

## **CYCLES**

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



***101 – Desk research***

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## 1. INTRODUCTION: DESCRIPTION OF FOCUS GROUP INTERVIEW

The focus group interview took place on 16<sup>th</sup> January 2018 in the Headoffice of Bundesverband Therapeutische Gemeinschaften (BTG) in Vienna. Six participants were expected to take part in the group discussion, unfortunately three of them cancelled their participation at very short notice due to illness (2) and an unexpected but crucial appointment (1). Two of them were interviewed separately by phone after their recovery.

The participants in the focus group and individual interviews have the following profiles:

Young care leaver (YCL) who was living in care from the age of 8 to 21. He has also been working as CYCP for approximately three years and is currently attending an Educational Institution for Social Pedagogy to become social pedagogues.

Board Member of a private child and youth care provider with former management experience, working in the field of child and youth care for over 20 years.

CYCP with more than 20 years' experience in child and youth care, specialized in the work with young Care Leavers. Her basic education is elementary pedagogy; currently she is finalizing a College of Social Pedagogy. Two social pedagogues, one specialised in the work with young care leaver. The other one worked with (future) young care leavers for five years. She is currently working in the project management of an institution which is measuring the effects of the daily work with children and youth in care.

Two moderators were guiding through the interview and taking notes. The interview was taped on prior agreement of the participants. At the beginning of the interview one moderator gave a short input about the project as well as the definitions of "financial education" and "entrepreneurship". The participants seemed curious about the topics and the project aims and confirmed the importance of a training on financial literacy (and entrepreneurship), given that from their experience it is an important issue for the daily work with their clients, but at the same time noticing a lack of knowledge about these topics among social pedagogues.

The discussion during the interview was focusing on financial literacy; entrepreneurship seems not to be that important in the daily work with (future) care leaver. This is why it was difficult to make it a subject in the discussion. The results of the interviews presented in the following reflects this emphasis on financial literacy. All in all it was a continuous inspiring discussion where all participants were equally involved.

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

One of the moderators presented a list of results from the Desk Research with education programmes that allow their graduates to work as CYCPs in Austria. The participants of the focus group confirmed, that the list of results was quite complete. They emphasized that the requirements to work as CYCP differ between the nine federal states of Austria and mentioned as an example an educational institution for social care professions in Burgenland not listed in the Desk Research results. Graduates from the branch "family work" are allowed to work as CYCP in the same federal state Burgenland, but not in all other federal states of Austria.

All participants agreed that in the education programmes to become a CYCP they know and heard about, the topics financial literacy and entrepreneurship do not play any or a marginal role. Nevertheless, the curriculum of the extra-occupational education at a College of Social Pedagogy (die bildungsakademie) that one of the participants is currently attending, includes accounting, project management in the social field (planning, budgeting, searching for funding possibilities, evaluation, etc.) and law. 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, project work, etc. nevertheless is considered by the participants as one method that could also be applied with the children and young adults in care or care leavers. The participants agreed that “die bildungsakademie” in that sense can be seen as a Best Practice Example.

Regarding to further education for CYCPs that include subjects on financial education and/or entrepreneurship, the participants know or have heard about the different Master Programmes at the Universities and Universities of Applied Sciences. Additionally, to the academic further education, one of the participants mentioned the Institute for Economic Development (WIFI) and the Vocational Training Institute (BFI), two of the largest fee-based training providers in Austria, that provide a whole range of further trainings in all fields of work and life, among them e.g. “social competences”, “accounting” and “entrepreneurship”; nevertheless none of these courses or trainings are particularly aimed at CYCPs.

One of the participants additionally mentioned the training for “apprentice trainers”. This training somehow includes methods and tools on how to apply knowledge about different topics in the work with the apprentices, that is to say with young adults, but again financial literacy and entrepreneurship subjects do not play an important role in the training.

None of the participants have heard about trainings that focus on how to apply financial literacy and entrepreneurship knowledge in the daily work with children and youth in care/care leaver.

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

All interviewed CYCPs agreed that financial matters are above all an issue for Care Leavers; when they come to ask for support, this support is mainly dealing with money issues, searching for a flat, loss of documents, trials, etc. The YCL added that for him and his peers it is embarrassing to contact public bodies to ask for financial support. It also needs a very strong relation with the former CYCP to ask her/him for support.

The participants in the interviews share the opinion, that financial literacy is also a topic in the daily work with children and youth living in residential care facilities, although the system of child and youth care somehow limits the possibilities of working on the topic with them. In the child care facility they experience a system, in which all their 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. That is to say, if e.g. they spend all their money in Pizza and Kebab in the first week of the month, the rest of the month they will still have enough and good food in the

residential home. 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 tie the hands of the social pedagogues regarding measures to raise awareness on the value of objects and their appreciation. Any financial responsibility is taken away from the children and young adults with the consequence that many of them fall in debts after leaving care, because they did not learn to manage their finances.

To a certain extent it also depends on the management of the organisations, whether the social pedagogues are able to include financial education in the everyday life with children and young adults. If the CYCPs themselves do not have any responsibility 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, it is difficult for them to include children and young adults in the planning or in understanding decisions on what can be purchased and what not. The participants think that it would be important on the one hand to give more information and responsibility to the CYCPs. On the other hand CYCPs need to be trained in financial matters and learn to feel responsible for the household budget of their group home.

The participants in the following shared some experiences and methods they were applying in the work with children and young adults in care/ (future) young care leavers.

Generally spoken, the CYCPs start working on the topic with clients at the age of 7/8, although in their opinion it would be important to start even earlier, at the age of 6 years. Financial education should also be part of the curriculum of compulsory school education, starting in primary school.

All participants have the experience that it is easier to talk with youth in care about financial matters when they start an apprenticeship, as topics like saving money, information on working contracts (apprenticeship contracts) among others become relevant to the young adults. Before reaching that age, the youngsters are only interested in getting their pocket money, sometimes they claim the payment with very rough and aggressive methods. The YCL confirmed this observation and added that it was not really possible to talk with him about financial matters, at least not after he became 12, until he reached the age of 15/16, this is when he started to accept small jobs and earned his first own money. It also depends a lot on the willingness of the individual client.

Methods that were mentioned by the participants mainly dealt with pocket money: dividing the pocket money in weekly amounts; dividing the pocket money in envelopes for the different type 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. Based on this reflection they decide whether they deserve the full amount of pocket money for the next month or just a part of it. The others in the group may also express their opinion.

All participants also agreed that it makes a difference with regard to the financial behaviour of children and youth in care, whether the residential care facility, in which they are placed, is located in the countryside or in a bigger city, as in the countryside there are less temptations to spend the pocket money.

The methods and knowledge on financial matters the CYCPs apply with the children and young adults in care are not part of the education to become a CYCP. Partly the knowledge is acquired by the CYCPs in their own families while growing up and/or from their daily life experiences. New unexperienced colleagues in most cases take over the existing system in the organisation or rely on the knowledge of more experienced colleagues. Another source of information used is the internet.

From the experience of the interviewed CYCPs and YCL, entrepreneurship is not a topic in the daily work with children and youth in care.

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

None of the participants knew any trainings on financial literacy and entrepreneurship for children and youth in care/young care leaver.

After a presentation of the desk research results by the moderators on different trainings on financial literacy aimed mainly at school students, one CYCP remembered a brochure she noticed a couple of months ago in a bank. It was called “My first flat” and included important information to take into account when moving into an own flat. Another participant mentioned the chamber of commerce for all kind of information related to entrepreneurship and start-ups. For new entrepreneurs it also provides free service of a tax consultant for the first year.

From the presented results of the Desk Research, the participants find online modules very helpful and also applications that support financial education in a playful way are considered best practices that could be taken into consideration for the training to be developed.

#### 5. KNOWLEDGE, SKILLS AND COMPETENCES NEEDS ANALYSIS – CHILDREN AND YOUTH IN CARE/YOUNG CARE LEAVER

All participants agreed that the topics for the age group of 15-19 and older are quite the same, this is why the results presented in the following are divided only into two categories: *Up to 14 years* and *15 and older*. As mentioned above, the CYCPs consider that financial education should already start at the age of 6 years. The YCL mentioned that he started to become interested in financial matters at the age of 14. In the opinion of all interviewed persons, financial literacy should be a subject in the school education starting in primary school.

For the participants it proved difficult to think of entrepreneurship competences for children and youth in care/ (future) young care leaver, this is why it is not a separate category in the following table and the results mainly focus on financial literacy.

Financial literacy		
Age groups	<i>Up to 14 years</i>	<i>15 and older</i>
<b>Knowledge/Skills/Competences</b>	For this age group it is important to acquire basic financial literacy knowledge and awareness:	For this age group the focus lies on the knowledge, skills and competences needed to become independent:



	<ul style="list-style-type: none"> <li>• The meaning of money: why do we need money; where does the money come from; money needs to be earned</li> <li>• Handling (pocket) money</li> <li>• Appreciation and values</li> <li>• Knowledge about:             <ul style="list-style-type: none"> <li>○ Bank account/online banking/account limit, overdraft</li> <li>○ savings account/interests</li> <li>○ What does cashless money mean? Debit and credit card</li> <li>○ Shopping/Shopping list/Price-Performance-Ratio</li> <li>○ Simple budget on income and expenses</li> <li>○ Online Shopping/Smartphone/..</li> <li>○ Borrowing money/Debts</li> <li>○ Legal information: What am I allowed to buy in my age/Sales contracts?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Driving licence, moped/car financing and subsequent costs (insurance, taxes, reparations,..)</li> <li>• Moving into an own flat, fixed costs</li> <li>• Working law; Apprenticeship (contract, salary), employee's tax assessment</li> <li>• Unemployment benefits, Needs-based Minimum benefit system, family allowance</li> <li>• All kind of contracts</li> <li>• Credits/Leasing</li> <li>• Debts</li> <li>• Knowledge on offices/places for legal advice; consultation on different topics</li> <li>• Budget plan</li> <li>• knowledge on how to become an entrepreneur and basic knowledge about legal issues and finances for an own business</li> </ul>
<p><b>Methods</b></p>	<ul style="list-style-type: none"> <li>• "Pocket money debit card": making a fake debit card to get in contact with financial matters – in a playful way (for children up to 12 years)</li> <li>• At the age of 12 every client should open his/her own account - all steps accompanied by the CYCP</li> <li>• Prepare the shopping list together, do the shopping for the week together with the children; plan together the meals and what can be used from the day before.</li> <li>• Ask the children to do small purchases by themselves (e.g. buy bread at the baker's)</li> <li>• Dividing the pocket money in weekly amounts; dividing the pocket money in envelopes for the different type of expenses</li> <li>• Visualise incomes/expenses, savings and what can be purchased, when they manage to save part of the pocket money (create aims – e.g. to buy a CD, an Online Game, ...)</li> <li>• Visualising budget plans in a creative way together with the CYCP.</li> </ul>	<ul style="list-style-type: none"> <li>• Online APP with all kind of information on the topics that are important for the daily life of YCL with an online forum to ask questions/for consultation (Best Practice Example from the Netherlands: Kwikstart Care Leaver App)</li> <li>• Mentoring System for young care leaver</li> <li>• Possibility to try out living alone for some weeks. The client is getting a feeling for budget/financial matters in an own flat with the help from a CYCP (1-2 weeks) with the possibility to go back to the group home, if it is not yet working. (Best Practice Example from Germany)</li> <li>• Keep the invoices in a folder and at the end of the month discuss with the CYCP about the expenses to find ways of saving money.</li> </ul>

## 6. KNOWLEDGE, SKILLS, COMPETENCES AND TRAINING NEEDS ANALYSIS – CHILD AND YOUTH CARE PRACTITIONERS

The participants, as mentioned above, see a general lack of knowledge on financial literacy and entrepreneurship within the CYCPs working with children and youth in care/young care leaver. This is why most CYPCS would need to start with the same topics mentioned above – to have the basic knowledge on the contents, that may also help them in their own personal financial life (household planning, salaries, employee's tax assessment, etc..) as well as in their professional life with regards to shopping, budgeting, household planning in the group home/team.

To work with children and youth on these topics, first of all it would be essential to raise awareness within the CYCPs on the importance to integrate this topic in the daily work with the children and young adults. CYCPs need to have the knowledge on the different topics, additionally to the already mentioned contents also 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. Approaches and methods are needed how to integrate these topics in the daily work with the youngsters. Also concrete methods how to deal with consequences (e.g. liabilities of children/youth) need to be developed.

### TRAINING

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, one proposal was to organize the training 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 “homeworks” (practical exercises for the daily work with the children/youth in care/young care leaver between the units. In this proposal one semester could cost 600- 800 Euros. The social pedagogues would expect the employer to assume the costs for the training.





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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.