

# **CYCLES**

## **CHILD AND YOUTH CARETAKERS FINANCIAL LITERACY AND ENTREPRENEURSHIP SKILLS**



### ***IO1 – Gap analysis***

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## Table of Contents

1. FINANCIAL LITERACY AND ENTREPRENEURSHIP IN BASIC AND FURTHER EUDCATION OF CYCPs:.....	3
2. TRAININGS ON FINANCIAL LITERACY AND ENTREPRENEURSHIP FOR CHILDREN AND YOUTH IN CARE/YOUNG CARE LEAVER .....	4
3. FINANCIAL LITERACY AND ENTREPRENEURSHIP IN THE DAILY WORK WITH CHILDREN AND YOUTH IN CARE/YOUNG CARE LEAVER .....	6
4. SUMMARY OF KNOWLEDGE, SKILLS AND COMPETENCES NEEDS OF (FUTURE) YOUNG CARE LEAVER IDENTIFIED.....	7
5. SUMMARY OF KNOWLEDGE, SKILLS AND COMPETENCES NEEDS OF CYCPs IDENTIFIED .....	8
6. GAP ANALYSIS: CONTENT AND METHODS OF TRAINING FOR CYCPs.....	8

## 1. FINANCIAL LITERACY AND ENTREPRENEURSHIP IN BASIC AND FURTHER EDUCATION OF CYCPS:

Based on the Austrian Federal Child and Youth Welfare Act from 2013 (Bundes-Kinder- und Jugendhilfegesetz) - a framework law - each federal state (Bundesland) has its own law for the implementation of the youth welfare system. As a result, the systems and services of the youth welfare system differ within the country and also the education required to work as CYCP is slightly different within Austria. Graduates from the branch "family work" of the educational institution for social care professions (Schule für Sozialbetreuungsberufe) in Burgenland, for example, are allowed to work in child and youth care in the same federal state Burgenland, but not all over Austria.

In the following, those educations are listed (by no means exhaustive) that allow graduates to work as CYCPs in all federal states of Austria. Subjects on financial education and/or entrepreneurship play no, or only a marginal role in their curricula.

One possibility to become a CYCP is to do a Bachelor's degree either at the University or at the University of Applied Sciences. The Universities of Salzburg, Graz, Innsbruck, Klagenfurt and Vienna offer Bachelor's degree programmes in Pedagogy or Educational Sciences - no subjects on financial education have been identified in their curricula. In each federal state (Bundesland) of Austria a University of Applied Sciences offers a bachelor's degree programme "Social Work" with quite similar curricula: vocational competences, developing professional identity, fields of action in social work, social and self-competences, science and research competences. All bachelor's degree programmes include at least one subject related to financing/entrepreneurship, e.g. basic social welfare provision, financing, accounting, company law, business law, debt counselling, livelihood, homelessness, among others. The bachelor's programme at the University of Applied Sciences Upper Austria, within the subject Livelihood and Debt Counselling, also addresses the topic "Handling money": handling money and consumption, liabilities, action/execution/private bankruptcy, insight in the life of insolvent consumers/clients, possible solutions according to debt issues, insight in the work of debt advisors. ([www.fh-ooe.at/campus-linz/studiengaenge/bachelor/soziale-arbeit](http://www.fh-ooe.at/campus-linz/studiengaenge/bachelor/soziale-arbeit))

Other educational programmes for future CYCPs are Colleges of Social Pedagogy with a duration of 4-6 semesters, Educational Institutions for Social Pedagogy for students, who completed 8<sup>th</sup> grade, with a duration of 10 semesters, Teacher Education at Primary Level with a duration of 8 semesters and Colleges for Elementary Pedagogy with a duration of 6 semesters. Whereas the Colleges of Social Pedagogy and the Education Institutions for Social Pedagogy include single subjects on financial literacy and/or entrepreneurship – social management, accounting, billing systems in the care sector, cash book – this is not the case with the last two mentioned.

"die bildungsakademie", a College of Social Pedagogy in Vienna was considered as best practice example during the focus group discussion. The curriculum includes accounting, project management in the social field (planning, budgeting, searching for funding possibilities, evaluation, etc.) and law. Although methods or tools, how to apply this knowledge in the daily work with children and youth in care, are not subject of the training, the teaching and learning methods of the educational programme itself, e.g. working on practical examples and project work, among others, could be applied also to work on financial education and entrepreneurship competences with children and youth in care/young care leaver.

Universities and Universities of Applied Sciences offer Master programmes in Social Sciences, e.g. the Master programme “Social Economy and Social Work” at the University of Applied Sciences FH Campus Wien. These master programmes include social management, accounting, social marketing, project management, evaluation and other topics closely related to financial literacy and entrepreneurship skills. Nevertheless, people from the social sector, who attend these master programmes normally work in a management position before or after finalizing the master programme. That is to say, although they would then have a lot of knowledge on financial and entrepreneurship topics, they often do not work (anymore) directly with the clients.

Different fee-based training providers in Austria offer further trainings in all fields of work and life, among them also further trainings on e.g. “accounting”, or “entrepreneurship”, accessible to everybody (who pays the fee), but none of these courses or trainings are particularly addressed to CYCPs. One training mentioned in the focus group discussion, the training for “apprentice trainers” includes some methods and tools how to work with young adults on different topics – financial literacy and entrepreneurship topics nevertheless play a marginal role.

None of the above listed (further) education possibilities includes methods or tools for the future social pedagogues on how to work on financial literacy or entrepreneurship competences with children and youth in care/young care leaver.

## 2. TRAININGS ON FINANCIAL LITERACY AND ENTREPRENEURSHIP FOR CHILDREN AND YOUTH IN CARE/YOUNG CARE LEAVER

In Austria, there are several training materials and workshop offers free of charge on the topics of mainly financial literacy, but also entrepreneurship competences. These offers are above all addressed to school students in different age groups and/or to their teachers. Another main target group are young adults or adults in debts problems.

“Finanz-Vifzack”, a service provided by the Federal Ministry of Finance in cooperation with other institutions, offers a mobile app and learning modules for children in the age of 10-14 on the website: [www.finanzvifzack.at](http://www.finanzvifzack.at). The topics include money and interests, basic banking products, making purchases, earn money, planning of income and expenses.

The Austrian National Bank offers on its website “Euro-logisch” ([www.eurologisch.at](http://www.eurologisch.at)) workshops and seminars, teaching materials, interactive apps, short movies, etc. for different target groups (school students, teachers and other interested persons). The topics deal with the tasks of the Central Bank, monetary policy and price stability, cash money and payment transactions as well as with the history of money.

The Financial Life Park, financed by the Erste Group, is an event location free of charge, where children and (young) adults can learn in a playful way how to handle money. Workshops/tours are offered for three age groups: 10-14, 15-17, 18 and older. Online courses on different topics related to financial literacy are also available on their website: [www.financiallifepark.at/de/willkommen-im-flip-web](http://www.financiallifepark.at/de/willkommen-im-flip-web)), among others about: Why do we need money? How to control our personal finances? Why is a bank account important? How much money do we need to survive? Does money make us happy? Other materials deal with fixed costs (Rent, electricity, food, etc.) and debt traps, among others. The Financial Life Park also provides a special offer for young adults to prepare them for their independent life with the online module “Geld und so” and to learn how to start up a project in the workshops “Entrepreneurial Design Thinking” and “Project Playground”.

The online modules are a helpful source of information. Workshops/tours, in which children and young adults take over different roles might also be an interesting methodological approach to work on financial literacy or entrepreneurship topics with children and youth in care/young care leaver, especially the “Geld und so” and “Start up your project” workshops – designed for young adults to support them in their transition to an independent life.

KLARTEXT - Debt Counselling Upper Austria offers workshops on financial education for school students or young adults. The workshops deal with handling money, money and leisure time, income and expenses, Handy and Internet as debt traps, among others. Depending on the age, the workshops also deal with topics like car financing, the first flat and information related to bank, bank account and credits. KLARTEXT also offers further training for multipliers ([www.klartext.at/finanzbildung.html](http://www.klartext.at/finanzbildung.html)).

Another interesting approach is the so called Vorarlberger Finanzführerschein (Finance driving licence), offered by the Government of Vorarlberg in cooperation with other institutions, among them the ifs Debt Counselling, the Public Employment Service and the Chamber of Labour. The workshops are aimed at school students of different age groups (5<sup>th</sup> and 6<sup>th</sup> grade, 7<sup>th</sup> to 9<sup>th</sup> grade, 9<sup>th</sup> grade and older). The participants of the workshops receive a certificate – the “finance driving licence”. Topics of the workshops are: Where does money come from? Tasks of money; handling pocket money; wishes, needs; objectives – planned shopping; tasks of the bank; borrowing money, debts: indebtedness and over-indebtedness, reasons for over-indebtedness; consumption traps, smartphone, online shopping; daily life expenses; consumer behaviour; job profiles; earning possibilities, wages and salaries; bank transactions; contracts; budget plan; saving; labour law, vocational integration. (<https://fitfuersgeld.at/>). The idea to hand in not just a participation certificate to the young adults, who attended the workshop, but a “finance driving licence” is considered a best practice example and may be an interesting incentive for children and youth in care/care leaver to participate in a workshop on financial literacy. A “finance driving licence” may also be helpful for their future CV.

“Cure Runners”, developed by Three Coins ([www.threecoins.org](http://www.threecoins.org); [www.cure-runners.at](http://www.cure-runners.at)), is an “online game, in which young adults have the possibility to learn responsible behaviour related to their personal finances. The game is the starting point for workshops about basics of handling personal finances.” The methodological approach to use an Online Game combined with workshops can be considered a Best Practice Example. Learning in a playful way as well as using new media may be a successful method to work on Financial Literacy and Entrepreneurship competences with children and youth in care/young care leaver.

The above mentioned trainings are not addressed directly to children and youth in care or young care leaver. Nevertheless, they can have access to the trainings and materials, whenever the schools, they attend, organise the workshops or their teachers use the tools offered. Some of the workshops would probably, on request, also be available for groups of children and youth in care or young care leaver, if a CYCP takes the initiative. The online modules and materials can be a source of information that can be used by CYCPs for their own information and to work with children and young adults on the topic.

It would therefore be important that CYCPs in the course of the planned training, get access to a compilation of these offers. The topics organized by age groups can serve as orientation when organizing the training modules and topics. Some of the mentioned methodological approaches can serve as models, mainly online tools like apps, online modules and games that support financial education in a playful way. Nevertheless, for the training to be developed the specific needs of the target groups have to be taken into account and content and methods adapted to their needs.

The only example of trainings directly addressed to Care Leavers are the workshops organised in the frame of the project “Welcome to Life”, a project run by the Umbrella Association of Austrian Child and Youth Care Facilities (Dachverband der Österreichischen Kinder- und Jugendhilfeeinrichtungen). Workshops deal with different topics, some of them also related to financial literacy (finances, housing, labour integration, etc).

### 3. FINANCIAL LITERACY AND ENTREPRENEURSHIP IN THE DAILY WORK WITH CHILDREN AND YOUTH IN CARE/YOUNG CARE LEAVER

The experiences of the interviewed persons show, that generally spoken financial education and entrepreneurship competences become important in the daily work with children and youth in care in the moment, when the young adults reach the age of 15/16 years old and they start to enter the labour market with accepting small jobs or starting an apprenticeship or even later after they have left care. This is when the young adults, because of their current personal situation, start to be interested in topics like working contracts, bank account, savings, among others.

Nevertheless the CYCPs start to include financial education in the daily work with the clients as far as this is possible at the age of 7/8 years. Methods used mainly deal with pocket money, e.g. dividing the pocket money in weekly amounts; dividing the pocket money in envelopes for the different types of expenses; “pocket money conference” as a group activity, where the clients reflect about their conduct with their own pocket money in the past month as well as their behaviours and decide, based on this reflection, whether they deserve the full amount of pocket money for the next month or just a part of it. Entrepreneurship competences so far is not a topic that is actively included in the daily work with the clients.

Children and youth in care experience a system, in which all basic needs are covered without any efforts, whereas children who grow up in their families of origin learn that all these expenses have to be paid and the money comes from salaries that need to be earned by the parents. Housing, heating, clothes, food, phone, internet, television, etc. - everything is given by the system. Their behaviour with regards to their belongings and finances (e.g. pocket money) does not have any consequences. E.g. if clients do not take care of their clothes and tear their pants, they will get new ones. If they brake their bed intentionally, it has to be replaced immediately. These regulations are important to make sure that the rights of the child are fulfilled. On the other hand they tie the hands of social pedagogues to apply certain pedagogical measures to raise awareness on the value of objects and their appreciation that parents in families have at their disposal.

Additionally to the child and youth care system in general, also the way how group homes are managed influences on the possibilities to work on these topics in everyday situations. If the CYCPs themselves do not have any financial responsibility or do not feel responsible on e.g. spending of the weekly household budget, or do not know how much budget is left to buy new clothes for the clients, they will not be able to include the clients in the planning or in understanding decisions on what can be purchased and what not.

The project consortium should have in mind these circumstances, when developing the tools and methodology that can be used by the CYCPs to work on financial literacy with children and youth in care/young care leaver.

## 4. SUMMARY OF KNOWLEDGE, SKILLS AND COMPETENCES NEEDS OF (FUTURE) YOUNG CARE LEAVER IDENTIFIED

The participants in the focus group interview agreed that financial education should start to be part of the daily work when the clients become 6 years old. The desk research results show, that the different offers for school students mainly start at the age of 10 years (5<sup>th</sup> grade).

The needs of the children and youth in care/young care leaver can be divided into two age groups, the needs of children up to 14 years old and the needs of young adults 15 years and older, although within the groups (mainly in the first age group) there should be gradually adaptations of content and methods to the age of the clients.

For the first age group it is important to acquire basic financial literacy knowledge, skills and competences and above all awareness for the topic. That is to say, children should learn about the meaning of money: why do we need money; where does the money come from; money needs to be earned. They should also learn to handle (pocket) money. It is also very important to work with them on appreciation and values. They will need knowledge, skills and competences in the following topics, among others: Bank account, online banking, account limit, overdraft; savings account, interests; cash and cashless money, debit and credit card; shopping, shopping list and price-performance-ratio; how to prepare a simple budget on income and expenses; online shopping, smartphone; borrowing money, debts. And finally they need to have some legal knowledge on the questions: What am I allowed to buy in my age? Which sales contracts can I enter in my age?

Regarding the methods it is important to use practical methods included in daily life activities. To learn about bank accounts and debit card, a fake "pocket money debit card" can be used for the youngest. At the age of 12, every client should open her/his own bank account – supported by the CYCPs. CYCPs should include the children in preparing the shopping list for the week together; they should be involved in the planning of the meals, including what can be used from the day before. Children can be asked to do small purchases by themselves (like buying bread at the baker's). Different methods can be used to manage the pocket money, like dividing it in weekly amounts, in amounts for the different types of expenses, etc. For all these methods it is very important to visualize the learnings; to visualize incomes and expenses, budget plans, etc. It is also important to define objectives together with the clients, e.g. what can be purchased when they manage to save a part of their pocket money (e.g. buying a CD or an online game).

For the age group 15 and older the focus lies on the knowledge, skills and competences needed to start their independent life: Driving licence, moped/car financing and subsequent costs (insurance, taxes, reparations,..); moving into an own flat; fixed costs; working law; apprenticeship (contract, salary), employee's tax assessment; unemployment benefits, needs-based minimum benefit system, family allowance; all kind of contracts, credits/leasing, debts, knowledge on offices/places for legal advice; consultation on different topics; budget plan, knowledge on how to become an entrepreneur and basic knowledge about legal issues and finances for an own business.

With regards to the methods for financial education and entrepreneurship competences, participants in the focus group mentioned two Best Practice Examples from other countries: The Kwikstart Care Leaver App developed in the Netherlands, an online platform with all kind of information important for the first steps in the independent life of young care leaver (new flat, working contracts, counselling offices, etc). Another Best Practice Example, from Germany, allows the young adults to try out living alone in an own flat for some

weeks. If it doesn't work they have the possibility to go back to the group home. Another proposal was to create a mentoring system for young care leaver.

Some of these proposals may go beyond the content and methods for the training for CYCPs that will be developed in the frame of this project, but should be part of the discussion on how to assure an adequate support for the transition of youth in care to their independent life.

## 5. SUMMARY OF KNOWLEDGE, SKILLS AND COMPETENCES NEEDS OF CYCPs IDENTIFIED

CYCPs start working with children and youth in care/young care leaver without any specific training on financial education or entrepreneurship competences during their basic education to become a CYCP. If they work with the clients on these topics, knowledge and methods they use are based on their own personal life experiences or taken over from elder colleagues or the established system in the group home. Many of the CYCP lack sufficient knowledge, some of them even to manage their own private finances or the group home's budget, where this is included in their responsibility.

This is why CYCPs need to firstly be trained themselves in most of the topics they are supposed to transmit to the children and youth in care/young care leaver.

Additionally to the already mentioned contents, CYCPs also need knowledge about the legal basics, financial matters, funding by the government, and counselling services among others. They need to know where they get more information on specific topics and information on the public bodies or counselling services that can be approached by the young adults or themselves. Not all topics need to be covered by the CYCP, if external offers are suitable, they can be approached and integrated in the planning with the young adults.

Secondly it is essential to raise awareness within the CYCPs on the importance to integrate the topic in the daily work with their clients.

And finally, approaches and methods are needed how to integrate these topics in the daily work with the youngsters as well as concrete methods how to deal with consequences (e.g. liabilities of children/youth).

## 6. GAP ANALYSIS: CONTENT AND METHODS OF TRAINING FOR CYCPs

Subjects on financial education and/or entrepreneurship do not play any, or only a marginal role in the curricula of the educational programmes, whose graduates are allowed to work as CYCPs in Austria. None of the programmes includes methods or tools for the future social pedagogues on how to work on financial literacy or entrepreneurship competences with children and youth in care/young care leaver.

There are several training materials and workshop offers free of charge on financial literacy and entrepreneurship competences addressed mainly to school students or teachers. Although children and youth in care or young care leaver may have access to some of these trainings and materials, they are not adjusted to their specific needs.

The online modules and materials can be a source of information that can be used by CYCPs for their own information and to work with children and young adults on the topic. Some of the methodological

approaches identified as Best Practice Examples can serve as model. This applies for example to the use of online tools like apps, online modules and games that support financial education in a playful way as well as to the idea of certificates young adults can gain with completing e.g. some level of financial competences or responsibility (finance driving licence).

Nevertheless, as none of the trainings is addressed directly to children and youth in care/young care leavers, content, approaches and methods need to be adjusted to the needs of the YCLs and the CYCPs, who are supposed to transmit the knowledge, skills and competences to the YCL.

Having in mind the before mentioned and the training needs identified above, the modules/topics of the training should contain the following:

- Raising the awareness of the CYCPs on the importance of financial literacy and entrepreneurship in the daily work with children and youth in care/(future) young care leaver
- Content-related training on the different topics mentioned above
- Information about the legal situation and regulations by the public authorities in the different states (Bundesländer) concerning amount of pocket money, regulations dealing with pocket money and other financial issues, etc.
- Knowledge where to get more information, knowledge on existing counselling services and public bodies that can be approached by the young adults or themselves
- Methods on how to apply the knowledge about financial literacy/entrepreneurship in the daily work with children and youth in care/young care leaver
- Concrete methods how to deal with consequences (e.g. liabilities of children/youth)

The learning methods should include learning in a playful way and group works. The courses can be a mix of onsite and online classes or modules. Online Modules or homework should include feedback and be controlled by the trainer(s). In the design of the online modules it should be taken into account that professionals in the social area often are not used to online courses.

Regarding the time frame for the training, it should be either organised over a longer period to give the training importance – e.g. one or two semesters with short training units (e.g. 3 hours each) in a one or two weeks interval and “homework” (practical exercises for the daily work with the children and youth in care/young care leaver between the units). In this proposal one semester could cost 600- 800 Euros. The CYCPs would expect the employer to assume the costs for the training. Another proposal was to organize inputs/workshops (3-4 hours) on different financial education topics in team meetings. The cost could be 30-50€/person for participation in the workshop.

In the Austrian context, it is essential to be aware of the differences between the states (Bundesländer) with regards to legislation and regulations. This is why it may be important to adapt the training developed by the project consortium not only to the Austrian context, but also – content-related – to the federal states.

Beyond the project aims to develop a training for CYCPs, it would be important to raise awareness on the lack of these topics in the basic education for CYCPs in Austria. It should become a compulsory subject in the basic education required to work as CYCP. One participant in the focus group proposed additionally an internship of 3 months in an institution that works with families in this context.