that 85% of such accounts are either 'Addressee Gone Away' or were never registered having been opened by HMRC on their behalf, and CTF account providers confirm this high level of unclaimed accounts, which are typically worth over £1,500 for an 18–19-year-old in 2022. In Wales, the number of unclaimed CTF accounts in January 2020 was 28,022 and 1,750 were added to this number each month. This equates to £36 million for matured CTFs in Wales alone. The Share Foundation's search facility can be found here and the webpage contains materials needed for running local events.

### Children and young people living with additional learning needs and disabilities

Children and young people affected by disability – either because they are disabled themselves or living with a disabled parent or carer – are often in need of additional support to increase their financial capability.

Around two million (43%) of the UK's 4.5 million children living in poverty are in a family where someone is disabled.[24] Research shows that the cost of living is on average £583 a month more for a disabled person, and families of disabled children face extra costs of £531 a month on average.[25] These unique contexts demonstrate the need for targeted support that helps individuals identify gaps in their knowledge and build their financial capability into adulthood.

Children with special or additional learning needs are among the most vulnerable in the school system. Any tailored support they receive from Local Authority practitioners outside the school environment has the potential to impact their wellbeing, attainment, employment opportunities and long-term life prospects, all of which are underpinned by financial capability and wellbeing.[26]

Your teams will already be publishing policies on Additional Learning Needs provision outlining the ways you support children and young people with additional needs. Considering how your provision can embed financial awareness will help these young people build valuable skills for the transition to adulthood. For example, aligning money conversations at key transition points such as leaving school or getting a first job.

It's also important that practitioners consider where they may be supporting some young people who lack the capacity to manage their finances alone, even with additional support to build on their skills, knowledge and awareness. If this is the case, practitioners can find more information and help on this topic here.

### Young carers[27]

The Carers Trust believes there are as many as 700,000 children and young people caring for family members in the UK.[28] Many young carers may have more advanced money skills, knowledge and capability than their peers, because they have been required to take on financial responsibilities in their caring role. They may need support to apply for benefits such as Carer's Allowance and Carer Premium and to manage household budgeting.

Young carers are likely to have significant absence from school, and are therefore more likely to achieve lower educational attainment and employment outcomes. In addition, those unable to access adequate practical and financial support are likely to experience isolation and stress.[29]

> *"It's about trying to make young people have the same experience they would if they were at home, planning a meal or doing things that are naturally part of their day. Not feeling like we are bringing a young person into a room, sitting them down and saying, 'We're going to talk to you about managing money' – because we know that young people don't engage in that way."*
> **Social work leader**

Your teams will already be supporting many young carers through a range of services. Initiating conversations about financial wellbeing and maximising opportunities for young carers to gain new skills and access money guidance could have a positive impact on their day-to-day lives and their futures, while supporting your Local Authority to meet its responsibilities under the Social Services and Well-being (Wales) Act 2014.[30]

24 National Statistics, Family Resources Survey: financial year 2019 to 2020 (March 2021)
25 Scope, Disability Facts & Figures
26 Support for children with SEND (April 2020)
27 Financial support for young carers | MoneyHelper
28 The Importance of Young Carers' Mental Health | Carers Trust
29 Children and Young People and Financial Capability: Needs Analysis (MAS, 2018)
30 Young Carers' Rights (Carers Trust Wales, 2020)

### Helping your teams to develop money guidance skills

You can find out more information on how to develop practitioners' skills in having these money conversations with children and young people by utilising the MaPS Money Guiders programme and Competency Framework:

**Money Guiders programme and Competency Framework**

The Money Guiders programme has been created for anyone who provides non-regulated money guidance to individuals or groups based in the UK, from larger organisations with national coverage through to smaller and local groups. This could include community workers, housing officers, mental health workers, volunteers, welfare officers, energy advisors and money mentors, to name a few of the many roles delivering money guidance.

Staff have access to the Money Guidance Competency Framework, which sets out what practitioners need to know in order to have those difficult conversations with service users about money, including household budgeting, borrowing and debt.

There is a practitioner community hosted in each of the four UK nations, where staff can network, support each other, and access free webinars, workshops, training and forums tailored to their needs and interests.

Programme partner organisations can also access free e-learning resources and a City & Guilds endorsed professional credential (a digital badge awarded on completion of the Foundation Level eLearning and assessment).

The programme aims to increase the profile of money guidance activity; improving financial wellbeing and money guidance practice, influencing policy and system change across the Financial Wellbeing and Money Guidance sector; strengthening and growing the community network of practitioners and stakeholders and enabling partnership working and collaboration across different organisations and sectors.

### Children living in low-income families

> *"Many of our young people have limited or no experience of managing money themselves. Many young people are required to claim benefits and find the system both complex and traumatising, requiring intensive support to make and maintain claims as well as practical support around how to manage on a very low income."*
> **Leader at a charity supporting children and young people**

Children and young people growing up in low-income or over-indebted households, and those living in the social rental sector, are less likely than their peers to develop good financial capability.[31] Children in low-income households across the UK are slightly more likely to feel they are unable to make a difference to their money situation (24%) than those in high-income households (19%), and just 64% of parents in low-income households feel able to be a good role model compared to 84% in high-income families.[32]

Many of the factors contributing to a family's financial disadvantage may be beyond their control but supporting children in these circumstances to learn to manage money can play a part in strategies to tackle poverty and disadvantage in the longer term.

Initiatives aimed at providing support to families in this situation offer an opportunity to improve financial awareness among children and young people alongside their parents and carers. The Children and Families (Wales) Measure 2010 outlined the role that the Welsh Government and public bodies have to play in tackling child poverty in Wales. Save the Children has reported that one in three children in Wales is living in poverty – the highest proportion in the UK.[33] The Child Poverty: Income Maximisation Action Plan (IMAP) sets out a number of actions to maximise the income of families living in poverty and to help build financial resilience. Key actions include third sector and Local Authorities:

- promoting available benefits and other financial support,
- stepping up debt advice provision,
- providing additional support for private rental tenants, and
- improving financial education for children and their parents or guardians.[34]

31 Children and Young People and Financial Capability: Needs Analysis (MAS, 2018)
32 UK Children and Young People's Survey, Financial Capability (MaPS, 2019)
33 Wales has worst child poverty in UK (online article, Poverty and Social Exclusion UK)
34 Child poverty: income maximisation action plan 2020 to 2021 (Welsh Government, 2020)

### Young people involved in the youth justice system

Evidence shows there is a link between money and the factors that contribute to offending behaviour, and between crime in young people and later financial problems.[35] Young people in contact with the criminal justice system are likely to have adverse childhood experiences (ACEs) which can have a significant impact on mental wellbeing and lead to negative outcomes such as involvement in crime.[36] It is estimated that between 37% and 50% of the children in custody are care-experienced[37] and are likely to face many of the same barriers and challenges outlined above.

The Youth Justice Blueprint for Wales (Welsh Government, 2015) outlines the importance of integrated partnerships to the delivery of youth justice services and emphasises the need to prioritise a 'child first' approach that improves outcomes for children. Building conversations around financial resilience, wellbeing and aspirations into prevention interventions could improve wider outcomes, and can be achieved through the partnership approach outlined in the Blueprint. The accompanying toolkit signposts to many resources and organisations that can support such an approach.

35 A systematic review of financial debt in adolescents and young adults: prevalence, correlates and associations with crime
36 Youth Justice Blueprint for Wales (Welsh Government, 2015)
37 Experiences and pathways of children in care in the youth justice system (HM Inspectorate of Probation, 2021)

# Taking action

As a leader in children and young people's services you are best placed to decide how this guidance is applied in your area, and which multi-agency practitioners are able to embed financial wellbeing as part of their day-to-day interactions with children and young people. Supported by the accompanying toolkit, here are some actions you can take to make a difference.

- Set up a multi-agency strategic working group with key representatives across your region, to evaluate key priorities for improving financial wellbeing amongst children and young people in vulnerable circumstances, and deliver on these.
- Assess your existing offer and identify the touchpoints that children and young people have with your services. Reflect on where financial capability and wellbeing are already embedded and where there is an opportunity to enhance this.
- Involve the voices of children and young people in vulnerable circumstances, and/or those of practitioners working with them, to understand the specific needs within your local area. You can also involve them in the process of designing and evaluating interventions to ensure that these meet the children and young people where they are, and are tailored to meet their needs.
- Engage with practitioners to understand what they need to improve the ways they address financial conversations with children and young people and what is already taking place. Encourage any necessary knowledge and skills development so that practitioners consider financial wellbeing as part of a 'whole family' approach.
- Establish a network of children and young people practitioners in the local community, to share best practice, find new ways of working, and offer peer support. There may be initiatives or approaches working in areas similar to yours that you can learn from.
- Strengthen the partnerships with charities and third sector organisations your Local Authority may already have, to help raise awareness of the importance of financial education and improve access to good financial knowledge and skills.
- Find ways to take into account the views, wishes and feelings of children and young people accessing your services. Understanding what they want from conversations around money and the kind of money guidance they need can help you build impactful provision.
- Get involved in MaPS' Money Guiders programme and encourage your partners to do so too. It is designed to help anyone who provides non-regulated money guidance, whatever their sector or job role.
- If you are a Young Person Advisors (YPA) in Wales, you are encouraged to sign up in support of the newly introduced Basic Income Pilot, set up in 2022 to offer financial support for care leavers.
- Share this guidance and the accompanying toolkit with colleagues, service leaders and frontline practitioners in your region and beyond.

### Reflections

Use the questions below to help you and your teams and practitioners reflect on what your Local Authority offers and where there are opportunities for change.

| | |
|---|---|
| **What existing initiatives does your team deliver for children, young people and families across your Local Authority area?** | |
| **How can conversations about financial wellbeing and capability be integrated into these?** | |
| **Which touchpoints can be used to start having conversations about money?** | |
| **Which teams/practitioners are best placed to have these conversations?** | |
| **Do teams/individual practitioners need support (e.g. training, resources) to be more confident in having conversations about money with the children and young people they work with?** | |
| **Are you already working with charities and third sector organisations who can help raise awareness of financial wellbeing with children and young people? Could you include financial education outcomes in the future commissioning of any services?** | |
| **Would your team benefit from an allocated financial wellbeing lead – someone to drive forward priorities and help develop a multi-agency approach?** | |

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