

Consumer
Research

25

Financial Services Authority

Young people and financial matters

Research prepared for the Financial Services Authority
by NOP Research Group

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1 FSA Foreword

2003 saw the launch of the FSA's new Strategy for Financial Capability, signalling a broad re-evaluation of priorities and the way forward for the work of the Consumer Division.

We commissioned this research into young people and their finances as we are increasingly aware of the importance of the 15-19 age group: this is the age at which people generally start to engage with, and take more of an interest in, financial services. Knowing the key motivations and influences that shape these decisions will prove extremely useful in determining our approach when developing educational resources and policy relating to this age group. Throughout the report, we have highlighted certain points with particular relevance to FSA financial education work. We believe that the findings published here will also help inform other organisations involved in providing young people with financial information and advice.

Personal Finance Education is currently a non-statutory part of the curriculum for schools. Previous titles relating to young people in this Consumer Research series have been centred on what happens in these formalised settings¹. This report looks at what other influences there are on the financial decisions that young people make.

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¹ Consumer research 11: Personal finance teaching in schools (2001)

2 Summary

Young people 15 - 19 face significant changes in their lives; it is the time when they leave statutory education and move into further education, higher education and employment; it is the time when they become independent and may even leave the parental home. All of these changes require young people to make financial decisions and to actively participate in the financial services market for the first time. However, as this research shows, young people show little interest in financial matters (as opposed to just spending money) and were very reactive in seeking information about it.

Perhaps unsurprisingly parents were the main source of information about financial matters. The young people felt their parents understood their circumstances, would have their best interest in mind and could tailor advice and information even though some of this information might be limited. The key role of parents is highlighted by the fact that 88%* of 15-19 year olds said that their parents were an important influence on their decisions regarding money.

All parents in our sample warned their children to avoid debt and attempted to teach them about the importance of saving, whether or not the parents themselves were savers. However, despite parents' best efforts to convey the 'right' information to their children about money matters, actual parental behaviour regarding financial matters was a far more powerful influence.

Saving was thought to be a good idea in theory, although each young person had a different level of practical success as all liked the idea of spending money, having a good time and keeping up with fashion. Most young people believed there were two kinds of debt: necessary debt such as mortgages, car loans and student loans, and overspending such as credit cards, unspecified loans and overdrafts and all were concerned about whether they would be able to control themselves if they were given a high credit limit.

Schools were considered by many to be ideally suited as a channel for learning about financial matters but few recall the subject being covered (over 40%* rated their schools coverage of managing money as poor). They also stressed that the way financial information is imparted is crucial to effective assimilation – it has to be made interesting and relevant otherwise it would not be absorbed.

Possibly as a result of their lack of interest and reliance upon parents for help in financial matters, most young people said they did not shop around for financial

* Omnibus survey conducted on behalf of FSA by BMRB January/February 2003

products and services. This contrasts to their behaviour outside the financial arena, where most of the young people felt that they commonly shopped around for the best deal, particularly when it came to items such as clothing, mobile phone handsets and tariffs.

3 Introduction

3.1 Background

This document reports the findings from research into young people (15-19 years old) and their financial matters undertaken by NOP Family and NOP Financial on behalf of the Financial Services Authority (FSA).

One of the statutory objectives of the FSA is to promote the public understanding of the financial system. The understanding of financial matters is of particular importance to the 15-19 year old age group now and in the future. This group is faced with many life changing events, for example leaving school, starting a first job, going to university, which result in the need for an array of financial products, services and money management skills.

Young people own a range of financial products. Over four fifths (81%) of 16-19 year olds have a current account but only 39% have a savings account. There are lower levels of uptake of other financial products: 18% of 18-19 year olds hold a credit card; 12% hold at least one store card; 17% have motor insurance. As would be expected, there are very low levels of uptake of investment products amongst this group, for example only 2% have stocks and shares compared with 21% of all adults.²

Although young people own financial products this does not tell us about their level of financial knowledge and understanding. The purpose of this research was to enable a better understanding of the key influences and the points of influence on the attitudes and behaviour of young people towards and around money and finance. This understanding will be used to help the FSA to develop more relevant interventions and to determine when such interventions might be most effective in changing young people's behaviour and knowledge regarding financial matters.

² Data from the NOP Financial Research Survey (FRS), 12 months ending May 2003

3.2 Research Objectives

The overall objective for the research was to look at young people and the influences and points of influence on their attitudes to money and finance and their behaviour around these.

Specific objectives included:

- To find out what influences young people's financial behaviour, understanding and knowledge, the extent of that influence and why it influences them
- To determine whether schools are providing pupils with adequate education regarding finance and managing money and pin point any improvements that could be made
- To find out what hopes and fears young people have regarding their financial future, how they think these can be achieved or addressed and what shapes future expectations

Particular areas for consideration within the research included:

- Financial products and services held or used
- Factors influencing product choice
- Influences on financial attitudes and behaviour (e.g. handling money; savings; credit and debt; pensions)
- Life events past, present and future and associated financial preparation
- Financial education in schools
- Interest in financial services
- Knowledge of financial services
- Hopes and fears for their financial future

4 Methodology and Sample

This research project took a multi-stage approach combining various methodologies to explore different facets of young people's understanding of financial matters.

4.1 Quantitative research

The main elements of this research were qualitative but to provide some more quantitative measures we asked a sample of young people about their attitudes and experiences of finances. A number of questions were asked on a BMRB face-to-face omnibus survey in January and February 2003 and a total of 338 interviews amongst a representative sample of young people in GB aged 15-19 were achieved. Findings from this quantitative study are used throughout this report.

4.2 Overview of qualitative methodology

In order to fully understand the influences, attitudes and behaviours of young people towards money and finance a programme of qualitative research encompassing ethnographic sessions (see following section), family and individual depth interviews and group discussions was designed. Each of these methodologies helped to reveal different aspects of young people's relationship with personal finance.

	Objective	Methodology
1	To find out what influences their financial behaviour, understanding and knowledge, the extent of that influence and why it influences them	<ul style="list-style-type: none"> ▪ Ethnographic sessions ▪ Family & individual depths
2	To determine whether it is felt schools are providing their pupils with adequate education regarding finance and managing money and any improvements that could be made	<ul style="list-style-type: none"> ▪ Family & individual depths ▪ Group discussions
3	To find out what hopes and fears they have regarding their financial future, how they think these can be achieved or addressed and what shapes future expectations	<ul style="list-style-type: none"> ▪ Ethnographic sessions ▪ Family & individual depths ▪ Group discussions

A total of 74 young people and 26 mothers and/or fathers were included in the research, through:

- 10 ethnographic sessions
- 26 family and individual depth interviews (10 of these interviews were conducted with participants from the ethnographic sessions)
- 6 group discussions

A sequential approach was taken to allow different aspects of the research to inform each other. The ethnographic sessions were conducted first, followed by the family and individual depth interviews and finally the group discussions.

The research was undertaken during March and April 2003 across a geographical spread of locations throughout Great Britain.

4.3 Ethnographic sessions

Ten ethnographic style sessions were conducted with the young people and, for those aged 15-18, their parents – see Appendix 1 for details.

Ethnographic research has its origins in anthropology, but has been introduced to mainstream research relatively recently to introduce cultural context and insights to research that traditional qualitative and quantitative research methods have only a limited scope to provide. It was selected as an ideal tool for understanding the context within which personal finance fitted into the lives of 15-19 year olds. One of the key features of ethnographic research is the shift in the power balance between ‘researcher’ and ‘respondent’ - the research is taken to the respondent rather than the respondent being taken to the research so that the respondent’s world is the true focus of the methodology. This may involve the researcher going beyond a traditional interview by spending more time with the respondent and accompanying them to typical activities and to the places they would go. It may also involve the respondent undertaking self-completion tasks in their own time, away from the researcher, to express elements of themselves and their ‘world’. Ultimately, the researcher is able to gain a greater exposure to and understanding of the respondent’s world.

Ethnographic style research is an ideal approach to take in instances

- where we know little about a target market,
- where we want to know a person better – for example what is important to them, what makes them tick, how do they live, what ‘language’/vocabulary they use,
- and when we don’t know exactly what questions need to be asked – for example what are the priorities, what are the key words to use or avoid.

Another benefit of ethnographic research is that it helps us understand and access attitudes, values or behaviour that people cannot necessarily tell us about, e.g. habitual behaviour or thoughts, cultural assumptions or impulses. People find it hard to articulate answers to specific questions about matters they have not actually considered in depth

or at length. Also, we all take a good deal of our own behaviour for granted and would not consider it worthy of comment.

The overall objective of this research was to understand influences and points of influence on the attitudes to and behaviour around money and finance of young people. However, it is more than likely that money and finance make up but a small part of young people's 'worlds' – there are likely to be an awful lot of other things going on, many of a greater priority, and greater interest, than money and financial matters. To properly address the objectives we really need to know what role money and finance play in these young peoples' worlds. For this reason we felt it was important to include ethnographic sessions as part of the overall methodology.

The ethnographic sessions designed for this research project involved two visits to the respondent's home and self-completion of a task diary over the course of a week.

The purpose of the initial visit was to deliver and explain the task diary and associated equipment (Polaroid camera and camcorder), get to know the young person and, importantly, to develop a rapport.

During the course of the following week the participants undertook a series of open-ended tasks that needed to be completed in different manners, the idea being to tap into means of expression with which each individual was most comfortable and to generate richer insights overall. Some tasks involved answering written questions in a 'diary'. Some involved talking to a camcorder (in a *Big Brother* 'diary room' style) about specific questions put to them in the task. The third type of task involved taking Polaroid photographs as directed (An example of the tasks set can be found in Appendix 4).

After a week the researcher returned to the respondent's home for a second visit to go through the completed tasks to understand these from respondent's perspective, drawing and building on the rapport previously developed to elicit deeper insights.

The last phase of the ethnographic sessions involved a depth interview with the participants; these either took the form of family depths (i.e. individual interviews with the young person and with a parent) where the young person was 15-18 years old, or individual depth interviews where the young person was over 18 years old. See section 4.4 for further details.

4.4 Family and Individual Depth Interviews

In addition to the depth interviews at the end of the ethnographic sessions a further series of depth interviews was also conducted with young people and parents in order

to understand the detailed and personal processes surrounding financial education, influences, attitudes and behaviours. See Appendix 2 for details.

As with the final stage of the ethnographic sessions, for the 15-18 year olds these depth interviews took the form of family depths. This involved an interview with the young person and a separate interview with a parent, selected as the main person who helped/ discussed/ advised the young person on financial matters. We knew from previous research that parents are a major source of information and influence over young people's financial behaviour and thus have relevance to the objectives. The views of the young person and their parent were compared and contrasted and the influences further explored at the analysis stage.

For the 18-19 year olds individual depth interviews were conducted. This age group is in a different lifestage than those under 18 years and tend to be more independent and less influenced by their parents. Most 18-19 year olds have taken a step away from their parents as they have left school and are either embarking on a university career or starting work. As a result, they have started to take charge of their lives to a much greater extent. For this reason, parental interviews were not conducted with this section of the sample.

A copy of the discussion guide can be found in Appendix 6.

4.5 *Group Discussions*

The final stage of interviewing comprised six group discussions, each lasting one and a half-hours, conducted with 15-19 year olds– see Appendix 3 for details. Prior to attending the group discussion the young people were asked to complete a pre-group task which consisted of noting in a diary approximately how much money they had spent that day, how they felt about that and what their main monthly expenses were. They were also given a disposable camera and asked to take photographs of items they spent their money on or were saving for.

Within the group discussions the output from these tasks was shared and creative exercises were undertaken to generate further insights into how young people 'see' money and financial matters and how these fit into their lives/worlds. The group environment, being dynamic and interactive, enabled the discussion and development of ideas and experiences.

A copy of the discussion guide can be found in Appendix 6.

5 Main Findings

5.1 Role of Money

Money was important to all young people for socialising and creating an image for themselves. This is supported by the quantitative research³ commissioned to supplement this study, which found that 54% of 15-19 year olds said that they were interested in things to do with money. Examples given of creating the right image included buying the right clothes, having the latest mobile phone, owning a motorbike etc.

The role that money played depended to a large extent on the young person's lifestage and income. For 15-16 year olds who were still at school money was primarily used for socialising and creating the right image.

"The way I see money now is that you need it to survive, it buys you things that you want and you need and it can make you happy" (17 year old boy, full time working, Hedonist)

"I used to (save) when I was younger and didn't go out so much. I was able to save up for anything I wanted but I can't any more. You want to spend time with your friends. You want to look good so you spend money on make up" (First Year Student)

As young people moved into the world of work they began to undertake a limited amount of financial responsibility, for example having to pay for board, their own clothes, mobile phone rental, and travel. Some of the 18-19 year olds who were working had started to think about planning for their financial future, and were beginning to become concerned about being able to own their own home and support a family.

Those who had gone on to further education were weighing up the financial pros and cons of continuing on to higher education. The 18-19 year olds who had already gone into higher education perceived money (and student debt) as a way of facilitating their future. Many were confident that a university degree would enable them to get a well-paid job and enable them to pay back their student loans.

5.2 Information Sources about Finance

Financial matters – as opposed to having money to spend on things - was a subject that most young people in our sample showed very little interest in. Many young people in

³ Omnibus survey conducted on behalf of FSA by BMRB January/February 2003

the sample were very reactive when seeking information about financial matters and only sought information when they 'needed' to.

"I should take a lot more interest [in financial matters]. I tend to get a letter through the door that says I owe money, because I don't want to know how much I spend. I need to keep an eye on my finances" (First Year Student)

"[I'd say I had a poor knowledge of financial products] It's sad but it's true. Maybe it's because I don't talk about it much, it's not something I have any interest in. Maybe because I don't have any need to... when the time comes I will get interested in it" (17 year old boy, full time working, Hedonist)

Typical occasions mentioned as prompts to financial information included getting a job, going to university and getting a car. For example, getting a job could require a young person to open a current account as well as looking into ways of saving a proportion of their earnings. Going to university often required investigation into student loans, student accounts and overdrafts, at least where and how to get these if not further product details. If this was coupled with leaving home, then there were the added information requirements of insurance and accommodation. Getting a car often prompted a search for information about insurance, savings accounts and loans.

The number of information sources that young people were aware of and used increased with age and life experiences such as work, going to university. Information sources included parents, banks and building societies, advertisements, the Internet and television.

Many young people relied on their parents as their main source of information and advice on financial matters. The omnibus survey conducted to support this study found that the overwhelming majority (88%) of young people said that their parents were an important influence on decisions regarding money and 45% said their parents were their most used source of information concerning money. The qualitative work reported here supports these findings of the importance of parents as a financial information source and influence. Although this age cohort are epitomised by a drive to exert their independence and individuality, financial advice is one of the very few areas where young people will defer to their parents' opinions and advice. Young people are generally reticent about seeking information, yet they are also worried about making mistakes with money due to their lack of knowledge in this arena. Parents, or another family member perceived to be more qualified to impart such advice, are seen as an easily accessible and reliable/safe information source. The young people felt that their parents understood their specific circumstances and were therefore able to offer them tailored advice about financial matters. There was a feeling that parental advice could be trusted as the child's best interests would be at heart, even though in reality this

information and advice was limited. Reliance on parental advice (or other family members) therefore afforded a way for the young person to 'play it safe'.

"Parents are a good source, more honest than adverts, as they are trying to lure you in under false pretences. Whereas parents say this is the way to do it, you do it." (15-16 year old girl, part time working, Conservative)

"If you go to a company they're biased, but your parents know what's best for you" (First Year Student)

Other FSA qualitative research⁴ confirms that of all age groups, 18-24 year olds show the heaviest reliance on family and friends for financial advice.

As young people moved into work they also started to talk to their colleagues about financial issues, for example, ways of saving and managing money. Work was also a source of information about work based pensions.

For higher education students, university also became an important source of information about student loans in particular, but student advisers were also occasionally used to advise on more general student banking issues such as overdrafts.

For those in full-time work or at university, friends were often an important source of information about financial issues. At these life stages money became an increasingly important issue in their lives as they were managing more money and had increasing financial commitments that they had to meet. Friends were less important as a source of financial information for the under 18s who were not in full-time work. At this stage in life, money had less impact on the young peoples' lives as their parents paid for the majority of their outgoings and income was also relatively low. Thus the under 18s not in work were less likely to discuss financial matters with friends as there was ultimately less to discuss and hence less need to discuss finances.

Many of the young people said banks and building societies were a source of information about financial matters, with the majority having considerable trust in this source. However, banks and building societies were used infrequently primarily due to the perceived hassle factor of approaching them.

Television programmes, particularly some of the storylines in soap operas, were mentioned by a few as a source of information about money and finance. However, these storylines were few and far between and were perceived to have little impact. The internet was also mentioned as a potential source of information, although young people

⁴ FSA Consumer research 1: Better informed consumers (2000)

associated the internet with entertainment and were unlikely to use it as a reference tool regarding finance.

Advertisements were commonly mentioned as an information source but, in contrast to the aforementioned sources, advertisements were perceived largely negatively by young people. Many believed that advertisements in general were encouraging them to spend. Financial advertisements were felt to be attempts to entice them into debt and take advantage of their financial naivety by over-charging them on interest or hiding unpalatable terms in the small print that they did not read.

Interestingly, school was not mentioned spontaneously by any of the young people as a source of information about financial matters. See section 5.5 on schools for more information about this.

5.3 A typology summarising the behaviour and attitudes of young people towards money and financial issues

We observed a wide spectrum of behaviours and attitudes towards money and financial issues amongst 15-19 year olds. However, despite this heterogeneity, four key distinct groups were identified that displayed very consistent behaviour in relation to money and finance and we found all respondents could be placed firmly within one of the four groups. It was not in the scope of this research to uncover what causes people to be in these groups: whether it is an innate value system, the result of certain influences or a combination of factors. Neither did we explore whether these characteristics might be fixed or whether there is some movement between groups, for example as the result of wider experiences. What we did find was that these categories were useful summaries of the characteristics that different types of young people display and will be helpful to the FSA in future work.

We have labelled the four groups:

- Conservatives
- Hedonists
- Mixed
- Aspirers

Conservatives and Hedonists represented the two largest groups found in this sample. In contrast, very few of the participants in this qualitative study would be classed as a member of either the Mixed or the Aspirer group.

5.3.1 Definitions of the groups

The characteristics of each group in our typology can be summarised as follows:

Group	Outlook	Main Influences	Attitudes to money and financial matters	Behaviour to money and financial matters
Conservatives	<ul style="list-style-type: none"> • Future focused (short and long term) • Cautious with money 	<ul style="list-style-type: none"> • Parents for saving and managing money • Less strongly influenced by others re spending 	<ul style="list-style-type: none"> • Debt averse • Associated with parental philosophy • Save for a rainy day 	<ul style="list-style-type: none"> • Plan and control spending • Budget their income • Save, with or without purpose
Hedonists	<ul style="list-style-type: none"> • Present focused • Fun seekers • Live for today • Optimistic 	<ul style="list-style-type: none"> • Many sources influence spending • Few influences for saving – tend not to 	<ul style="list-style-type: none"> • Debt is inevitable • No guilt about spending • Lack respect for money 	<ul style="list-style-type: none"> • Spend, spend spend • Little/no saving
Mixed	<ul style="list-style-type: none"> • Combine elements of each parent's philosophy where these differ • Present and future focus 	<ul style="list-style-type: none"> • Parents are a strong influence on saving and spending behaviour – each parent exerts a different type of influence 	<ul style="list-style-type: none"> • Polarised between saving and spending • Some guilt about spending 	<ul style="list-style-type: none"> • Spend and save
Aspirers	<ul style="list-style-type: none"> • Have their future mapped out • Anticipate and aspire to material success, prepared to work and plan for this • Entrepreneurial 	<ul style="list-style-type: none"> • Saving influenced by parents and family • Very little influence from any source other than self on money management and spending 	<ul style="list-style-type: none"> • Money perceived as a way of investing for the future • Entrepreneurial • Interested in financial matters and quite capable 	<ul style="list-style-type: none"> • Currently display Conservative behaviour • Planned and controlled • Spending may be incurred as an investment for the future

5.3.1.1 Conservative group

Conservatives were fearful of their financial future. They were anxious to put measures in place to try to safeguard themselves financially and so they tended to plan ahead. For example, some Conservatives had already started buying items such as beds and audio/visual products with the intention of taking them with them to their first home.

Conservatives were the group that were most likely to save money for their 'future' or without any specific purpose in mind, whereas the other groups were far more likely to be saving for a specific item, for example a car.

Conservatives were careful with their money and would budget to allow sufficient funds to cover their expenses. For example, when they went out with friends, they would typically have an amount in mind of how much they could afford to spend and would take measures to try to stick to this. They would not necessarily stick to this amount, but they would feel guilty if they over spent. To illustrate: Conservatives may expect to spend £30 in an evening out and would take £30, maybe £35, and probably no cash card or other means of obtaining more money with them; Hedonists in contrast would take more money with them than they expected to spend – e.g. £50 for an expected £30 – and would end up spending all that they had taken or maybe more via borrowing from friends or going to an ATM.

Those in the Conservative group were particularly influenced by parental financial philosophy and exhibited very similar behaviour to their parents in relation to money matters. They were the most debt averse group and whilst they believed that certain forms of debt i.e. mortgages and car loans, were acceptable and even unavoidable, they didn't like the idea of being in debt and were very wary of credit cards and overdrafts.

Case Study: Conservative group

Sex: Male
Age: 18
Status: He works full time as a shelf stacker in a supermarket, earning £600 per month. Lives at home with his mother and younger brother.
Interests: Electronic entertainments – DVDs, PlayStation 2, television

Saving, spending and Managing money

He actively saves £150 per month from his wages and is careful with his spending. He keeps receipts and checks bank statements when they arrive to make sure he has not been overcharged or charged for things he has not bought. He is debt averse and prefers to save up before buying something. He does not hold a credit card and neither does he intend to acquire one.

"I save and buy the things that I want very carefully to make sure that I get the best deal"

"I don't like credit cards because they are the cause of debt. That APR stuff, I don't understand it. People I know have credit cards and they don't want them anymore, they don't like it, they get into debt on it"

Parental Influence

He is highly influenced in his attitudes towards money by his mother. For example, at his mother's suggestion he has started to buy things that he will need when he moves out of his mother's house, such as a TV etc.

"My mum saves, she has taught me to save. I don't really spend money unless I really want it or need it"

"I said to him from the start, as you've got your job you've got to start putting things away for your house. Next he is going for a telly. He's going to get all of that here, but as soon as he moves he will take it with him" (His mum)

The Future

He has modest aspirations – to buy a house, a car, and support a family

5.3.1.2 Hedonist group

Those in the Hedonist group were focused on the present. They had a 'live for today' attitude and did not actively plan for their future. Their attitudes and behaviour towards money reflected this philosophy. They tended not to save and instead enjoyed spending money, often to excess, which resulted in them having to borrow money from parents, friends or banks. They lacked respect for money and perceived it as a means to achieving fun. They were optimistic about their future and their prospects: many of the

hedonistic students we interviewed believed that they would walk into a well paid job after university and that they would be able to pay off their student debt.

Hedonists, particularly the students, often believed that debt was an inevitable part of life as they became older. Hedonists were more likely than the other groups to take on unsecured debts, such as credit cards, overdrafts and loans.

Parental advice about money was listened to but not always taken on board particularly if it was at odds with their central motivation of having fun and enjoying themselves. This led in some circumstances to them hiding (or trying to hide) their financial circumstances from their parents.

“But if you just save money all the time, you don’t do anything and you just work to save” (17-18 year old boy, full time working, Hedonist)

“I get money from work and enjoy watching it evaporate on me” (17 year old boy, full time working, Hedonist)

Case Study: Hedonist group

Sex:	Male
Age:	18
Status:	First year student living in university halls of residence.
Interests:	He enjoys socialising with friends, buying clothes and listening to music. He has a computer and stereo in his room
<i>Saving, spending and Managing money</i>	<p><i>He tends not to save money, preferring to spend it as soon as he gets it, and is very influenced by friends and his environs when it comes to spending. He has so far incurred £6,000 debt: £1,000 on a credit card, £3,000 overdraft, and £2,000 student loan. He regrets overspending on his credit card, but...</i></p> <p><i>"I don't want to think about what I am doing with money, I'm just enjoying spending it"</i></p> <p><i>"I got one (credit card) just to buy a few things, clothes and to go on holiday. My friends said that I would end up blowing it all, I said 'no I won't I'll easily manage it and I'll end up paying back the money'... but I didn't. It's not like cash you just swipe the card and you don't see it"</i></p>
<i>Parental Influence</i>	<p>His parents have little influence over his spending and saving habits – he takes more notice of his friends</p> <p><i>"Dad is always thinking ahead, but it is not really working on the son because I am always running up big credit card bills"</i></p> <p><i>"My parents have a go at me for spending too much and my friends tell me to spend more"</i></p>
<i>The Future</i>	<p>He is quite optimistic about the future and hopes to get a well-paid job which will enable him to pay off his debts. He intends to go travelling after university (and seems oblivious to the debts that this is likely to incur and the fact it is unlikely to help him pay off his debts!)</p>

5.3.1.3 Mixed group

Those in the Mixed group displayed behaviours of both the Conservative and the Hedonist groups. These young people were strongly influenced by both parents and had parents who displayed polarised financial behaviour, i.e. one parent saved whereas the other spent. They effectively exhibited characteristics of both parents, either because they wanted to please both parents, or because they realised from observing their parent's behaviour the efficacy of Conservative behaviour or the excitement of being Hedonistic.

5.3.1.4 Aspirer group

Those in the Aspirer group were the entrepreneurs of the future. They aspired to financial success and were interested in ensuring that people will know that they have 'made it'. They therefore sought to acquire the trappings of the rich and famous. They believed that their present behaviour, including the financial aspects, was key to achieving their future ambitions. They could be almost puritanical in their attitudes and behaviour towards money, exhibiting very conservative behaviours in order to 'profit' from this in the future. They perceived money as an investment that will pay out dividends if used expediently. Unlike Conservatives, however, they were prepared to take calculated risks to achieve their financial goals. For example, one very bright 15 year old was intending to leave school and join an insurance company in the City rather than further his education, as he believed that this would give him a better chance of 'getting rich quick'.

Of all the groups in the typology, Aspirers were the most interested and most knowledgeable about money and financial matters.

"...just seeing the fact of working in the City seeing the money go up and down up and down on the stock market, shares are sold...a book I read, 'How to keep your money safe', I think it was written in about 1980 and it convinced me to do stuff with my money" (15-16 year old boy, full time education, Aspirer)

Case Study: Mixed group

Sex: Female
Age: 16
Status: In full time education and studying for her GCSEs. She has a part time job in a chemist earning £100 per month
Interests: She enjoys going out with her friends, going to clubs, listening to music and going to the gym

Saving, spending and Managing money

She likes the idea of saving money if there is a specific goal, but thinks that saving for 'a rainy day' is boring although does like to have a cushion of money in her bank account for emergencies. She does spend, and can do so frivolously but is scared of debt and the prospect of using credit cards. She is too young to have one at present but is unlikely to get one in future.

"I think people should only be allowed to spend the amount of money they have got because people go over the top. You just end up spending it all and not being able to pay back the money. You get people coming to take your TV away"

Parental Influence

Her parents have a very strong influence over her financial outlook and behaviour. Her parents exhibit different financial behaviours - her mum is more of a spender and her dad more of a saver. She is influenced by both regarding money.

"My mum will spend more on things than my dad will. My mum will buy quite a few things at once but my dad will save up and buy a big thing that is worth quite a lot"

The Future

She hopes to be a fashion designer. She fears getting into debt and being unemployed and does not seem very confident about dealing with financial matters in the future

Case Study: Aspirer group

Sex: Female
Age: 18
Status: She is currently embarking on a 3 year jewellery-making course whilst working part time at Boots. She lives at home with her parents
Interests: Visiting craft markets, design museums, dog walking

Saving, spending and Managing money

Overall she has a high awareness of financial issues (and was one of the most savvy of the respondents). The future is her priority and, in particular, setting up her own business. With this in mind she is constrained in her spending, making sacrifices today in order to secure success tomorrow.

"If you go round all the banks and ask for all the details, you can compare it yourself. If you just go to one bank they are going to give you biased advice. It's up to you to put the work in really. I'd rather do it myself than rely on someone else, they might be a bit biased"

"I think that you can get a bit carried away with [debt]. A lot of my friends haven't realised that with credit cards you have to pay them back and you have to pay back a hell of a lot more money than you borrowed"

"I make sure that I don't spend more than £25 a week, which is quite easy for me really, as I am not living away from home"

"...because of the course I am doing I don't want to spend all my money so if I decide to set up a business I've got something to start off with"

The Future

Her hopes for the future centre around making it as a successful businesswoman

"My hopes are that I will be rich and famous. I will probably wait a year before I set up a business and try to build a lot of capital behind me. I would start the business as a limited company so if it did go bankrupt it wouldn't be me that was solely responsible. It would probably tarnish my record, but not as much as if I filed for bankruptcy myself"

5.3.2 A Similar typology has been found amongst adults

During the remainder of this report we draw heavily on the use of this typology and it is useful to be aware of similar work in this area. Roper ASW (part of NOP World) have developed a segmentation of adults based on values systems. Six segments have been identified in a study encompassing more than 30 countries and two of these segments are of particular interest for our study. The Roper segment called Strivers represent approximately a fifth (22%) of the adult population and say that power, wealth and status are important to them. The Roper segment Funseekers represent another fifth (18%) of the adult population and are driven by values relating to pleasure, having fun and adventure. The Strivers appear quite similar to our Aspirer group identified in this study, while Funseekers are similar to our Hedonist group. The Roper study also identified the importance of tradition to a smaller group of people. While parental influence is important to our Conservatives, we do not have enough evidence to suggest that they are also conservative outside money and personal finance. It is likely that the attitudes and behaviours shown by the young people in this research are based on their values.

It is not possible from this research to tell whether the characteristics of the young people who participated in this study are fixed or whether they will endure into adulthood. The above research indicates that similar types of attributes are prevalent amongst the adult population but it would be incorrect, on the basis of these two studies, to conclude that there is no movement between categories.

5.4 Influences on Financial Behaviour

At a broad level and across all the groups in our typology the main influences on young people's financial behaviour were parents, their own philosophy towards finance and friends, however, the balance and significance of these and the other influences varied across the different groups.

5.4.1 Influences on Saving

Those in the conservative group were strongly and equally influenced by parents, their own beliefs and financial institutions with regards to saving. Conservatives were the group most likely to seek out information about savings accounts and to act on it.

"Mum helps me a lot with my savings, keeping money aside. 'What if this goes wrong or that goes wrong?' If anything was to go wrong with the car or I needed money, then it is there. She [my mum] is a big influence, but she doesn't point a finger and say 'go and buy that' or do this" (19 year old boy, full time working, Conservative)

Hedonists were mainly influenced by their own beliefs. They would typically only save money if they wanted something specific that was too expensive to buy outright. Parents and financial institutions had some influence on Hedonists' saving, but considerably less than their own beliefs and desires.

"They (parents) say 'save, save, save!' They just tell me to be sensible with my money and not to go spending it on stupid things that I don't need. When I opened my bank account, she (my Mum) came with me to open it. She said to try to get the one with the highest interest rates for my age. But there was only one I could get for my age" (15-16 year old girl, part time working, Hedonist)

Parents' own beliefs and financial institutions were also influential to young people in the Mixed group. While these influences were equally balanced for the young people in the Mixed group, the impact was less profound than for the Conservatives. This is because the Mixed group is torn between spending and saving while Conservatives are concerned more with saving.

Aspirers were strongly influenced, even more so than Conservatives, by their parents, themselves and other family. Aspirers were more aware of financial products and services and, therefore, the influence of financial institutions was less.

5.4.2 Influences on Spending

Across all the groups in the typology, attitudes to spending and spending behaviour were unlikely to be affected by external influences. Wherever the attitudes arise from in the first place, by the age at which these young people were interviewed, attitudes to spending were internalised, with less evidence of outside influences. This suggests that the attitudes to spending are a manifestation of the personality of each type.

Conservatives were often restrained in their spending behaviour. Friends did have some influence, but this was only at a moderate level. Hedonists were influenced to spend by a wide range of sources including: their own views, friends, shops, adverts, magazines and celebrities. Young people in the Mixed group were influenced strongly by their own views and by friends, and to a lesser extent their parents and shops. Aspirers were quite extreme in their spending behaviour in the extent to which they resisted other influences. For example, one Aspirer (a 15 year old boy) would sit amongst a group of friends who had bought sweets and drinks at the cinema and resist the temptation and peer pressure to spend his money.

"[My mum] talks to me about it a lot, when I get my wages, not to waste it. She'll help me decide what to spend it on... not 'don't get this', but if I want something she will advise me not to get it if I don't need it" (17 year old girl, part time working, Mixed)

“It’s the crowd you go around with, places you go and what you buy, it’s like everyone is going out and spending lots of money like going to the pub and you have to buy drinks” (15-16 year old girl, full time education, Hedonist)

5.4.3 Influences on money management

Parents were an influence for all groups when it came to money management but the beliefs of respondents and their friends also emerged as having an impact.

For those in the Conservative and Mixed groups, parental influence on the way they manage their money was particularly strong. In contrast, those in the Hedonist and Aspirer groups were primarily influenced by their own philosophy regarding managing their money. It should be remembered, however, that Hedonists preferred to spend their money while Aspirers preferred to save their money and so their approaches to money management clearly differed.

5.4.4 Influences on getting money

In terms of getting money, the main influence for all groups was their own philosophy and this was particularly strong for those in the Aspirer group. Parents were also an important influence on getting money for those in the Conservative and Mixed groups, but less important for those in the Aspirer group and least important of all for those in the Hedonist group. Friends were also an important influence on the Hedonist group. Some of those in the Hedonist group had seen some of their friends achieve financial success and hoped that they too would achieve a similar degree of success.

5.4.5 Influences on debt and credit cards

Parents were the main influence on the Conservative and the Mixed groups’ attitudes towards debt and credit cards. Some parents were particularly vociferous regarding the dangers of getting into debt and these views were more likely to be listened to by the Conservatives and Mixed groups. They were also influenced to a lesser degree by their own beliefs, television, banks and building societies.

Hedonists’ and Aspirers’ views on debt and credit cards were predominately influenced by their own philosophy, although both groups were also influenced to some degree by their parents. Hedonists were also influenced by their friends’ opinions and experiences on this subject.

“Wouldn’t use a credit card. Same as my Mum and Dad really, if I’ve got the money there I know how much I’ve got to spend, rather than getting it back and seeing how much I’d spent. If I had a card with endless money on it, I would be

out all the time; I'd get into debt again. It would be worrying that you wouldn't be able to control, you would never pay it off" (17 year old girl, part time working, Conservative)

"I'm not saying that she [mum] doesn't have an influence on my life, but if I choose to get one [credit card] then I choose to get one" (17 year old boy, full time working, Hedonist)

5.4.6 Influences on online banking

The two strongest influences on attitudes towards Internet banking were the media and parents. Very few parents used online banking and most young people in this sample were reluctant to take this step into the 'unknown'. Some mentioned scare stories that had been in the media about people being 'ripped off' on the Internet or losing all of their money.

"I think the only problem is, do you trust the people on the Internet with your credit card numbers, I've known people who have given their credit card numbers and then had their money taken out of it, then it's too late. You have got to be very careful" (15-16 year old boy, full time education, Conservative)

"A bit dodgy really, it's not like a place or having someone to speak to" (17 year old boy, full time working, Hedonist)

Most were not convinced that online banking was a good idea especially in the face of perceived security concerns. This may seem incongruous given the fact that young people are early adopters of technology, however it illustrates their lack of experience in financial matters and their worry about making financial mistakes. There was recognition (mostly, but not only, by Hedonists and Aspirers) of some of the benefits of online banking in terms of transactional efficiency and accessibility, but this was not enough to overcome concerns.

"It's alright, but I'm thinking, everything is becoming computerised. If something went wrong on the Internet and there was no one there to help you put it right; it could cause quite a few problems. It's like handy to just be able to click and check your bank account, because my parents do it. I just think it's quite scary" (15-16 year old girl, part time working, Conservative)

5.4.7 Influences on investments and pensions

Parents, the workplace (for workers) and the media were the main influences on our respondents' attitudes to investments and pensions. Some had been given information from their employer about work-based pensions and sometimes colleagues had also discussed pensions with them. However, most of the young people in our sample

believed that investments and pensions were not relevant to them, perceiving them to be for 'older' people. Those in the Aspirer group had the most knowledge about this area.

"I do think it is a good idea, but people go into it thinking that they are going to make a load of money out of it, thinking it's a sure thing. But it's like taking a gamble really. You can't ever be sure about it. But if you want to put your money in it and take a risk, well fair enough. The way they are you just have to guess when they are going to go up and when they are going to go down to buy and sell" (16 year old girl, part time working, Aspirer)

5.4.8 Influences on shopping around

Few respondents had shopped around for financial products and services, as most were influenced exclusively by their parent's choice of provider. Financial services were not a high interest area for this age group and, consequently, most were not prepared to devote the time to shopping around to get the best deal. Parental advice and their choice of provider was seen as 'safe' because of the level of trust placed in parents and the lack of knowledge of the young person. This negated the need to go out and look and be faced with information that was hard to make sense of. Thus, most of the young people in our sample preferred to go for the 'safe' option of following their parent's advice or choice of provider. There were some cases of work colleagues and friends influencing the choice of financial provider, but this was very rare.

5.5 Schools, money and financial matters

5.5.1 School as an influence

School was not mentioned spontaneously as a source of information by any of the young people interviewed. This is supported by the omnibus findings, which showed that over 40% of young people perceived school as providing a 'poor or very poor' coverage of managing money, whereas only a quarter rated the coverage as 'good or very good'⁵. Very few of the young people in the sample remembered receiving any information about money or financial matters at school. A few remembered ad hoc remarks about money management from teachers, for example about avoiding debt, and some remembered a speaker from a bank or building society doing a talk at school either about banking in general or opening an account. However, none could remember any formalised teaching on this subject.

⁵ Omnibus survey conducted on behalf of FSA by BMRB January/February 2003

FSA Comment: Impact of personal finance education in schools

Despite these low levels of recollection of having received any personal finance education (PFE) at school, research carried out on behalf of the FSA in 2001 (*FSA Consumer Research 11: Personal finance teaching in schools*) found that 89% of secondary schools in England are now teaching PFE in some form to some pupils, the majority within Personal, Social and Health Education (PSHE) lessons. However this study did find that the amount of time devoted to teaching PFE varied considerably and in many schools it was taught less than once a term. It is to be expected that the impact of PFE teaching takes some time to become established.

Financial issues were mentioned as being taught in a number of subjects, ranging from mathematics and business studies to design and history. However, these tended to focus on money at a macro level, for example talking about the importance of ensuring a good cash flow, rather than relating these principles down to managing personal finances.

“More about drugs and alcohol and things like that, not money” (16-18 year old girl, education, part time working)

“In business studies they don’t tell you how to look after money, they tell you about cash flow” (16-18 year old male at school)

“We spent a lot of time trying to set up a business in jewellery and we didn’t get the money back. We realised what it was like to put money in and you don’t get it back” (First Year Student)

5.5.2 Suggested improvements to school coverage

All of the young people interviewed believed that they would have benefited from a broader financial knowledge base and admitted that their current level of personal finance knowledge was low. Many thought that the school environment was an appropriate channel through which to promote the knowledge of financial issues that they are currently lacking. School was perceived by many as an effective learning environment for a wide range of learnings and skills and could easily include financial matters. In particular, Personal, Social and Health Education (PSHE) was perceived by some as an appropriate lesson in which the topic of money and finance could be included.

What was significant was that respondents seemed to believe that schools *should* be doing more to educate or inform young people about money and financial matters. This supports the accompanying omnibus study finding that 41% of young people believed

that their school should have covered managing money in more detail⁶. Currently, many young people are learning key principles of money and finances through experience and they often learn the hard way. For example spending their entire month's salary in one week was very common amongst young people who had just started a full time job.

"They (Schools) should be telling you about savings and stuff how everything works because a lot of people don't really know and they don't really know until they've gone to Uni. And then they realise, and they realise too late" (18-19 year old girl, education, part time working, Conservative)

"I think you should learn it before you are 18, because once you come to 18 you haven't really learnt much about money. People do just offer you things like credit cards that you just get as long as you live in a decent area" (17 year old boy, full time working, Hedonist)

FSA Comment: Implications: delivery of PFE through schools

Personal Finance Education (PFE) was made a non-statutory part of the curriculum for schools relatively recently. Therefore it should be borne in mind that the teenagers' recollection of not having received PFE reflects the situation when they were in school which for some was up to three years ago. Young people who have received PFE *throughout* their secondary schooling will only emerge from the education system in coming years. Schools are beginning to become aware of the importance of PFE, but inevitably it will take time for the subject to become a fully established feature of schools' timetables. *FSA Consumer Research 11: Personal finance teaching in schools* found that 43% of those secondary schools not teaching PFE intend to introduce it in the future.

5.5.2.1 When to start?

A few respondents believed that learning about financial matters should begin at primary school in order to promote good financial habits from a young age. The types of issues that were perceived to be important to learn at primary school included; the importance of saving and how to save, how interest works, the importance of bank accounts and how they work and the value of money. However, most believed that

⁶ Omnibus survey conducted on behalf of FSA by BMRB January/February 2003

learning about money should begin in secondary school at around Year 10 (age 14-15) as they felt that at an age younger than this children would not see the relevance of learning about financial matters and would therefore not pay attention to what was being taught.

FSA Comment: Implications

To date, the work of the FSA's Consumer Communications Department has been concentrated on schools, with some work directed at adults. Our forthcoming Strategy for Financial Capability will mark a re-evaluation of priority target groups. Going forward, the Consumer Education team feel that greater emphasis should be placed on 16-25 year olds, as this marks the stage at which people become financially active and generally start to take financial decisions independently.

5.5.2.2 What would young people like to learn about?

The young people in our sample primarily wanted to have a better understanding of financial products in order to be able to make informed decisions about the efficacy of taking out various financial products, as well as being able to make comparisons between different providers. They also wanted to learn about the importance of some of the softer financial issues, such as managing money, planning for the future and budgeting.

There is a paradox regarding learning about financial issues at school. On one hand, respondents regretted not being sufficiently well armed with knowledge of financial issues once they began to make significant financial decisions. However, they also recognised that they would be less receptive to information delivered at school that was not directly relevant to them at the time. The main implication of this paradox is that, like all good educational experiences, it is crucial that the information is delivered in an impactful and relevant way in the school environment. Learning through financial games was mentioned as a good way of making the subject more palatable and relevant to young people.

It is recognised that the 15-19 year old age group in our sample responded well to experiential learning activities and, indeed, ideas proposed by the participants (for example guest speakers and participation in a savings club) in this study point to an interest in this approach. This type of activities was seen as more credible than a regular teacher talking about this subject, and relevant external speakers would have first hand experience of how the world of finance operates in practice. Schools could therefore encourage a range of guest speakers to talk to the young people about financial issues.

Suggested speakers ranged from professionals who are employed in the financial sector to entrepreneurs and people – especially from their peer group or of a similar demographic to their own - who have made financial mistakes.

“...I believe a man should come in from a bank and past experience over the years... he should tell people what they should do and what they should expect when they get out in the working world” (15-16 year old boy, full time education, Aspirer)

“We could do like horror stories in PSHE, we used to have scare videos about playing on the train track. They could do something like that where someone comes in and talks to you about the dangers of getting into debt. Ending up living on the streets. I know it’s not the only reason people are on the streets. They could do things like that to warn people against spending too much and then going bankrupt” (15-16 year old girl, part time working, Conservative)

FSA Comment: Implications: help for schools

This confirms the importance we attach to relevance when devising resources for schools and young people, all the more so considering the earlier finding in paragraph 5.2 regarding young people lack interest in financial matters. General principles such as this, together with ideas about content, as listed above, will prove useful for any organisations involved in developing resources for young people.

There is much in place already or planned which will help schools in particular. This includes:

- FSA resources for teaching and learning in a variety of media covering all key stages
- FSA audit/curriculum planning tool
- FSA annual education conference
- Resources from the industry
- pfeg quality mark
- pfeg Excellence & Access Project for in-service training
- case studies and resource directory on the pfeg website
- DfES ‘Teachernet’ website with lesson plans, schemes of work, links to resources

More needs to be done and the FSA would like to encourage the industry itself to play a key role in helping schools to develop financial capability. The FSA and pfeg can offer information and advice on financial education to those wishing to make a quality contribution to the work of schools. Schools need to receive a consistent message and the FSA is uniquely placed to take a leading role in co-ordination so that a national strategy for financial capability in the curriculum is developed.

There is also the opportunity to take greater advantage of relating personal finance to a wide range of school subjects. For example, the importance of maintaining cash flow in a business could be related to the importance of managing personal money to ensure that they have enough money to pay for the essentials in their life out of their income.

5.6 Parental Philosophy

There was a high degree of consistency across our sample in the messages parents said they were giving to their children about dealing with money. A main message parents tried to convey was the value of money.

"That you don't get anything in life, you have to pay for it - it doesn't come free."
(Mother of 17-18 year male)

Many parents said that they believed their children did not fully understand that 'money does not grow on trees' until they themselves started to earn it. Parents therefore seemed to believe they needed to teach their children how hard money is to earn and that it should be spent wisely. In the same vein, many parents tried to impart knowledge about saving to their children. Most of this knowledge was about the importance of saving, and in some cases, they tried to convey information about how to save as well. Finally, all parents tried to warn their children to avoid debt. Interestingly, the advice and information imparted to the children did not depend on the parents' own behaviour with regards to spending and saving. All parents, whether they saved or not, tried to teach their children to save.

"Probably the most important thing is not to waste it on stupid things. You can't dictate what they can and cannot buy at that age. You can guide them a little bit more when they are younger. I do try and talk things through, when I am shopping with her. Sometimes she sees a bag that is really expensive, but you think that's going to be her month's wages. I sort of say that I wouldn't spend my month's wages on one item like that when I knew I had to get through the month. She would say 'oh yeah, I'll perhaps wait until next month and put a bit away towards it.'" (Mother of 15-16 year old girl who is part time working, Conservative)

"I think she realises that there is not an infinite supply of it. We do what we can and I suppose she does appreciate the fact that we both work long hours and we work hard to get what we've got. Like most kids, when she comes out shopping with me, she sees things she likes she'll say 'this is really nice' and I'm a bit of a sucker for things, but the trouble is everything looks nice on her. It's very hard to refuse. You have to sometimes stop and say; 'Look, I just haven't got the money'. She's quite appreciative of what we can do, but sometimes we just have to say sorry, it's just not there. I think she realises that we do what we can for them, but it's not always possible to do everything. There is a limit. She doesn't really push it to be quite honest. She's pretty understanding in that sense." (Mother of 15-16 year old girl who is part time working, Conservative)

"Don't get in debt. When she's older, don't get these credit cards. You hear of some people having 2 or 3 credit cards being so many thousand pounds debt in

each and not knowing which way to turn. So, hopefully, if she sees that we don't do that." (Mother of 17-18 year old girl who is full time working and Conservative)

"[My mum] likes to pretend that she's sensible but we both spend ridiculous amounts on little things. She bought a new coat for £90 which I thought was stupid, but she thinks the same about some shoes. Whenever we go shopping we always spend a lot" (15-16 year old girl, full time education, Hedonist)

Some of the advice parents gave depended on their child's current situation. For those that were entering work, parents explained about budgeting money. This was particularly true for workers who earned their money monthly. Many parents explained that their child had spent all of their earnings in the first few weeks after being paid in the first month and that they had had to lend them money so that they could get through the month. Other circumstances that parents helped their children with included saving for driving lessons or a car. Some parents, started to talk to their children far in advance of their needing to pay for driving lessons about how to save, whereas others started much closer to the event.

Despite parents' best efforts to convey the 'right' information to their children about money matters, their actual behaviour regarding financial matters was a far more powerful influence. Some young people explained that their parents told them to save, yet did not seem to save themselves and were doing fine, so why should they?

"My dad and I both spend and a week later think why did I buy it." (First Year Student)

"[My parents] both [say they] like saving. [Yet] Mum will spend a fortune on shopping so she should practice what she preaches." (First Year Student)

In cases where the parents themselves had different philosophies about money matters, most of the young people adopted aspects of each parent's attitudes and behaviours towards money. In most instances though, one parent tended to have more influence than the other over the child's thinking about money. That parent tended to be the one who was in charge of the finances at home and the one who was the main communicator with the child. In most instances, this was the mother.

"My mum says [spend and] deal with the consequences later but dad is for saving." (First Year Student)

5.7 Attitudes

As set out thematically in the following subsections, each group in our typology was firmly rooted in a specific attitude towards money matters. To summarise:

- Those in the Conservative group were most concerned with saving and money management. Their attitude was that money should be treated carefully and that a lot of thought was needed when spending it.
- The Hedonist group concerned themselves mostly with spending and debt. They did not believe in delaying pleasure and this translated into their attitudes towards money.
- Those in the Mixed group thought mostly about saving and spending. They had mixed messages from their parents about money matters and therefore spent time thinking about how they could best spend and best save their money.
- Finally, the Aspirer group focused mainly on acquiring money. They wanted to be successful in their later life and therefore thought a lot about how they could achieve this goal.

Each of the groups therefore viewed financial products and services from a different perspective, with different products and services having different levels of appeal to each.

5.7.1 Debt

Most young people believed there were two kinds of debt: necessary debt such as mortgages, car loans and student loans, and overspending such as credit cards, unspecified loans and overdrafts. Each group in our typology viewed overspending in a different way.

The Conservatives feared debt. They all said they would avoid it at all costs and would rather live without something necessary than go into debt. These young people often said they would not purchase something if they did not have the money to pay for it. Many of these young people aged 18 and over did not have credit cards. Those under 18 believed that they would not get credit cards when they became eligible to receive them.

'Scary and stressful. I just think that it is easier if you are not in debt. I'm not really someone to go out and buy loads and loads of stuff that I can't afford. But if I got into that situation, I really wouldn't know what to do. If I had a massive debt, not £10 or £20 where I would go to my Mum and Dad. If it was like a mortgage, I would just cry.' (15-16 year old girl, part time working, Conservative)

"I'd be dangerous [with a credit card]. I'd be over at Bluewater, buying things that I really didn't need. I'd be twelve grand in debt with not a penny to pay it off... I don't think I would have one later on in life unless I was a millionaire" (18 year old boy, unemployed, Conservative)

The Hedonists believed debt due to overspending was a necessary evil. They did not want to miss out on a night out with friends or forgo a new hi-fi system just because they did not have the money to pay for it now. They believed it was important to have fun today and think about the consequences at a later date. Debt was therefore something they saw as negative, but unavoidable.

"I think when we live in a society where it can be easy to get in debt and spend money, it's normal to get loans and stuff." (16-18 year old female, education, part time working, Hedonist)

Young people in the Mixed group of our typology were wary of debt, but did see that at times it could be a valuable tool. Some of these young people mentioned that they would want to use credit cards to pay for expensive purchases so they would not have to carry cash. They also thought that debt was useful if something needed to be purchased immediately, such as a new cooker, and they did not have the money at that time.

The Aspirers also viewed debt as a necessary evil, but in a different way to the Hedonists. The Aspirers viewed debt as an inevitable means to an end, a way of helping them to succeed. All of the Aspirers interviewed were hoping to start their own businesses and believed they would need to get into debt in the early stages in order to make their business succeed. Some mentioned having to take out small business loans and the costs associated with starting out on their own, such as buying tools and getting office/ work space. Education was also seen in a similar way as an investment for the future.

"A loan is a necessity. At the end of the three years I have to pay it back." (First Year Student)

All of the young people interviewed here were concerned about whether they would be able to control themselves if they were given a credit limit. Most feared their spending would go out of control and that they would never be able to pay back the money they owed.

"Good at the time but afterwards think shouldn't really have done that." (17-18 year old boy, full time working, Hedonist)

"It's a good thing if you can control how much finance you have, but always having more. Then it's a really bad thing. If you just have a few things like a mortgage and a car and you can pay them, then it's a good thing, but if you go for catalogues and credit cards, then it all mounts up, and you never have enough money" (17-18 year old boy, full time working, Hedonist)

"I'm not that sure really, I think it's all right if you are buying a house or a car as long as you can pay it back. You can get a lot of debts from credit cards, so you have to be careful what you get yourself into" (15-16 year old boy, full time education, Aspirer)

5.7.2 Spending

All of the young people interviewed liked the idea of spending money and having nice belongings. Clothing and other visible items that contribute to image and socialising were main areas of spending. However, there were differences in how each group in the typology thought about spending.

Those in the Conservative group were very fearful of overspending and as a result thought very carefully about all purchases, making sure they were necessary. These young people did not tend to 'waste' money. They also seemed to derive a lot of joy out of not spending.

Those in the Hedonist group loved spending and rarely felt guilty about it. They liked to live for the moment and have everything they wanted immediately. These young people rarely thought about the consequences of their spending, as they did not seem to think very far into their financial future.

Young people in the Mixed group enjoyed spending money, but frequently felt guilty when they did. These young people seemed to have messages from both parents about the benefits of saving and of spending at the forefront of their minds, making all spending behaviour a mixed pleasure.

The Aspirer group thought of spending as a means to an end. Their purchases were often more strategic and furthered a long-term goal, such as building up a set of tools needed for a business as a car mechanic. These young people derived particular satisfaction from spending money on career furthering items.

5.7.3 Getting Money

All of the young people in the sample recognised the necessity of having money and all seemed to have a good idea of how much money they needed to maintain their current lifestyle. Most spent their money on clothing, food items, transportation, mobile phone vouchers and entertainment. The older teenagers sometimes also contributed to household bills and had insurance and petrol to pay for. The thought of getting money was most exciting to the Aspirers as they were working towards a life of material wealth. Getting money was particularly important to them in the longer-term future. The Hedonists also enjoyed the thought of getting money as it meant they would have even more to spend and this applied to today as well as tomorrow.

5.7.4 Saving

All of the young people in the sample thought saving was a good idea in theory, although each young person had a different level of practical success. All parents appeared to advocate the benefits of saving to their children although this was not always reflected in their actions. Each group in the typology felt differently about actually saving and had a different level of commitment to saving.

The Conservative group considered saving a high priority. They enjoyed being able to save money and the security of knowing they had something put away in case they needed it at a later date. They did not find it difficult to save money.

"I do try and keep a certain amount of money in my bank account, I won't go under something like £60. I do try and keep it in my bank account. Every time I get paid I try to keep a percentage in my bank account. One month I think I won't go below £70 and the next month I will think won't go below £80. Because I want to go away with my friends, it's easier to save a little bit at a time, than saving a lot, trying not to spend anything. Trying to save just a bit. Keep it steady, save a bit each month. Like you are paying off a loan." (15-16 year old girl, part time working, Conservative)

Many of the Hedonist group did not save money and only felt a modicum of guilt about it. They believed that saving was not relevant to their lives at the moment as they were young. Many felt they would need to start saving when they had a full time job or perhaps when they had responsibilities, such as a family, but this was not something they had really begun to think about yet.

"There is no point in saving if there is no reason. If the money is there, then if all your mates are going out you might as well take it to make sure you have enough to get through the night. Usually end up spending it all even if you don't need to" (18 year old boy, unemployed, Hedonist)

Respondents in the Mixed group believed saving to be important, but it was not something they felt excited about, as Conservatives did, as they also enjoyed shopping. Talking about savings with this group of young people led to a lot of guilty explanations about wishing they could save more, but not being able to as they always found something they wanted to buy.

Those in the Aspirer group thought it was important to save now so they would have the money for important, large purchases in the future. Most of the Aspirers were saving towards something specific and were able to delay the gratification of the purchase. Aspirers also tended to live more in the future and seemed to be preparing themselves for future spending by saving now.

5.7.5 Money Management

Attitudes towards money management varied across the groups, according to the perceived significance of the practice and the benefits of it to the individual either now or in the future. For Conservatives, money management was very important, but for Hedonists it was not important. The level of importance attributed to money management was directly related to, and manifested itself in, the amount of record keeping and checking undertaken by the young person.

The Conservatives thought money management was key to their future security. Most of these young people knew what they spent their money on in quite a lot of detail, either as they kept formal or informal records and budgets. They tended to check their bank statements carefully and save their receipts 'just in case'. Their behaviour in this area was driven mostly by fear – they were afraid of not having money when they needed it in the future.

The Hedonists did not manage their money carefully and money management was not something they saw as currently being of relevance to them. They believed that they would only be young once and that they should spend money when they wanted to, as opposed to when they could afford to. Many did not know how much they spent on a typical night out or how much they had in their account at any given time. They did not check any bank statements or keep any records of their spending. The main driver concerning their attitude towards money management was having fun.

Those in the Mixed group were less inclined towards money management. They believed that healthy money management centred on having some savings but also spending money when they wanted to. They did not regularly check bank statements or keep accounts of their spending although they did have a good idea of what money they had at their disposal at any given time. The key driver of their attitudes towards money management was the desire to please both of their parents, particularly where one was usually more inclined to spend and the other to save.

"I do think it's a good idea, because I'm saving up to go away with my friends in the summer for about a week. When you have something to aim for it gives you some incentive. But if you are just sitting there thinking I'm a bit bored, haven't got anything to look forward to, I do just go and spend it on rubbish." (15-16 year old girl, full time education, part time working, Mixed)

The Aspirers tended to manage their money slightly less stringently than the Conservatives, but still more than the other two groups. They firmly believed that money management was key to their future success. They knew that they would need to manage money carefully when they had their own businesses in the future. The Aspirers did check their bank statements but did not tend to keep detailed records of their

spending. The key driver of their attitude towards money management was generating wealth.

“Because of the course I’m doing...I don’t want to spend all my money...so if I do decide to set up a business I’ve got something to start off with” (18-19 year old girl, education, part time working, Aspirer)

Our findings in this area are supported by other research conducted by FSA, in which 18-24 year olds proved to be the age group least likely to rate themselves “good” at money management⁷.

5.7.6 Shopping Around

Most of the young people in the sample said they did not shop around for financial products and services. This was in contrast to purchase behaviour outside the financial arena, where most of the young people felt that they commonly shopped around for the best deal, particularly when it came to items such as clothing, mobile phone handsets and tariffs.

As discussed earlier, most respondents felt that their parents could offer them the best advice for financial products and services as they had personal experience of the products and services, knew what their child needed from them and most importantly, had their best interest at heart. Many young people did not trust banks or building societies as they believed that they only wanted to sell them their own products or services and therefore were not offering them the impartial advice that was ideal.

On the other hand, the young people believed that when the time came for them to get large scale financial products and services, such as mortgages, car loans, or car insurance, they would shop around for a good deal. This would involve gathering as much knowledge and information as possible about the products before committing to one product or service. Given the high value of these products and perceived complexity, many felt that parental advice alone would probably not be sufficient as parents may have acquired these products in the distant past or have had less experience of them. We know from other studies that many adults do not shop around for large financial items such as mortgages⁸ although it is more prevalent for many general insurance products.

⁷ FSA Consumer research 1: Better informed consumers (2000)

⁸ FSA Consumer research 8: Choosing a mortgage (2001)

5.8 Knowledge

Overall, none of the young people in the sample thought that they had a good knowledge of financial products and services. This finding is supported by other FSA research which found that 18-24 year olds were the age group holding the lowest opinion of their own financial skills⁹.

The younger and more Conservative the young person was, the more likely they were to believe they had a poor knowledge of financial products and services. This could be seen largely to be the consequence of their age and the associated relatively small amount of money reducing the likeliness of a need for financial products and services.

Those in the Conservative group tended to not use financial products and services that they did not consider safe. These included credit cards and loans.

The Aspirer and Hedonist groups believed themselves to have the greatest knowledge of financial products and services compared to the other groups in the typology. As they tended to overspend frequently they had overdrafts, credit cards, loans and multiple bank accounts. Having to use so many of these types of products and services meant that the Hedonists knew more about these products than the other groups.

The Aspirer group were more knowledgeable about financial products and services, including investments - a rarity for this age group - because they were the group most interested in finance.

“Probably a medium knowledge. I see adverts on the TV, I listen to my parents talking. That is as far as it goes, as I don’t have to worry about things like that yet. When I’m older, I will probably want to know as much as I can, before I take out a loan. I will shop around and I will try to find the best deals. With clothes, there is not much difference in price and you will use it as a physical thing, you won’t lose money on it” (15-16 year old girl, part time working, Conservative)

“Not really been told much about it. My pounds and my pennies...spending it. I’m not really that good at saving money” (16-17 year old boy, full time working, Hedonist)

5.9 Life Transitions and their Effects on Behaviour

At about the age of 14–16 years, young people get their first experience of paid work, perhaps a paper round or baby-sitting. The young people spoken to here were no exception. Most of the young people were paid in cash and earned very little. However,

⁹ FSA Consumer research 1: Better informed consumers (2000)

having an earned income, as opposed to money given to them by parents, appeared to have the effect of prompting them to start acquiring some money skills such as basic money management and understanding the value of money. For example, some young people explained that they would need to work for X hours to be able to afford to buy Y.

“Jobs are a good influence. It shows you the difference between having money and not having money, when you can spend it and when you can’t spend it.” (15-16 year old girl, full time education, part time working, Conservative)

Between the ages of 16 and 19 years, young people often get a part time or full time job, depending on whether they go into further education or not. Those young people interviewed who were in either part or full time employment reported that as their earned income increased in this way they started to learn more about how to manage and budget it. Many of them were paid on a monthly basis and therefore had to learn how to make their earnings last an entire month. Others were paid in cash on a weekly basis and had to think about saving money from each wage to pay for monthly bills. At this age, many young people started having bigger financial responsibilities, such as: rent, car loans, insurance and mobile phone bills. For most, making their earnings last until the next pay day proved to be a challenge at least initially. Learning to manage involved speaking to parents, particularly for the Conservative group who often actively sought parental guidance, and learning from mistakes, mentioned particularly by those in the Mixed and Hedonist groups. In the case of the latter parental advice may have been resorted to or heavily pushed by the parents depending on the extent of the poor management displayed by the young person. The Aspirer group seemed to have least difficulty.

“You think I can’t wait to leave (school) and get money easy, but when you get into the position of earning money you don’t realise how quick it goes.” (16-18 year old male, full time working)

Getting a car added a huge expense for most young people aged 17 and over. In addition to the insurance and car loans, they needed to think about petrol and any car repairs. Many of the young people who were driving said that most of their money went on car related expenses.

For those 18–19 year olds at university, financial life became quite complicated. As they were often not living at home, they had to pay for many ‘trivial’ items that they had never thought about before, such as soap and kitchen towel. They were often living on student loans and topping up these loans with money earned from part time jobs. This was usually the first time that young people were living away from home and taking care of themselves financially. They were also introduced to credit cards and had to cope with understanding how they worked and trying to keep themselves from abusing them.

“You have to think about every single thing like cleaning stuff for your room. Everything you have done for you at home. Surface cleaner for the kitchen - all the cloths.” (First Year Student)

“When you’re at home you get things that are just there. Like food and clothing. Here I’m by myself and I have to spend money” (First Year Student)

5.10 The Future

5.10.1 Hopes and Fears

The omnibus survey found that around 60% of young people said spontaneously that they hoped to be able to buy their own home in the future and around 20% hoped to have no debts or to save regularly. In contrast building up a pension was spontaneously mentioned by only 11%¹⁰.

Our qualitative research provides additional detail to illuminate these findings. Young people’s hopes and fears for their financial future vary quite considerably. Those in the Conservative and Mixed groups had modest hopes for their financial future. They hoped they would be able to afford a place to live on their own away from the family home. Both the young people and parents also hoped that the young person would be able to afford to have and support a family where they would all have enough to live on without worrying too much about money. For most, they hoped they could have one holiday a year. Both the Conservative and Mixed groups thought they would be able to achieve their financial ambitions through a combination of careful planning, saving and hard work.

The Aspirer group had bigger hopes for their futures. Many wanted to have their own business and to own their own home. They also wanted to be able to afford some luxuries such as a nice car and foreign holidays. The Aspirers thought they would achieve their financial ambitions through starting their own business and it being successful and through sound financial management.

Hopes for those in the Hedonist group differed depending on whether the respondent was a student or not. The student Hedonists hoped they would have a good job where they earned a lot of money and appeared to think that their degree would guarantee this. Having a high earning potential therefore made them think they would be able to own their own home and car and also have some luxuries, such as two holidays per year and nice clothes.

¹⁰ Omnibus survey conducted on behalf of FSA by BMRB January/February 2003

The non-student Hedonists had hopes that mirrored the Conservatives and Mixed groups. They did not see themselves as having a high earning potential and so did not expect to have very much disposable income. The student Hedonists thought they would be able to achieve their financial ambitions by getting a well paid job, whereas the non-student Hedonists were not sure how they would achieve their financial ambitions.

All of the young people in the sample shared the same fears. They were all worried about not being able to afford to live independently, getting into debt that they could not get themselves out of, being unemployed, and being unable to support themselves. However, the strength of the fears differed, with those in the Conservative and Mixed groups being the most fearful and those in the Hedonist and Aspirer groups being the least fearful.

'Fears – that I would get into debt. I have nothing against people who are on the dole but I don't want to be in that situation where I have to be using other people's money... I know that I am able to do things and I am able to work. I don't want to be put in the position that I am doing nothing all day. I think the thing I am most scared of is being bored. I want to be a fashion designer when I am older. But I don't want to be sitting in an office all day, even if I was earning loads of money doing it, I still wouldn't like doing it because I would be bored. Sitting behind a desk figuring out figures all day' (15-16 year old girl, full time education, part time working, Conservative)

5.10.2 Planning for the Future

There was a great degree of variation between the different groups with regards to how far into the future they were planning financially. The Aspirer group were planning the furthest in advance with many of them looking about 10 years into the future. These young people were very future oriented and were thinking about starting their own businesses and making them successful.

"I think it's very important, after what is happening with retirement these days, I think you should plan towards your retirement, put a bit of money away each week. I get £40 a month and I stick £20 away every month, that will be there for one rainy day when I need it." (15-16 year old boy, full time education, Aspirer)

Those in the Conservative group also looked into the future and, while they had some awareness of the long-term future, they tended to be more concerned with a future of about only three years, broadly encompassing the next life transition they would be facing. For the youngest Conservatives in this study, this was often learning to drive and getting a car, starting working or going to University. For the oldest Conservatives in this study this tended to be moving out of home and starting a family.

"I do think I should soon start saving if I want to go to University. I am going to end up with a 20 grand debt like my cousins. Both of them have just come out

and they have got huge debts. I don't really think about it very often there are other things I have my mind on. But I do think I should start saving soon as it is ridiculous now the amount of money you have to spend on going to University, even rent at Uni. is quite a lot." (15-16 year old girl, full time education, part time working, Conservative)

Respondents in the Mixed group considered a much shorter timeframe and seemed to only think a few months ahead. They were more focused on short-term gratification than the previous two groups and therefore did not think ahead to the same degree.

Young people in the Hedonist group thought ahead to the least extent of all of the groups— only a week into the future, and for some, only as far as the next weekend. Hedonists live for the moment and therefore do not think very far beyond the next exciting activity they had planned. Financial planning was something they did not see as relevant to their lives at all.

"Take life as it comes. Don't think too far ahead... I'm just thinking of today" (18 year old boy, not in education, unemployed, Hedonist)

FSA Comment: Conclusion: implications for the FSA

This report has provided us with both high-level principles and more specific points to consider when devising resources aimed at young people.

When working with such a diverse age group, an awareness of the different groups (Conservative, Hedonist, Mixed and Aspirer) will help to ensure that resources are well focused.

In terms of channels through which to reach young people, the report has confirmed the value of working with schools, whilst underlining the necessity of keeping PFE relevant and interactive if its messages are to be retained. Possibly the most resounding finding however, has been the importance of parental influence. Consequently, we will need to plan future work which supports and involves the parents of young people.

In terms of timing for PFE, the report has identified young people aged 14-15 as an appropriate starting age. Also, in acknowledging that young people's interest and engagement with financial services essentially works on a 'need-to-know' basis, we deduce that lifestage-centred (e.g. first job, or leaving home) initiatives are likely to be most effective.

Appendix 1 – Ethnographic sessions

The ethnographic sessions were structured as follows (the sample was free found):

	Age of young person	Gender	Education status	Work status	Location
1	15-16 years (school year 11)	Male	Full time	Non-working	Newcastle
2	15-16 years (school year 11)	Female	Full time	Part time	Birmingham
3	16-17 years	Male	None	Full time	London
4	16-17 years	Female	School/6 th form college	Non-working	Newcastle
5	17-18 years	Male	Further education	Full time	Birmingham
6	17-18 years	Female	None	Part time	London
7	18-19 years	Male	None	Non-working	London
8	18-19 years	Female	Further education	Part time	North
9	18-19 years	Male	University (yr. 1)	Part time	Birmingham
10	18-19 years	Female	None	Full time	London

Additional recruitment criteria

- A mix of social grade: BC1C2D
- To possess a range of financial products: savings accounts, current accounts, or no accounts
- 17-19 year olds: 2 respondents to have cars
- 18-19 year olds: 2 respondents to have credit/ store cards

18-19 year olds: at least 1 respondent to have a loan

The recruitment screener used can be found in Appendix 5.

Appendix 2 – Family and Individual Depth Interviews

Sample

A total of 26 in-depth interviews were conducted with 15-19 year olds. Ten of these interviews were conducted with respondents from the ethnographic sessions and 16 with new respondents. The sample was structured to ensure a range of lifestages and experiences were included:

	Age of young person	Gender	Education status	Work status	Location
1	15-16 years (school year 11)	Female	Full time	Non-working	Newcastle
2	15-16 years (school year 11)	Male	Full time	Non-working	Edinburgh
3	15-16 years (school year 11)	Male	Full time	Part time	London
4	15-16 years (school year 11)	Female	Full time	Part time	London
5	16-17 years	Female	None	Full time	Cardiff
6	16-17 years	Male	None	Full time	London
7	16-17 years	Male	School/6 th form college	Part time	Newcastle
8	16-17 years	Female	School/6 th form college	Non-working	London
9	17-18 years	Male	None	Full time	Birmingham
10	17-18 years	Female	Further Education	Full time	Edinburgh
11	17-18 years	Male	Further education	Full time	Newcastle
12	17-18 years	Female	None	Part time	London
13	18-19 years	Female	None	Non-working	Newcastle
14	18-19 years	Male	University	Part time	London
15	18-19 years	Female	University	Part time	Birmingham
16	18-19 years	Male	None	Full time	Cardiff

NB. Ten additional interviews followed the ethnographic session sample

Additional recruitment criteria

- A mix of social grade: BC1C2D
- To possess a range of financial products: savings accounts, current accounts, or no accounts
- 17-19 year olds: at least 2 respondents to have cars
- 18-19 year olds: at least 2 respondents to have credit/ store cards
- 18-19 year olds: at least 2 respondents to have a loan

The recruitment screener used can be found in Appendix 5.

Appendix 3 – Group Discussions

Sample

Group	Age	Gender	Education status	Work status	Location
1	15-16 years (school year 11)	Male	Full time	Non-working	North
2	15-16 years (school year 11)	Female	Full time	Part time	Midlands
3	16-18 years	Male	None	Full time	South
4	16-18 years	Female	School/ 6 th form college	Non-working	North
5	18-19 years	Mixed	University	Part time	Midlands
6	18-19 years	Mixed	None	Full time	South

Additional recruitment criteria:

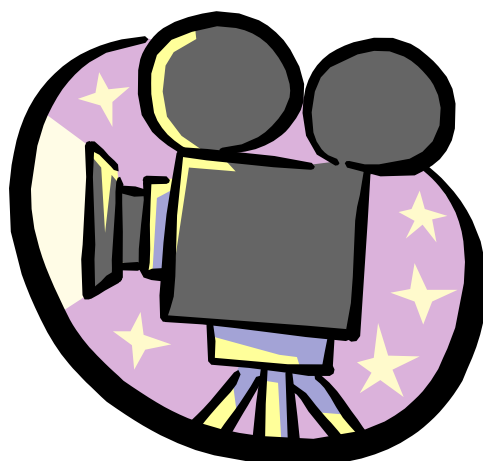
- A mix of social grade: BC1C2D
- Each group to have respondents with a range of financial products: savings accounts, current accounts
- 15-17 year olds: at least 4 respondents per group to have financial products
- 18-19 year olds: at least 2 respondents per group to have cars
- 18-19 year olds: at least 2 respondents per group to have credit/ store cards
- 18-19 year olds: at least 2 respondents per group to have loans

The recruitment screener used can be found in Appendix 5

Appendix 4 – Ethnographic Tasks

Money Matters

Project Pack



Name: _____

Thank you very much for agreeing to take part in this research about money and finance. We are really interested in finding out more about you and the ways in which money and finance fit into your life.

Young Person

The questions are arranged to cover 5 days. Please complete the tasks so you have a full 5 days of answers, pictures and recordings. Please remember to write the day at the top of each page of the diary.

Parent

There is a parent's section at the back of this document, which has one main camcorder task. You may wish to spread this over a few days.

There are no right or wrong answers!

The tasks will include parts where you will take pictures with a Polaroid camera, parts where you will video with a camcorder and parts where you will write in a diary. When I come for the second visit, we will go through your diary, your pictures and your video footage with you. I will also ask some questions.

It is important that you try to do the tasks as fully as possible. Please think about your answers and feel free to be as creative as you like. For example, you can cut out pictures and stick them in the diary or draw pictures as well as write your answers under the different questions.

We will be collecting your diaries, the Polaroid cameras and the camcorder from you the next time we see you.

If you have any questions about what you are expected to do or if you have any problems with the equipment then please contact me

on _____ and I will
be more than happy to help.

This is an example of a diary that has been filled in.

Day 1 Please write in the day **Wednesday**

What prompted you to shop recently?

I went shopping this morning because I needed something to wear to my friend's birthday. I didn't intend to go shopping but I was flicking through a magazine and I saw a top that I wanted to buy. It is important that I look good as a bloke I fancy will be at the party. I have not seen him in ages so I have to look good.

What do you enjoy about shopping?

I don't think you can underestimate the feel good factor when you buy a new pair of shoes or a new top. I just can't wait to get home and try them on. You also feel good when you go out and you are wearing new stuff especially if you are going somewhere good like a club.

What is your favourite day of the week? Why do you like that day?

Friday is the best day of the week because it means that I have the whole weekend ahead of me to go out with my friends. I do not have to go back to work for two whole days. It also means I can lie in bed and ignore my alarm clock. All of my work mates go to the pub after work and have a few laughs, which always starts the weekend off right.

Young Person's section

During 5 days of the next week we would like you to complete a series of tasks. Each of the day's tasks can be found on the pages that follow.

We would also like you to do the task below sometime during the week.

I imagine that you have just won a competition, which has a cash prize of £3,000. You need to find somewhere to save this money and we would like you to go through the process of opening a new savings account – BUT don't worry, you don't need to actually open one (unless of course you decide you want to)!!!

Please do exactly what you would do if you wanted or needed to open one yourself, including deciding on where you would get this from. At the end of this process please record yourself (talking to the camcorder) about how you decided on this product. Please include information such as:

- Where did you go for information/advice?
- What advice/information did you get?
- How useful was this?
- How did you decide which account you would open?
- What were the most important reasons for deciding upon that account?

This process may take a few days, so please make sure that you allow yourself enough time to do it.

Day 1 Please write in the day _____

Polaroid Camera – Please take a picture of yourself and stick it onto the Pictures Page

Camcorder –

Today, please talk to the camera about yourself. The kinds of things you could talk about are:

- What kind of person are you?
- How would your best friend describe you?
- How would a close family member describe you (child, parent, sibling)?
- What are your biggest concerns?
- What makes you angry?
- What makes you sad?
- What makes you happy?

Diary –

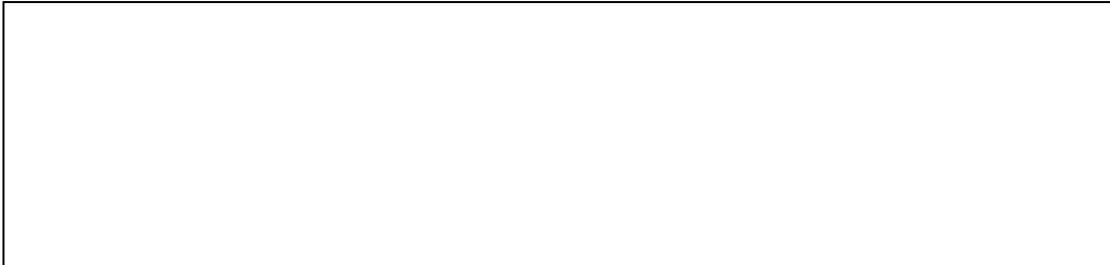
Please fill in today's diary entry on the next page.



Day 1 Diary Questions

Remember try to answer all of the questions. Think about your answers and be creative. You can cut out pictures and stick them in, draw pictures as well as writing your answers.

Who would you say is the person who you have learned most about money and financial matters from. Please give an example of something that you have learned about money/finance from him/ her.



Who or what else has influenced you about money and financial matters – please give an example of this.



What are all of the sources of money that you receive – please write in the approximate amount per week/month/year where appropriate. E.G you might get money for your birthday once per year and get paid each month or each week.

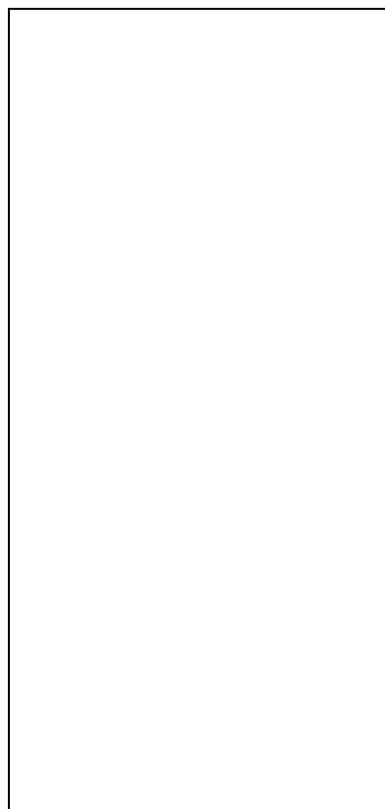
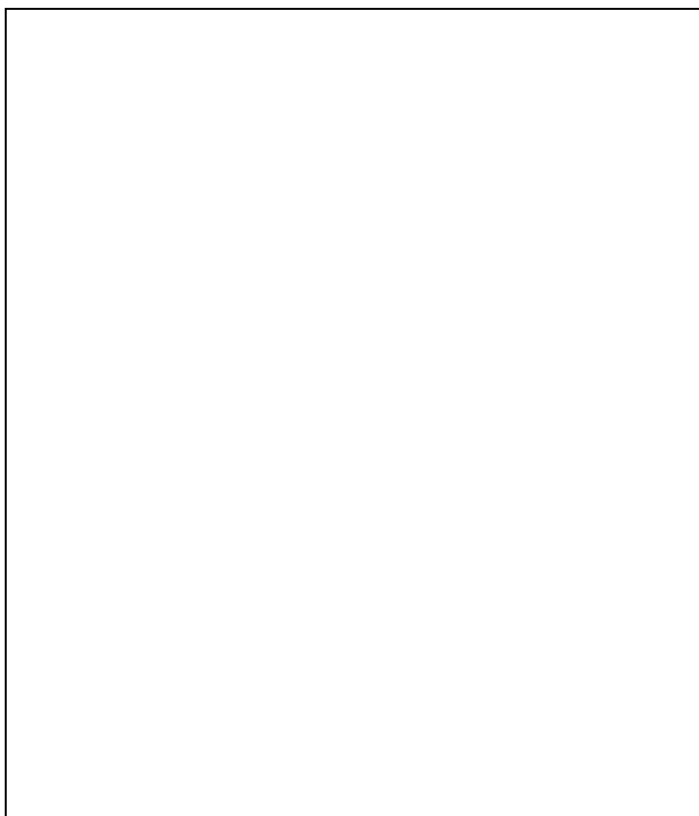


Day 1 Picture Page (use back of page if necessary)

Please take a picture of yourself and stick it onto the Pictures Page

Paste Pictures Below

Write comments
about each picture
below



Day 2 Please write in the day _____

Polaroid Camera – Please take pictures of...

- The 3 most important things in your life

And stick them into the Pictures Page

Camcorder – Today please talk to the camera about the following...

- Who/what would you say are your main sources of information about money and financial matters? How have they influenced you in the way that you deal with money?
- Approximately how much money do you have to spend in a typical week? What are your 3 biggest things that you spend your money on? Who or what are the biggest influencers on the way that you spend money?
- Do you save any money? If so how much and how often do you save? If so what are you saving for?
- How do you save money?

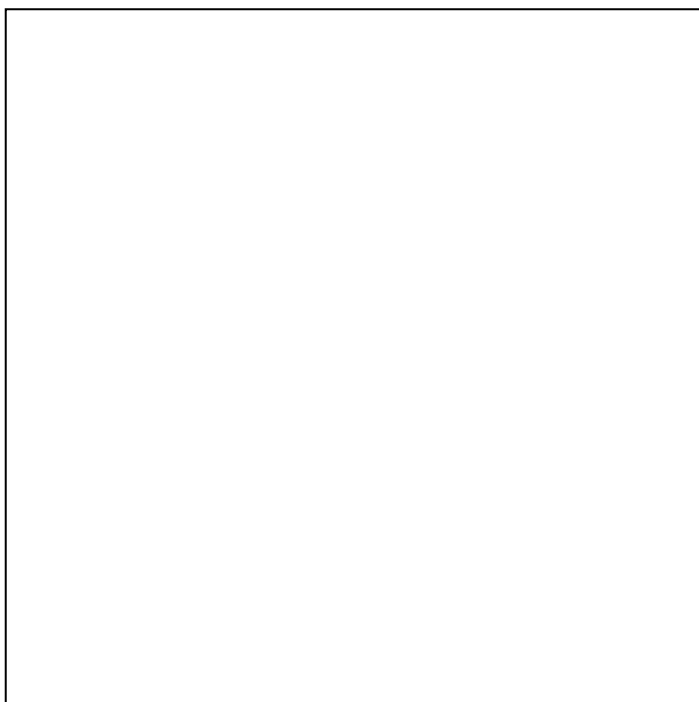
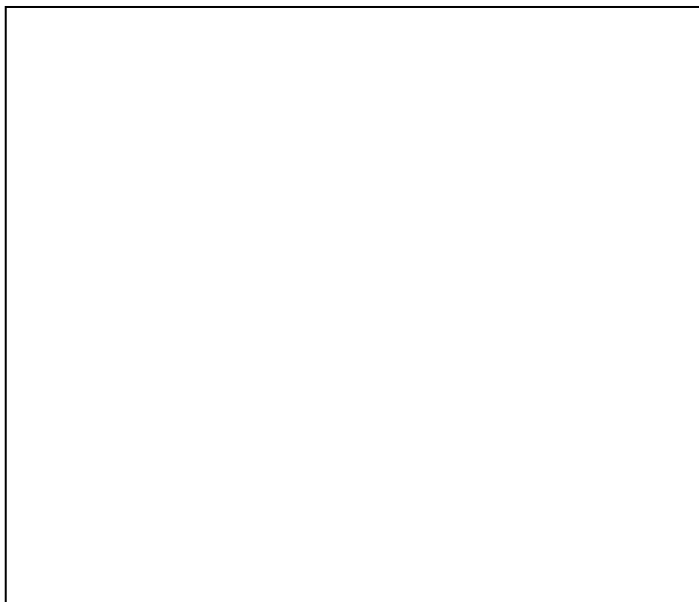
Diary –

Please fill in today's diary entry on the next page.

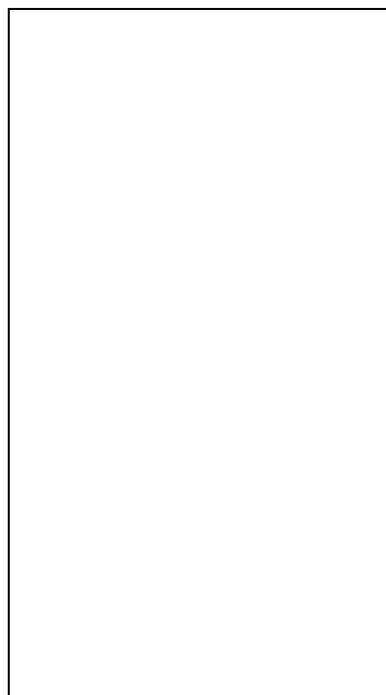
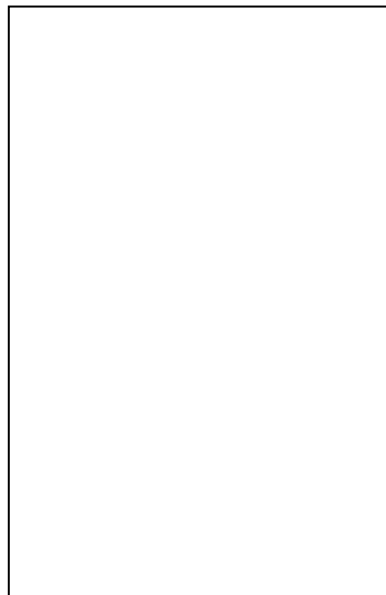
Day 2 Picture Page

Please take pictures of the three most important things in your life

Paste Pictures Below



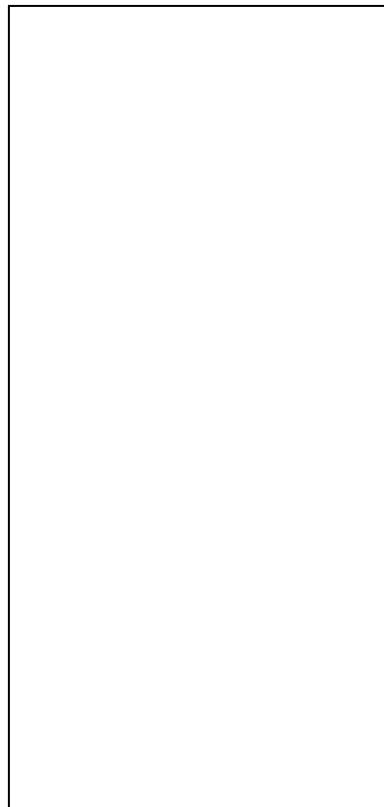
**Write comments
about each picture
below**



Paste Picture Below



**Write comments
about each picture
below**



Day 3 Please write in the day _____

Polaroid Camera – Please take pictures of...

- The 3 things you spend most of your money on

And stick them into the Pictures Page

Camcorder – Today please talk to the camera about the following:

- How would your parents describe the way you handle/spend money? How similar or different do you think the way you deal with money is to them? What is similar? What is different?
- Please take us on a tour of your home/local area, pointing out some of the most important aspects to you (5 mins max)

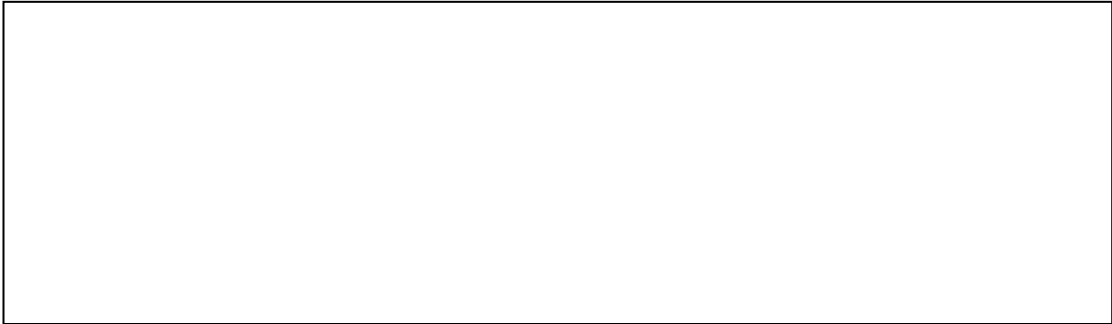
Diary –

Please fill in today's diary entry on the next page.

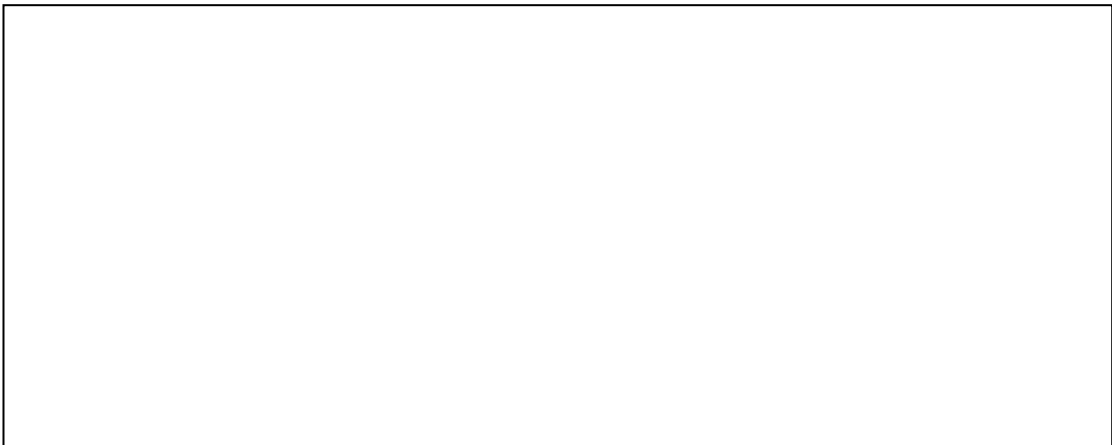
Day 3 Diary Questions

Remember try to answer all of the questions. Think about your answers and be creative. You can cut out pictures and stick them in, draw pictures as well as writing your answers.

What do you think about debt? Why?



What do you think about using credit cards? Would you use them? Why?



What do you think about banking using the Internet (on-line banking)?

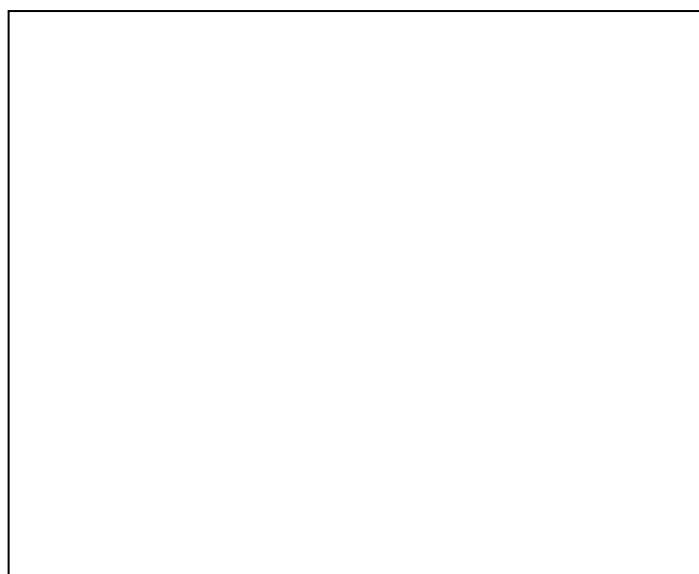
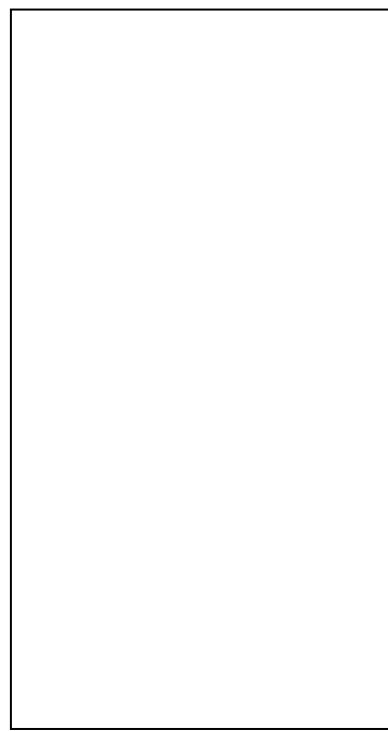
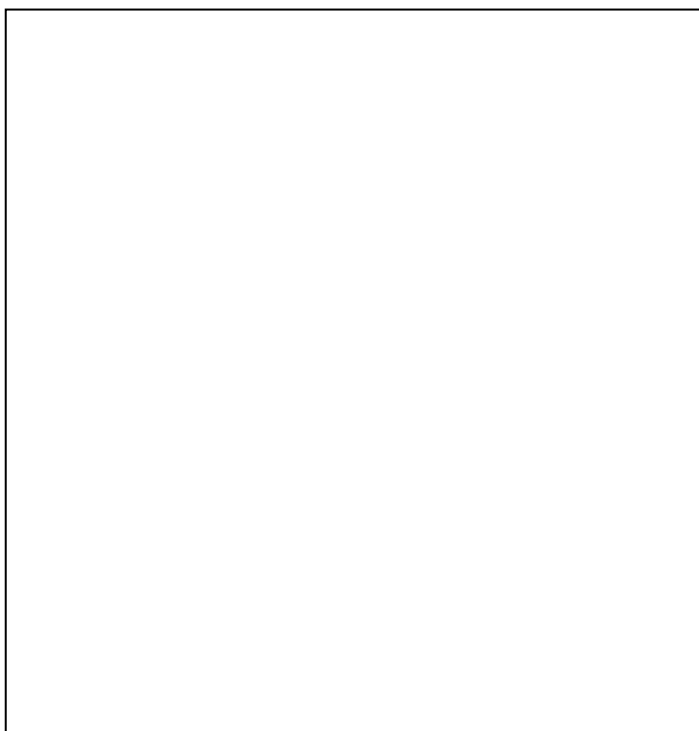


Day 3 Picture Page (use back of page if necessary)

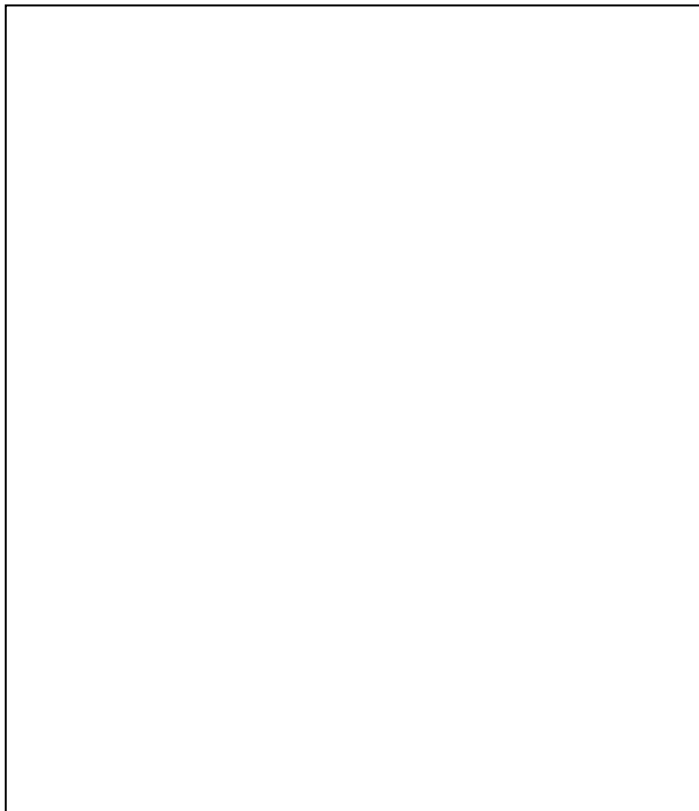
Please take pictures of the 3 things you spend most money on

Paste Pictures Below

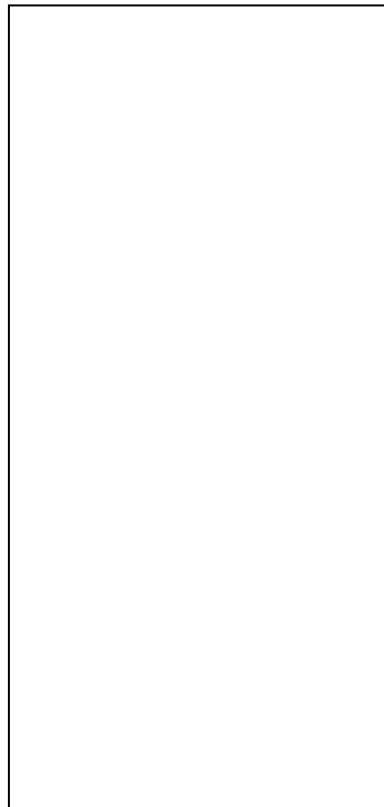
**Write comments
about each picture
below**



Paste Picture Below



**Write comments
about each picture
below**



Day 4 Please write in the day _____

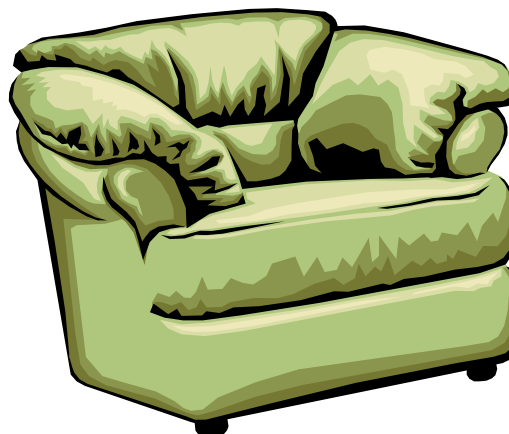
Polaroid Camera – Please take a picture of your bedroom and stick this into the Pictures Page

Camcorder – Please talk to the camera about the following today

- What are your hopes and fears about your financial future?
- How are you going to achieve your financial ambitions?
- How are you going to overcome the hurdles?
- Do you think that you will continue to think about and use money in the same way as you do now or do you think this will change in the future? How?

Diary –

Please fill in today's diary entry on the next page.



Day 4 Diary Questions

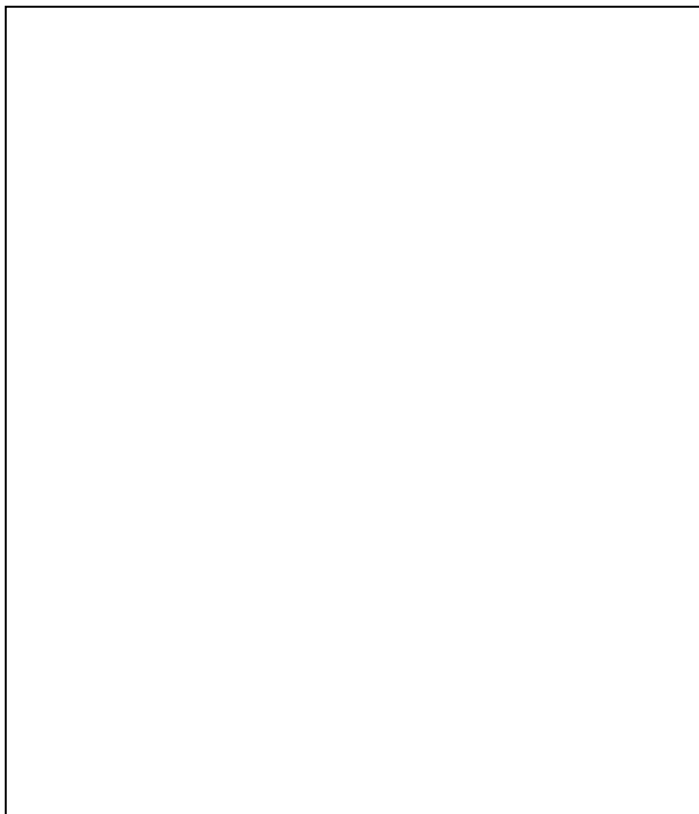
What is your most important hope for your financial future?

What is your greatest fear about your financial future?

Day 4 Picture Page (use back of page if necessary)

Please take a picture of your bedroom

Paste Picture Below



**Write comments
about each picture
below**

A tall, empty rectangular box with a thin black border, intended for a student to write their comments about the picture of their bedroom.

Day 5 Please write in the day _____

Polaroid Camera – Please take a picture of the person that influences you most about money and financial matters and stick it into the Pictures Page

Camcorder – Today, please talk to the camera about...

- Your biggest mistake you have made related to money
- Your proudest achievement related to money

Diary – Please fill in the diary questions on the next page

Day 5 Diary Questions

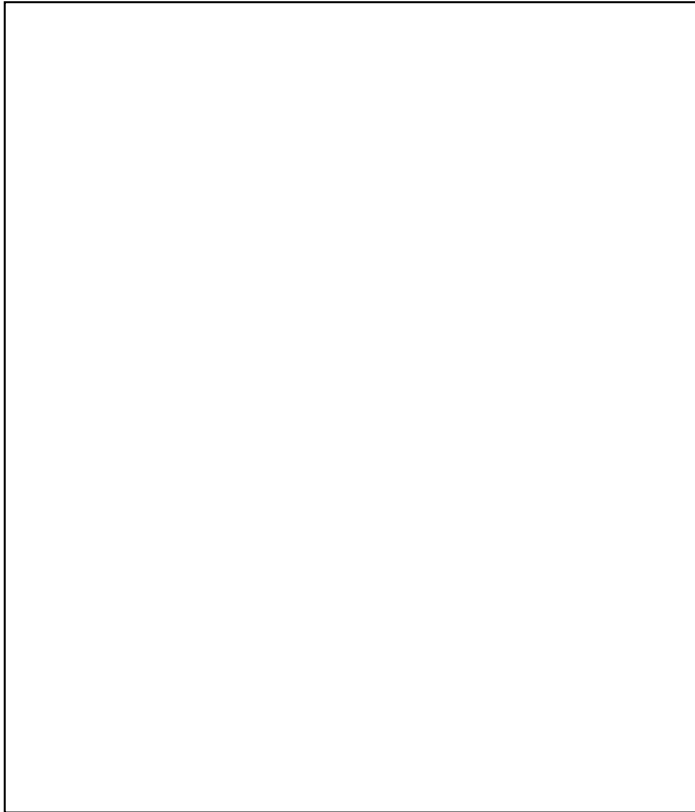
Are you planning for your financial future? What do you plan for? When are you planning for?

Day 5 Picture Page (use back of page if necessary)

Please take pictures of the person that influences you most about money or financial matters

Paste Picture Below

Write comments
about each picture
below

A tall, empty rectangular box with a thin black border, intended for writing comments about the picture pasted in the adjacent box.

Parent's Section

Please complete these video diary questions during the course of the following week

Camcorder -

Please talk to the camera about the following...

- What are your hopes and fears about your child's financial future?
- What do you think about the way that your child manages their money - How is this similar or different to the way that you manage your money?
- Who/what would you say were the strongest influencers on the way that your child manages their money? Please give some examples of the ways that your child has been influenced by others in this area.
- What advice/ information have you given your child about money and finance? What was their reaction to this information/advice?

Appendix 5 – Recruitment Questionnaires

Select

*research****RECRUITMENT QUESTIONNAIRE: Version No. 3*****26th February 03****PROJECT NAME:****YOUTH FINANCE****JOB NO:****2786****2 Visit depths
(Ethnography)****Interviewer Name :** _____ **Interviewer No.** _____**Date and Time of Group/Depth:** _____**Respondent Name:** _____**Full Postal Address:** __________
_____**Tel.** _____ **(Hm)** _____ **(Wk)** _____ **(Mobile)*****(DO NOT RECRUIT UNLESS TELEPHONE NUMBER IS GIVEN.)*****METHODS OF RECRUITMENT ALLOWABLE****Telephone free find** ✓**Telephone snowballing*** ✓**Door to door** ✓**In street, face to face** ✓**From lists** ✗

*This refers to approaching people who may know other respondents who fit the quota, but who are NOT attending the group discussion themselves. You must not knowingly recruit people who know each other. After they have been initially approached, you must recruit these people *yourself* according to the quota.

Q.A ***Do you or do any of your close friends or relatives have anything to do with the following occupations? (PLEASE CIRCLE)***

Market Research	1	Close
Journalism	2	Close
Advertising	3	Close
Marketing	4	Close
Television	5	Close
Public Relations	6	Close
Financial Services	7	Close
None of these	8	Recruit

Q.B Have you ever taken part in a market research depth interview or group discussion on any subject (PLEASE CIRCLE)

YES 1 When was this?_____

What subject? _____

**NO 2 NO RESPONDENTS TO HAVE ATTENDED
WITHIN THE LAST 6 MONTHS. *CLOSE* IF SAME
SUBJECT**

STANDARD PERSONAL DETAIL SHEET*Please tick in boxes as appropriate*

SEX: ☐ Male ☐ Female

SOCIAL STATUS

A ☐ B ☐ C1 ☐ C2 ☐ DE ☐

OCCUPATION OF CHIEF WAGE EARNER (Please write in)

.....

AGE:**WRITE IN AND CHECK QUOTA**

If in age category 15-16 years old or 17-18 Parent must also attend the initial depth and the second interview (this should be the parent felt to play a greater role in, or have a greater influence over, the teenager's financial life)

If in age category 18-19 years old, Parent should not attend

CURRENT**EDUCATIONAL STATUS**

<input type="checkbox"/>	Full time Education - 11 th year at school
<input type="checkbox"/>	6 th Form (year 12 or 13) or 6 th Form College
<input type="checkbox"/>	Further Education
<input type="checkbox"/>	University
<input type="checkbox"/>	Not currently in education

WRITE IN AND CHECK QUOTAS**WORKING STATUS**

<input type="checkbox"/>	Non working
<input type="checkbox"/>	Working part time
<input type="checkbox"/>	Working full time

WRITE IN AND CHECK QUOTAS

<p align="center">INTERVIEWER DECLARATION</p>
--

I declare that this interview has been carried out strictly in accordance with the specification and has been conducted within the MRS Code of Conduct with a person unknown to me.

SIGNED _____ **DATE** _____

Please ask parent to sign for the under 18 year olds

Please pre-warn those and ask them to sign and give permission for the video footage to be shown as part of a compilation video. This video could include an analysis by NOP of the material they produced for us. This video will be used for research purposes and therefore shown to the client and possibly also for promotional purposes (such as conferences)

PARENT SIGNATURE IF CHILD UNDER 18

SIGNED _____ **DATE** _____

ASK UNIVERSITY STUDENT ONLY

Q1. Where are you living at present?

- | | | |
|----------------------|---|---------------------------------------|
| At home with parents | 1 | CLOSE |
| Away from home | 2 | CONTINUE (use for depth 9 in midland) |

ASK ALL RESPONDENTS

Q2. Which of the following financial products do you have?

- | | | |
|-----------------|---|----------------------------|
| Savings account | 1 | RECRUIT A MIX |
| Current account | 2 | RECRUIT A MIX |
| No accounts | 3 | MUST CODE FOR DEPTHS 1 & 7 |

DEPTHS 1 AND 7 MUST NOT HAVE BANK ACCOUNTS OR SAVINGS ACCOUNTS

ASK 17-19 YEAR OLDS ONLY:

Q3. Which of the following do you have?

- | | | |
|----------------------------------|---|-----------------------------|
| A car | 1 | MUST CODE FOR DEPTHS 8 & 5 |
| A credit card(s) / store card(s) | 2 | MUST CODE FOR DEPTHS 9 & 10 |
| A loan (not from parents/family) | 3 | MUST CODE FOR DEPTHS 9 |

Q4. What qualifications do you have and what grades did you get? Or if aged 15-16 what are your expected/predicated grades?

A	B	C	D
How many GCSE's with grade C and above do you have or expected to have?	How many GCSE's with grade C and below do you have or expected to have?	Any other qualifications? e.g. A levels, NVQ's etc....	What are you currently studying if you are studying?
1	1	1	1

WE NEED THIS INFORMATION BUT THIS IS NOT FOR RECRUITMENT PURPOSES

Select



research

RECRUITMENT QUESTIONNAIRE: Version No. 3

26th February 03

PROJECT NAME:

**Youth Finance
Depths**

JOB NO:

2786

Interviewer Name : _____

Interviewer No.: _____

Date and Time of Group/Depth _____

Respondent Name _____

Full Postal Address: _____

Tel. _____ **(Hm)** _____ **(Wk)** _____ **(Mobile)**

(DO NOT RECRUIT UNLESS TELEPHONE NUMBER IS GIVEN.)

METHODS OF RECRUITMENT ALLOWABLE

Telephone free find	✓	
Telephone snowballing*	✓	
Door to door		✓
In street, face to face	✓	
From lists		✗

*This refers to approaching people who may know other respondents who fit the quota, but who are NOT attending the group discussion themselves. You must not knowingly recruit people who know each other. After they have been initially approached, you must recruit these people *yourself* according to the quota.

Q.A Do you or do any of your close friends or relatives have anything to do with the following occupations? (PLEASE CIRCLE)

Market Research	1	Close
Journalism	2	Close
Advertising	3	Close
Marketing	4	Close
Television	5	Close
Public Relations	6	Close
Financial Services	7	Close
None of these	8	
Recruit		

Q.B Have you ever taken part in a market research depth interview or group discussion on any subject (PLEASE CIRCLE)

YES 1 When was this? _____

What subject? _____

NO 2 NO RESPONDENTS TO HAVE ATTENDED WITHIN
THE LAST 6 MONTHS. CLOSE IF SAME SUBJECT

STANDARD PERSONAL DETAIL SHEET*Please tick in boxes as appropriate*SEX: ☐ Male ☐ Female

SOCIAL STATUS

A ☐ B ☐ C1 ☐ C2 ☐ DE ☐**OCCUPATION OF CHIEF WAGE EARNER (Please write in)**

.....

AGE: WRITE IN AND CHECK QUOTA

Parent to also attend for 30 minutes and teenager for 1 hour (ONLY YOUNG PERSON TO ATTEND FOR DEPTHS 13, 14, 15 & 16)

CURRENT**EDUCATIONAL
STATUS**

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Full time Education - 11th year at school**6th Form (year 12 or 13) or 6th Form College****Further Education****University****Not currently in education****WRITE IN AND CHECK QUOTAS****WORKING STATUS**

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Non working**Working part time****Working full time****WRITE IN AND CHECK QUOTAS**

INTERVIEWER DECLARATION

I declare that this interview has been carried out strictly in accordance with the specification and has been conducted within the MRS Code of Conduct with a person unknown to me.

SIGNED _____ **DATE** _____

PARENT SIGNATURE IF CHILD UNDER 18

SIGNED _____ **DATE** _____

ASK UNIVERSITY STUDENT ONLY

Q1. Where are you living at present?

At home with parents 1 CONTINUE

Away from home 2 CONTINUE (use for depth 14 - SE)

AT LEAST ONE UNIVERSITY STUDENT TO LIVE AWAY FROM PARENTAL HOME

ASK ALL RESPONDENTS

Q2. Which of the following financial products do you have?

Savings account	1	RECRUIT A MIX
Current account	2	RECRUIT A MIX
No accounts	3	MUST CODE FOR DEPTHS 3 & 13

DEPTHS 3 AND 13 NOT TO HAVE A BANK ACCOUNT OR SAVINGS ACCOUNTS**ASK 17-19 YEAR OLDS ONLY:**

Q3. Which of the following do you have?

A car	1	MUST CODE FOR DEPTHS 9 & 16
A credit card(s)/ store card(s)	2	MUST CODE FOR DEPTHS 15 & 16
A loan (not from parents/family	3	MUST CODE FOR DEPTHS 14 & 15

Q4. What qualifications do you have and what grades did you get? Or if aged 15-16 what are your expected/predicated grades?

A	B	C	D
How many GCSE's with grade C and above do you have or expected to have?	How many GCSE's with grade C and below do you have or expected to have?	Any other qualifications? e.g. A levels, NVQ's etc...	What are you currently studying if you are studying?
1	1	1	1

WE NEED THIS INFORMATION BUT THIS IS NOT FOR RECRUITMENT PURPOSES

Select



research

RECRUITMENT QUESTIONNAIRE: Version No.3

26th February 03

PROJECT NAME:

**YOUTH FINANCE
Groups**

JOB NO:

2786

Interviewer Name : _____ Interviewer No. _____

Date and Time of Group/Depth _____

Respondent Name : _____

Full Postal Address: _____

Tel. _____ (Hm) _____ (Wk) _____ (Mobile)

(DO NOT RECRUIT UNLESS TELEPHONE NUMBER IS GIVEN.)

METHODS OF RECRUITMENT ALLOWABLE

Telephone free find	✓
Telephone snowballing*	✓
Door to door	✓
In street, face to face	✓
From lists	✗

*This refers to approaching people who may know other respondents who fit the quota, but who are NOT attending the group discussion themselves. You must not knowingly recruit people who know each other. After they have been initially approached, you must recruit these people *yourself* according to the quota.

Q.A Do you or do any of your close friends or relatives have anything to do with the following occupations? (PLEASE CIRCLE)

Market Research	1	Close
Journalism	2	Close
Advertising	3	Close
Marketing	4	Close
Television	5	Close
Public Relations	6	Close
Financial Services	7	Close
None of these	8	
Recruit		

Q.B Have you ever taken part in a market research depth interview or group discussion on any subject (PLEASE CIRCLE)

YES 1 When was this? _____

What subject? _____

**NO 2 NO RESPONDENTS TO HAVE ATTENDED WITHIN THE
LAST 6 MONTHS. *CLOSE* IF SAME SUBJECT**

STANDARD PERSONAL DETAIL SHEET*Please tick in boxes as appropriate*

SEX: ☐ Male ☐ Female

SOCIAL STATUS

A ☐ B ☐ C1 ☐ C2 ☐ DE ☐

OCCUPATION OF CHIEF WAGE EARNER (Please write in)

.....

AGE: **WRITE IN AND CHECK QUOTA**

GROUPS 1 AND 2 TO BE RECRUITED IN FRIENDSHIP PAIRS**CURRENT****EDUCATIONAL
STATUS**
☐
☐
☐
☐
☐
Full time Education - 11th year at school**6th Form (year 12 or 13) or 6th Form College****Further Education****University****Not currently in education****WRITE IN AND CHECK QUOTAS****WORKING STATUS**
☐
☐
☐
Non working**Working part time****Working full time****WRITE IN AND CHECK QUOTAS**

INTERVIEWER DECLARATION

I declare that this interview has been carried out strictly in accordance with the specification and has been conducted within the MRS Code of Conduct with a person unknown to me.

SIGNED _____ **DATE** _____

Please ask parent to sign for the under 18 year olds

Please pre-warn those and ask them to sign and give permission for the video footage to be shown as part of a compilation video. This video could include an analysis by NOP of the material they produced for us. This video will be used for research purposes and therefore shown to the client and possibly also for promotional purposes (such as conferences)

PARENT SIGNATURE IF CHILD UNDER 18

SIGNED _____ **DATE** _____

ASK UNIVERSITY STUDENTS ONLY

Q1. Where are you living at present?

- | | | |
|----------------------|---|---|
| At home with parents | 1 | CONTINUE |
| Away from home | 2 | CONTINUE at least 4 to code for group 5 |

ASK ALL RESPONDENTS

Q2. Which of the following financial products do you have?

Savings account	1	RECRUIT A MIX
Current account	2	RECRUIT A MIX
No account	3	CLOSE unless aged 15-17 max of 4 per group not to have an account (bank, savings)

ALL GROUPS TO HAVE A GOOD SPREAD OF FINANCIAL PRODUCTS

-FOR TEENAGERS AGED 15-17 AIM FOR AT LEAST 4 PER GROUP TO HAVE FINANCIAL PRODUCTS

ONLY ASK 18-19 YEAR OLDS

Q3. Which of the following do you have?

A car	1	RECRUIT AT LEAST 2 PER GROUP
A credit card(s)/ store card(s)	2	RECRUIT AT LEAST 2 PER GROUP
A loan (not from parents/family)	3	RECRUIT AT LEAST 2 PER GROUP

Q4. What qualifications do you have and what grades did you get? Or if aged 15-16 what are your expected/predicated grades?

A	B	C	D
How many GCSE's with grade C and above do you have or expected to have?	How many GCSE's with grade C and below do you have or expected to have?	Any other qualifications? e.g. A levels, NVQ's etc...	What are you currently studying if you are studying?
1	1	1	1

WE NEED THIS INFORMATION BUT THIS IS NOT FOR RECRUITMENT PURPOSES

Appendix 6 – Discussion Guides

FSA Young People and Financial Matters – Project Money

Parent and Child Depth Interviews (March – April 2003) – Version 1

Key Objectives: *We need to understand what influences young people regarding financial matters, the extent of that influence and why it influences them;*

The level of understanding and knowledge of young people regarding financial matters – They are particularly interested in the softer issues such as managing money, shopping around, getting value rather than product understanding per se.

Whether schools are providing pupils with adequate education regarding finance and managing money and what improvements could be made; the hopes and fears for the financial future, how they will be achieved or addressed and what shapes their future expectations

Introduction **5 minutes**

Introduction:

Here to help us understand their views, attitudes and behaviours on financial matters – no right or wrong answers – really interested to hear what each has to say, confidentiality issues, tape recorder – will speak for 1 hour with you then 30 minutes with your parent

Warm Up: Favourite things to do in leisure time, pets, brothers and sisters

Knowledge about Financial Matters

Where can you find information about things to do with money?
Moderator to write on cards. (Prompt: people, physical places, media)
 Have you ever used any of these information sources – when
 Which information sources would you go to to find out about different things? (Prompt: loans, savings, opening a new account, credit/ store card, debit card)
 Are there any information sources you think are very good? Which ones?
 Why?
 Are there any information sources you think are not good? Which ones?
 Why?

Do you take an interest in financial matters? Why is this?

Influences

What or who are the main influences on your views and behaviours concerning money? *Moderator to write on cards (Prompt: TV, adverts, friends, parents, other family members, radio, school, banks/ building societies, internet)*

How do each of these people/ things influence you? (Moderator to go through cards generated)

Why do you regard them as a good influence for you concerning money?

Mapping Exercise

Map sources of information about money matters against influencers and level of influence each influencer has

Can you think of any examples of how people, media or places have influenced you recently regarding a money matter?

Where do you usually go if you need advice on money matters?

Attitudes

What are your attitudes/thoughts/knowledge of:

What do you think about:

Money

Money management, e.g. budgeting / planning for the future?

Saving?

Getting money?

Spending?

Debt, e.g. loans, borrowing money

Online banking?

Credit cards?

Investments?

Pensions

Shopping around, i.e. getting the best deal

Why do you think you hold these views?

What is it about each of those that appeals to you? And doesn't appeal?

Do you keep records of your finances, e.g. check bank statements etc.

Why?

How have the main people, media, places that influence you affected your thinking about each of these? *(Moderator to refer back to cards generated earlier)*

Overall do you consider yourself to have a good/medium/poor knowledge of financial products & services?

Parental Philosophy

What does your mother think about:
 Money management, e.g. budgeting / planning for the future?
 Saving?
 Spending?
 Debt, e.g. loans, borrowing money

What does your father think about:
 Money management, e.g. budgeting / planning for the future?
 Saving?
 Spending?
 Debt, e.g. loans, borrowing money

How do you think the way your parents think about money has influenced your own, if at all?

Income

How much money do you get through work, presents and other means each week, month, year?

What do you do with the money?

Of the money you spend, what do you spend it on?

Who has the biggest influence on what you spend your money on, if anyone?

What do you do with the money that you don't spend?

If you save money, what are you saving for?

How do you save?

Have you always been more of a spender/ saver?

If not, what changed?

School

What have you been told in school about money and money matters?

How were you told:

Lessons?

Leaflets/ marketing materials?

People who come in to talk about it?

How appropriate do you feel it is, or isn't, to learn about money matters at school?

What sorts of things should schools tell you about money matters?

What sorts of things should they not tell you about money matters?

What do you need to know at different ages?

What do you want to know at different ages?

Have you ever made a mistake with money? What was the mistake?

What would you have needed to know to avoid it?

What is the best way to learn about money matters in school?

Lessons?

Leaflets?

Other?

Future

What are your hopes and fears for your financial future?
What are your expectations regarding money in the future?
What do you think you will realistically achieve financially in the future?
How would you get there?
What would you really like to be able to achieve?
How would you get there?
What are your biggest fears about your financial future?
How could you overcome these fears?
What do you think you could do to achieve more? (ie not realise these fears)

Do you actually plan for the future? How far in advance do you plan, e.g. next week, next month, next year, 5 years time etc?

What and when do you think the key financial landmarks will be in your life?

Have you done anything about these yet – what?

What will you do about these?

How do you think your spending and saving behaviour will be different when you are 23 yrs? 30yrs? 50yrs? Why?

What do you think your attitudes to money will be when you are 23yrs? 30yrs? 50yrs? Why?

How confident do you think you will be when dealing with financial matters in the future? How confident would you like to feel?

Thank and close

PARENT INTERVIEW

Introduction

5 minutes

Introduction:

Here to help us understand their views, attitudes and behaviours on financial matters, as well as their perspective on their child. No right or wrong answers – really interested to hear what each has to say, confidentiality issues, tape recorder – will speak for 30 minutes

Warm Up: Number of children, ages, family activities

Knowledge Where does your child find information about things to do with money?
Moderator to write on cards. (Prompt: people, physical places, media)
 Which information sources would they go to to find out about different things? (Prompt: loans, savings, opening a new account, credit/ store card, debit card)
 What does your child know about the following and how they work?
 Bank accounts
 Banks and building societies
 Savings accounts
 Debit cards
 Credit/ store cards
 Borrowing money
 Interest rates
 Car insurance
 Life insurance
 For each ask:
 How do they know about that?
 What do you think about their level of knowledge about that?

What information do you (and your partner) try to impart to your child about financial matters?
 How much do you think he/ she takes on board? Why?
 What else do you think your child can learn from you (and/ or your partner) about financial matters?
 And what do you think they have learnt from you (and partner) so far? – any 'good habits', 'bad habits'?
 Overall do you consider yourself to have a good/medium/poor knowledge of financial products & services?

Income How much money does your child get through work, presents and other means each week, month, year?
 What do they do with the money?
 Of the money they spend, what do they spend it on?
 Who has the biggest influence on what they spend their money on?
 What do they do with the money they don't spend?
 If they save money, what are they saving for?
 How do they save?
 Have they always been more of a spender/ saver?
 If not, what changed?
 Have you always been more of a spender/saver?

Influences What or who are the main influences on your child's views and behaviours concerning money? *Moderator to write on cards. (Prompt: TV, adverts, friends, parents, other family members, radio, school, banks/ building societies, internet)*
 How do each of these people/ places influence them? (Moderator to go through cards generated)

Mapping Exercise

Map sources of information about money matters against influencers and level of influence each influencer has

Can you think of any examples of how people, media or places have influenced your child recently regarding a money matter?
 Where does your child usually go if he/she needs advice on money matters?

Attitudes What are your attitudes and thoughts on:

Online banking?
 Borrowing money, e.g. Loans?
 Debt?
 Credit cards?
 Savings?
 Investments?
 Managing money, e.g. budgeting / planning
 Pensions
 Shopping around, i.e. getting the best deal

Why do you think you hold these views?
 What is it about each of those that appeals to you? And doesn't appeal?
 How have the main people, media, places that influence you affected your thinking about each of these? *(Moderator to refer back to cards generated earlier)*
 Do you keep records of your finances, e.g. check bank statements etc. Why?
 How do you think your views on online banking, borrowing money, debt, credit cards, investments, managing money, pensions and shopping around has affected your child's views?

Philosophy

What is your personal philosophy on:
Money management, e.g. budgeting / planning?
Saving?
Spending?
Debt, e.g. loans

What is your partner's personal philosophy on:
Money management e.g. budgeting / planning?
Saving?
Spending?
Debt, e.g. loans

What is your child's personal philosophy on:
Money management e.g. budgeting / planning?
Saving?
Spending?
Debt, e.g. loans

How do you think your philosophies have influenced your child's?

Future

What are your hopes and fears for your child's financial future?
What do you think he/ she will realistically achieve financially?
How would they get there?
What would you really like them to be able to achieve?
What are your biggest fears about his/ her financial future?
How could they overcome these fears?
Are you someone that generally plans for the future?

Thank and close

FSA Young People and Financial Matters – Project Money

Group Discussions (March – April 2003) – Version 1

Key Objectives: *We need to understand what influences young people regarding financial matters, the extent of that influence and why it influences them;*

The level of understanding and knowledge of young people regarding financial matters – They are particularly interested in the softer issues such as managing money, shopping around, getting value rather than product understanding per se.

Whether schools are providing pupils with adequate education regarding finance and managing money and what improvements could be made; the hopes and fears for the financial future, how they will be achieved or addressed and what shapes their future expectations

Here to help us understand their views, attitudes and behaviours on financial matters – no right or wrong answers – really interested to hear what each has to say, confidentiality issues, tape recorder (video recorded if in viewing facility)

Warm Up: Favourite things to do in leisure time, what that they spend their money on and 3 photographs which tell something about them and money

Knowledge about Financial Matters

Ask the group to create a collage using magazines and other images to convey, how they feel about money and what it means to them. Split the group into two and ask each group to create an individual collage and then explain this to the group.

Where can you find information about things to do with money?
Moderator to write on cards. (Prompt: people, physical places, media)
 Have you ever used any of these information sources – when
 Which information sources would you go to to find out about different things? (Prompt: loans, savings, opening a new account, credit/ store card, debit card)
 Are there any information sources you think are very good? Which ones?
 Why?
 Are there any information sources you think are not good? Which ones?
 Why?

Do you take an interest in financial matters? Why is this?

Influences

What or who are the main influences on your views and behaviours concerning money? *Moderator to write on cards (Prompt: TV, adverts, friends, parents, other family members, radio, school, banks/ building societies, internet)*

How do each of these people/ things influence you? (Moderator to go through cards generated)

Why do you regard them as a good influence for you concerning money?

Mapping Exercise

Map sources of information about money matters against influencers and level of influence each influencer has

Can you think of any examples of how people, media or places have influenced you recently regarding a money matter?

Where do you usually go if you need advice on money matters?

Attitudes

What are your attitudes/thoughts/knowledge of:

What do you think about:

Money

Money management, e.g. budgeting / planning for the future?

Saving?

Getting money?

Spending?

Debt, e.g. loans, borrowing money

Online banking?

Credit cards?

Investments?

Pensions

Shopping around, i.e. getting the best deal

Why do you think you hold these views?

What is it about each of those that appeals to you? And doesn't appeal?

Do you keep records of your finances, e.g. check bank statements etc.

Why?

How have the main people, media, places that influence you affected your thinking about each of these? *(Moderator to refer back to cards generated earlier)*

Overall do you consider yourself to have a good/medium/poor knowledge of financial products & services?

Parental Philosophy

What does your mother think about:
 Money management, e.g. budgeting / planning for the future?
 Saving?
 Spending?
 Debt, e.g. loans, borrowing money

What does your father think about:
 Money management, e.g. budgeting / planning for the future?
 Saving?
 Spending?
 Debt, e.g. loans, borrowing money

How do you think the way your parents think about money has influenced your own, if at all?

Income

How much money do you get through work, presents and other means each week, month, year?

What do you do with the money?

Of the money you spend, what do you spend it on?

Who has the biggest influence on what you spend your money on, if anyone?

What do you do with the money that you don't spend?

If you save money, what are you saving for?

How do you save?

Have you always been more of a spender/ saver?

If not, what changed?

School

What have you been told in school about money and money matters?

How were you told:

Lessons?

Leaflets/ marketing materials?

People who come in to talk about it?

How appropriate do you feel it is, or isn't, to learn about money matters at school?

What sorts of things should schools tell you about money matters?

What sorts of things should they not tell you about money matters?

What do you need to know at different ages?

What do you want to know at different ages?

Have you ever made a mistake with money? What was the mistake?

What would you have needed to know to avoid it?

What is the best way to learn about money matters in school?

Lessons?

Leaflets?

Other?

Future

On an individual basis, respondents will be asked to fill in a financial lifeline, where they will map their financial future from the present to old age.

What are your hopes and fears for your financial future?
What are your expectations regarding money in the future?
What do you think you will realistically achieve financially in the future?
How would you get there?
What would you really like to be able to achieve?
How would you get there?
What are your biggest fears about your financial future?
How could you overcome these fears?
What do you think you could do to achieve more? (ie not realise these fears)

Do you actually plan for the future? How far in advance do you plan, e.g. next week, next month, next year, 5 years time etc?

What and when do you think the key financial landmarks will be in your life?
Have you done anything about these yet – what?
What will you do about these?
How do you think your spending and saving behaviour will be different when you are 23 yrs? 30yrs? 50yrs? Why?
What do you think your attitudes to money will be when you are 23yrs? 30yrs? 50yrs? Why?
How confident do you think you will be when dealing with financial matters in the future? How confident would you like to feel?

Thank and close

Appendix 7 – Omnibus questionnaire

Young Person Research - FINAL QUESTIONNAIRE

H92 - JN: 1116 701 (23-29 Jan 2003) - 22 Jan 2003

Quanquest v2.1 - QAL v2.2bmr13 - CAPI

H92

INTERVIEWER PLEASE SHOW SCREEN UNTIL OTHERWISE INSTRUCTED

1. How interested are you in things to do with money, e.g. managing your money, savings & investments, loans & credit etc?

Very Interested	1	(108)
Fairly Interested	2	
Neither Interested nor Uninterested	3	
Fairly Uninterested	4	
Not interested at all	5	
Don't Know	Y	

INTERVIEWER PLEASE DO NOT SHOW SCREEN UNTIL OTHERWISE INSTRUCTED

2. Where do you obtain most of your information regarding things to do with money from?

DO NOT READ OUT LIST

INTERVIEWER PLEASE PUT " " AROUND OTHER RESPONSES

INTERVIEWER NB: IF RESPONDENT SAYS THAT DO NOT OBTAIN INFO ON MONEY PLEASE CODE AS NULL

Parents/guardian	1	(109)
Other family members	2	
School/college	3	
Media, e.g. newspapers/TV/Internet	4	
Friends	5	
Employer	6	
Don't Know	Y	
Don't ever obtain information about money	X	
Other	0	

Other specify...(110 - 113)

INTERVIEWER PLEASE SHOW SCREEN UNTIL OTHERWISE INSTRUCTED

How important are the following in influencing your decisions regarding things to do with money?

3. INTERVIEWER SAY IF NECESSARY: How important is this in influencing your decisions regarding things to do with money?

Very Important	1	(114)
Fairly Important	2	
Neither Important nor Unimportant	3	
Fairly Unimportant	4	
Not Important at all	5	
Don't Know	Y	

This question is repeated for the following loop values:

- Parents/guardian
- Family members other than a parent or guardian
- School/college
- Media, e.g. Newspapers/TV/Internet
- Friends
- Employer

A total of 6 iterations occupying columns (114) to (119)

**How would you rate your school's coverage of the following topics?
If you are not at school any more please think back to when you were.**

4. ... INTERVIEWER SAY IF NECESSARY: How would you rate your school's coverage of this topic?

Very Good	1	(120)
Good	2	
Neither Good nor Poor	3	
Poor	4	
Very Poor	5	
Don't Know	Y	

This question is repeated for the following loop values:

- Preparation for being a parent
- How to deal with personal relationships
- Managing money
- Politics
- Health education
- Sex education
- Caring for the environment
- Drugs education
- Careers advice

A total of 9 iterations occupying columns (120) to (128)

5. And which of these topics should your school cover in more detail?

If you're not at school any more please think about which topics should have been covered in more detail.

Please select as many or as few as apply.

Preparation for being a parent	1	(129)
How to deal with personal relationships	2	
Managing money	3	
Politics	4	
Health education	5	
Sex education	6	
Caring for the environment	7	
Drugs education	8	
Careers advice	9	
Don't Know	Y	
None of these	X	

INTERVIEWER PLEASE DO NOT SHOW SCREEN UNTIL OTHERWISE INSTRUCTED

IF 5 = Managing money
THEN ASK: 6

6. You mentioned that you would like, or would have liked to see your school cover the topic 'managing money' in more detail.

What specifically would you like, or would you have liked to know more about?

DO NOT READ OUT LIST

INTERVIEWER PLEASE PUT " " AROUND OTHER RESPONSES

Credit cards	1	(130)
Pensions	2	
Mortgages	3	
Financial advice	4	
Savings	5	
How to budget	6	
Loans	7	
Managing debt	8	
Investments	9	
Bank accounts/banking	0	(131)
Life insurance	1	
Car insurance	2	
Household		
contents/buildings		
insurance	3	
Travel insurance	4	
Don't Know	Y	(130)
Other	0	

Other specify...(132 - 135)

End of Filter i92ma5

7. What are your hopes for your future personal lifestyle - in terms of money and what you would like to be able to do?

DO NOT READ OUT LIST

INTERVIEWER PLEASE PUT " " AROUND OTHER RESPONSES

Buy my own home	1	(136)
Save regularly	2	
Not have any debts	3	
Build up a pension	4	
Earn a good salary	5	
Buy what I want	6	
Have good holidays	7	
Have a car	8	
Have enough money to enjoy		
myself	9	
Don't Know	Y	
None of these	X	
Other	0	

Other specify...(137 - 140)

-
8. Do you have any concerns about world issues to do with money - if so what are they?

DO NOT READ OUT LIST

INTERVIEWER PLEASE PUT " " AROUND OTHER RESPONSES

Third world debt	1	(141)
Ethical investment	2	
Globalisation	3	
Poverty	4	
The environment	5	
Terrorism	6	
War with Iraq	7	
Natural resources running out	8	
Don't Know	Y	
None of these	X	
Other	0	

Other specify...(142 - 145)

INTERVIEWER PLEASE SHOW SCREEN UNTIL OTHERWISE INSTRUCTED

9. Which of the following describes your current work status?

Please pick all that apply to you.

INTERVIEWER PLEASE PUT " " AROUND OTHER RESPONSES

Full time education	1	(146)
Part time education	2	
Training scheme, e.g. modern apprenticeship	3	
Employed (full time)	4	
Employed (part time)	5	
Self-employed	6	
Not able to work	7	
Unemployed and seeking work	8	
Don't Know	Y	
Other	0	

Other specify...(147 - 150)

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