

20. DCDP Case Study: Financial Education for School Leavers

Stewart Ivory Financial Education Trust (SIFET), a Scottish charity registered in 2015, provides financial education for senior pupils in Scottish schools, through its experienced Financial Education Officers (FEOs).

The Project started in 2003 and was administered by Stewart Ivory Foundation until 2008 and then by Foundation Scotland until 2015. Since 2003, our FEOs have delivered financial education, free of charge, to over 175,000 school leavers in Scotland. The FEOs seek to deliver two sessions to each group of pupils in each school and engage the pupils by making each session as interactive and topical as possible. The purpose of the project is to prepare young people to take control of their own finances in the short term but to encourage them to think about financial issues for the longer term.

Below are some examples of how we might engage pupils in understanding the impact of the financial choices they make.

An FEO will do a budgeting exercise with pupils, asking them to think about what they spend in a week. We can introduce spending on a mobile phone into this exercise. Most still have the 'Bank of Mum and Dad' paying for a phone, so there is little interest in what it actually costs; for young people the focus is much more on the make of phone!

However, we ask them to include the amount of their phone in the budget. We then ask the class to put their hand up depending on which spend group they fit into. The first banding will be those spending £10 and less a month, then up to £20, up to £30, £40 and £50 a month and over. Within a class size of 30 pupils there is almost always a large spread of spend. We work out each group's annual spend and often have a couple of pupils spending more than £500 a year on a phone compared to some of their peers spending £120 a year.

Young people love talking about phones and it is a great way to engage with the idea of choice. Using this process gives a real-life example of how some of their friends have made choices that potentially allow them to have more freedom to allocate money to other areas. We present a pupil with the scenario that instead of Mum and Dad paying for the phone they give them the cash equivalent, in this example over £500. What will you do with this cash, set up the same phone arrangement or something else? Thankfully, the point is made as everyone says, get a cheaper phone and use the cash for other things. A great way for pupils to teach themselves about making decisions on allocating spending in a budget.

Another short example we use with pupils is Starbucks coffee. Buy a Mocha Grande coffee on the way to work at £3.45. That makes £17.25 a week, £69 per month. Potentially £776 a year and that's even including 6 weeks off on holiday as well!

Comments from pupils include:

"It gave me a realistic idea for the future and how much money I would need when I set off for college or uni."

"I found it interesting and helped me understand that you need to read things carefully to know how much you might be paying back."

"The sessions made me change my mind in terms of planning ahead for the future."

We run all sessions to be as interactive as possible. In most sessions, we can identify that there has been learning from the group on a huge number of areas: from understanding the difference between a current account and a savings account; how credit cards and store cards work; what APR means; saving for a pension; what utility bills mean.

A major challenge for us is that we see pupils for just 100 minutes over their year at school. Once we leave, the reinforcement of financial education is within the hands of the schools, or experiences

at home. We are currently building a website that will be a source of information for pupils after we leave; it will also house resources for teachers who wish to extend the teaching of financial education.

We are also undertaking focus groups with pupils and teachers to increase our understanding of the impact of the project. We will use the results to strengthen teaching resources and better support these groups.

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