

# Bethan Jenkins AM

## Proposal for a Financial Literacy (Wales) Bill

### General Summary of Outreach Work

### Background

This document provides a summary of the Outreach work conducted as part of the preliminary consultation on Bethan Jenkins AM's member-proposed Bill on Financial Literacy

As part of the consultation on the proposal for a Financial Literacy (Wales) Bill the Outreach team promoted two questionnaires aimed at the general public and pupils of secondary school age on behalf of Bethan Jenkins AM. The engagement exercise consisted of two surveys in paper format.

The surveys concentrated on three key aspects of the proposed bill, namely:

- placing financial education with the school curriculum;
- placing duties on some statutory bodies to promote good financial practices, and;
- ensuring local authorities make debt advice available for people.

Both surveys asked participants to give their views on developing the proposal for this new law.

The first questionnaire – **aimed at engaging with the public generally** asks participants their views on the proposals, in addition to what other ideas should be incorporated in the Bill and how good financial practice could be promoted.

The second questionnaire – **aimed at engaging with young people of secondary school age** asked participants general questions about their level of understanding of the financial system and budgeting, as well as questions focusing on how best to teach effective money management and again, how to promote responsible financial habits.



## Key Statistics

**761** Total number of people engaged with

**464** Total number of survey responses received

**279** Total number of survey responses received from the general public

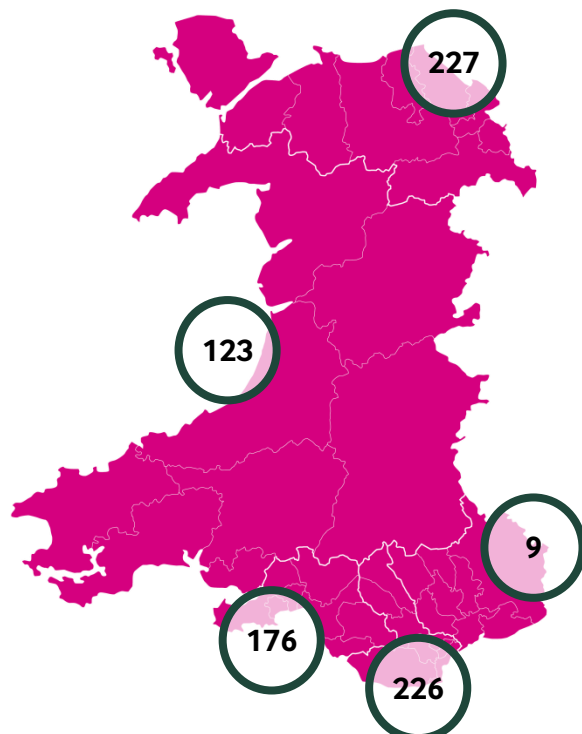
**185** Total number of survey responses received from Secondary School Pupils

**10** Total number of Schools engaged directly with the Education Team

**5** Total number of regional and national summer events where the survey was promoted

## Total Number of Participants by Region

This diagram shows the **total** number of people **engaged with directly** as part of proposals for a Financial Literacy (Wales) Bill.



### Breakdown

Total number of members of the public engaged with by region of summer events:

- North Wales: 57
- Mid and West Wales: 0
- South Wales West: 0
- South Wales Central: 2
- South Wales East: 9

Total number of young people engaged with through schools by region:

- North Wales: 170
- Mid and West Wales: 123
- South Wales West: 176
- South Wales Central: 226
- South Wales East: 0



# Bethan Jenkins AM

## Proposal for a Financial Literacy (Wales) Bill

### Summary of Survey Responses

### Methodology

As part of the Financial Literacy (Wales) Bill consultation, the Outreach team conducted two Wales-wide surveys on the proposals of the new Bill to introduce financial education within the school curriculum and how good financial practices can be promoted.

Although an open survey the following audiences were primarily targeted:

- the **general public** (through Summer engagement events, tour groups and visitors to the Senedd)
- **children and young people of school-age** (through the National Assembly's Education Team)

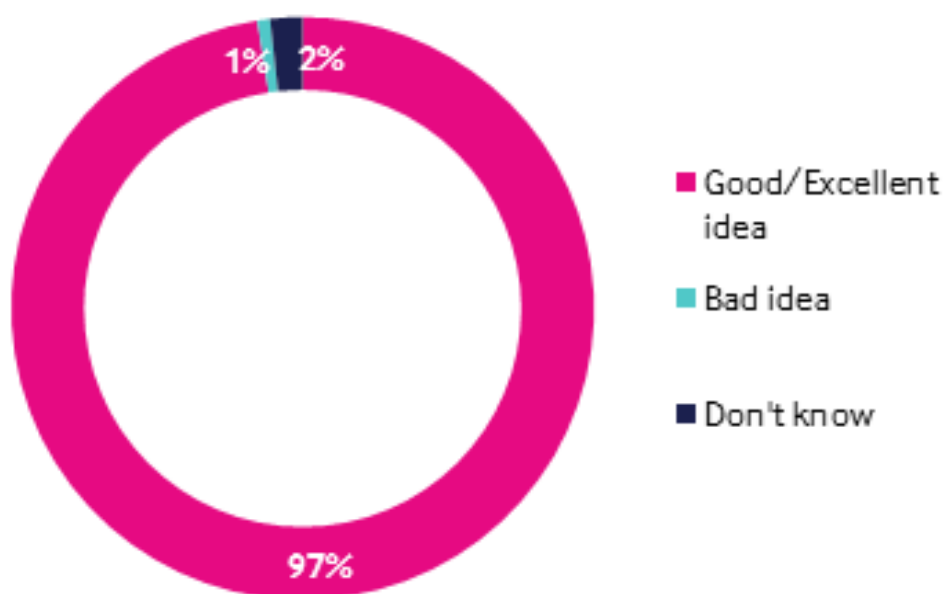
A summary of the responses received is contained in the following two sections. Section 1 provides a summary of the responses received from the general public and section 2 provides a summary of the responses received from school-age respondents.



## Section 1 – Summary of Responses Received from the General Public

### Question 1 – What do you think of my proposal for a new law?

- Good/excellent idea: 272 (97%)
- Bad idea: 2 (1%)
- Don't know: 5 (2%)



272 participants were **in favour** of the proposed law citing, amongst other reasons, the following:

- the importance of teaching young people about the value of money, and how to manage it effectively upon leaving education
- the need to prepare young people for the real cost of living once they become responsible for their other finances
- more support should be given to those in financial difficulty, and stricter regulation of Payday loan companies would ensure that people can make more informed choices when lending

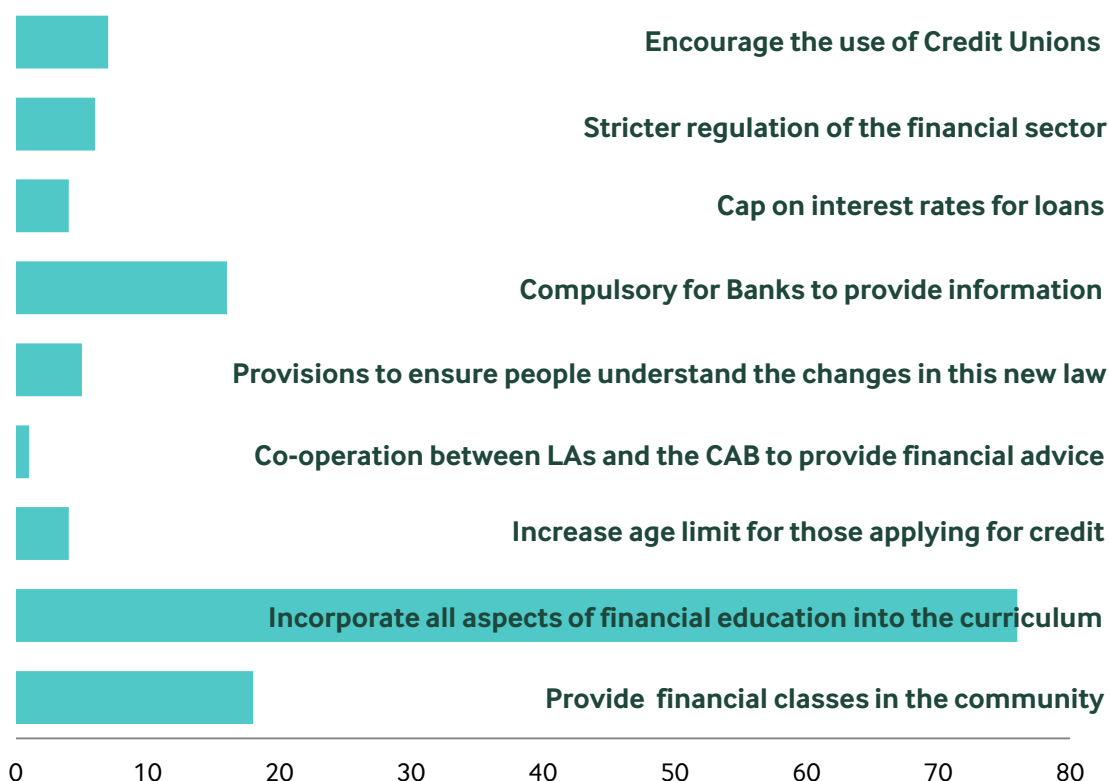


Five participants were unsure of the proposal, with two participants against it, citing:

- that it wouldn't make any difference to them personally
- young people are already pressurised under the current curriculum as it is and adding another "skill" lesson would only serve to aggravate this



## Question 2 – What other ideas should we consider including in the new law?



Of the comments made:

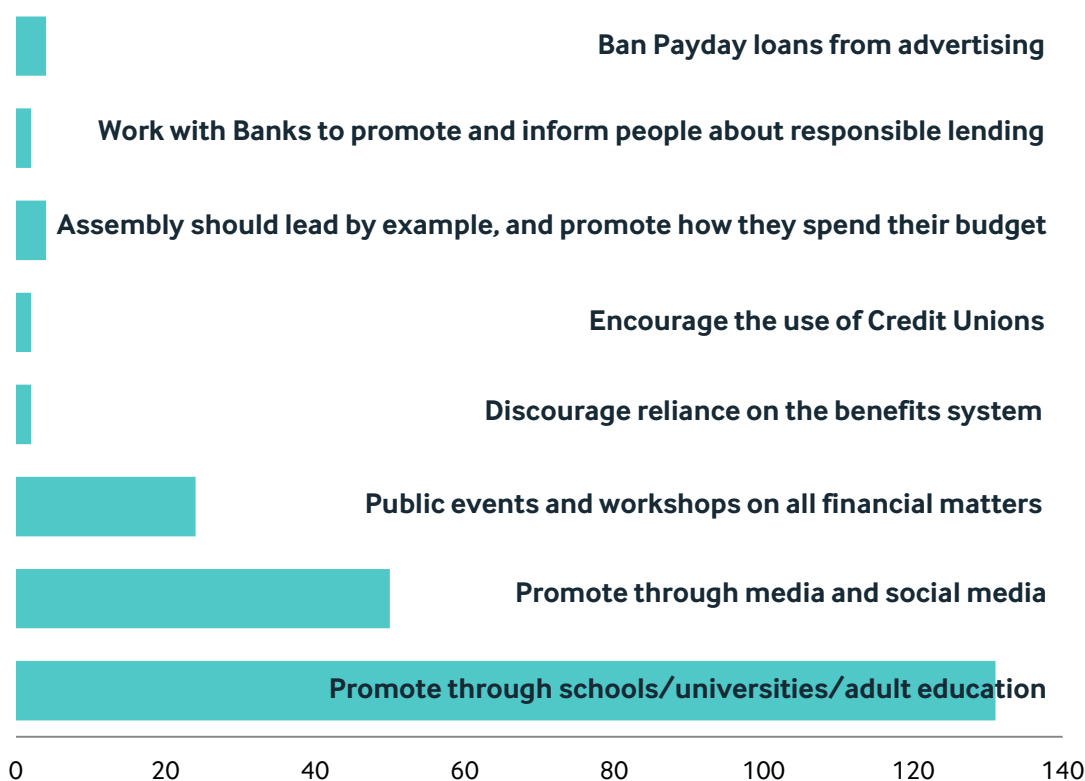
- 76 participants stated that the new law should ensure that all aspects of finance should be incorporated into the curriculum. This would include teaching young people about APR percentages, applying and paying for mortgages and investments
- 18 people argued that financial classes should be held in the community, providing support and general advice for those who seek to improve their financial situation
- 16 comments were made relating to the need for Banks to be more transparent about the true cost of lending by either providing a summary of a total loan amount (including the interest rate) or making financial information easier to understand
- Seven people made the case for encouraging the use of Credit Unions (as opposed to traditional or Payday loan lenders)
- Six stated that the new law should make provisions for the stricter regulation of the banking and financial sector



- Five people stated that in light of the proposal, more should be done to ensure that people are informed of the potential changes that will come from the new law
- Four people proposed that the new law should increase the age limit for individuals applying for credit
- Four comments argued that a cap should be placed on any interest rates attached to a loan agreement (particularly for first-time lenders)
- One person suggested that the new law should encourage multi-agency working between local authorities and the Citizen's Advice Bureau when providing financial advice to the general public



### Question 3 – How can we promote good financial practices?



Of the comments made:

- 131 participants agreed that good financial practice should be promoted through schools, universities and through adult education
- 50 people stated that the media and social media (which included Facebook, Twitter, Apps and Television) could be utilised in promoting good financial practice
- 24 comments were made that promotion should happen through public events and workshops in the community, and would include promoting all financial matters from budgeting, spending and borrowing
- Four people argued that if good financial practices are to be promoted a case should be made to ban Payday loans from advertising
- Four participants felt that the National Assembly for Wales could lead by example in promoting good financial practice, by highlighting and publishing how Assembly Members decide how to spend the budget
- Two comments put forward the view that reliance on the benefits system should be discouraged, and people informed that it is not a good way of maintaining financial stability

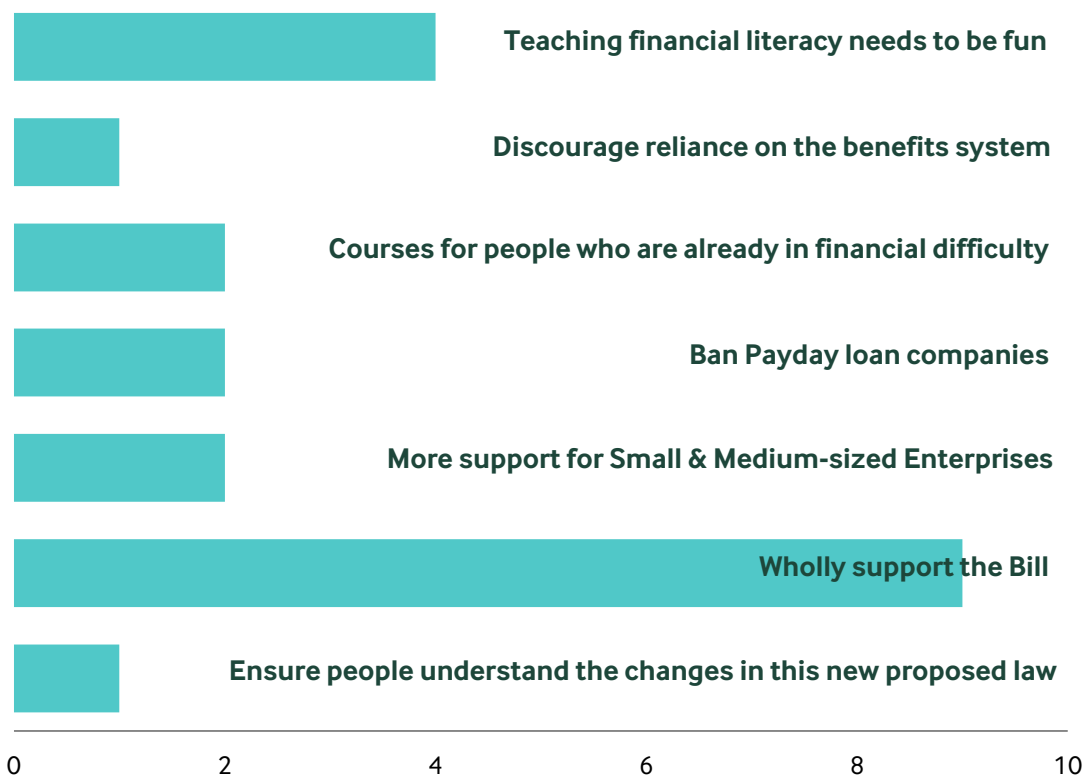




- Two people again argued that good financial practice should be encouraged and promoted through the use of Credit Unions



#### Question 4 – Do you have any other views?



Of the comments made:

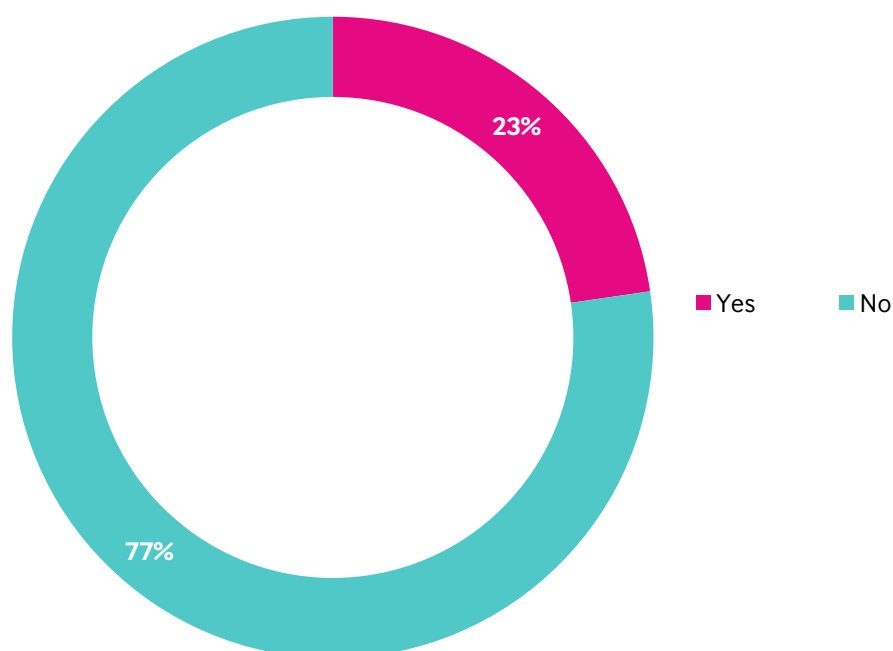
- Nine members of the public emphasised their support of the new proposal for a law on financial literacy
- Four people argued that teaching financial literacy should be as fun , practical and engaging as possible for pupils
- Two people felt that more support should be given to small and medium-sized enterprises
- Two stated that there should be a total ban on Payday loan companies
- Two members of the public felt that more courses should be made available for those already in financial difficulty
- One person made the point that in light of the proposal, more should be done to ensure that people are informed of the potential changes that will come from the new law
- One person stated that people should be discouraged from relying on the benefits system for financial stability



## Section 2 – Summary of Responses Received from School-age Respondents

**Question 1 – Do you feel that you have enough education about how to manage your money effectively?**

- Yes: 42 (23%)
- No: 143 (77%)



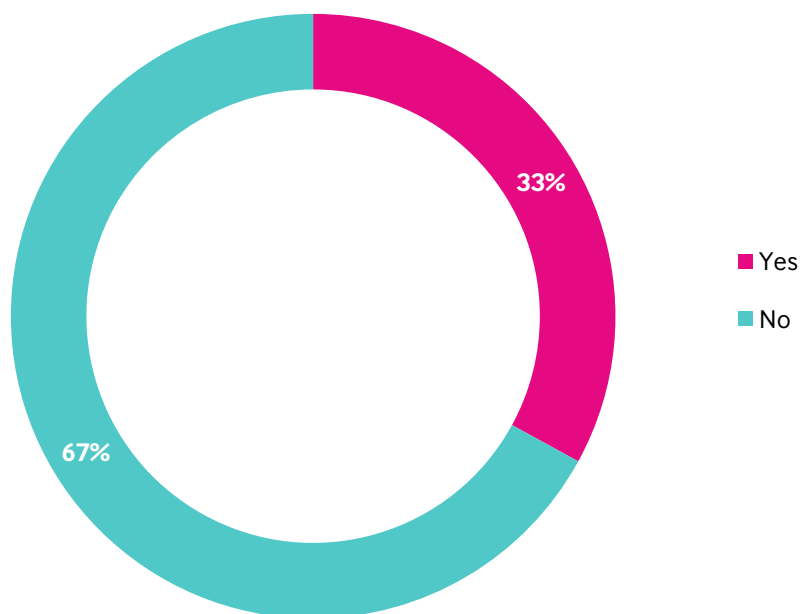
Of the 185 participants:

- 143 people felt that they did not have enough education about how to manage their money effectively
- 42 people commented that they did have enough education about how to manage their money effectively



**Question 2 – Do you think that you have enough information and understanding of the financial system to manage your money sensibly and effectively?**

- Yes: 61 (33%)
- No: 124 (67%)



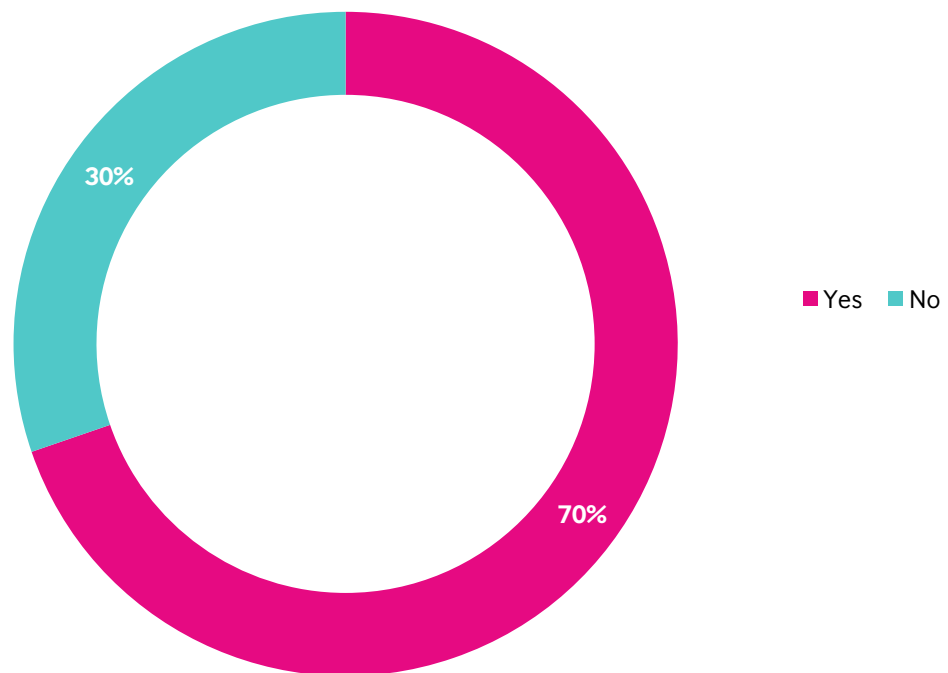
Of the 185 participants:

- 124 people felt that they did not have enough information and understanding of the financial system to manage their money sensibly and effectively
- 61 people commented that they did have enough information and understanding of the financial system to manage their money sensibly and effectively



### Question 3 – Are you aware of the dangers of using short-term payday lenders?

- Yes: 129 (70%)
- No: 56 (30%)



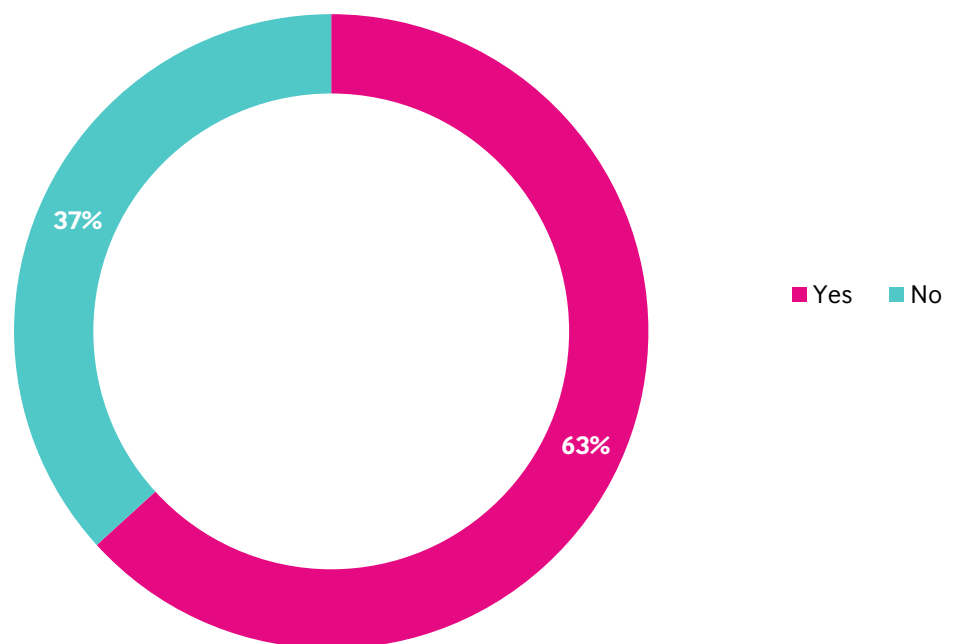
Of the 185 participants:

- 129 people felt that they were aware of the dangers of using short-term payday lenders
- 56 people commented that they weren't aware of the dangers of using short-term payday lenders



**Question 4 – Do you understand the costs you will face in the future and how they will put your monthly budgeting of money under pressure?**

- Yes: 117 (63%)
- No: 68 (37%)



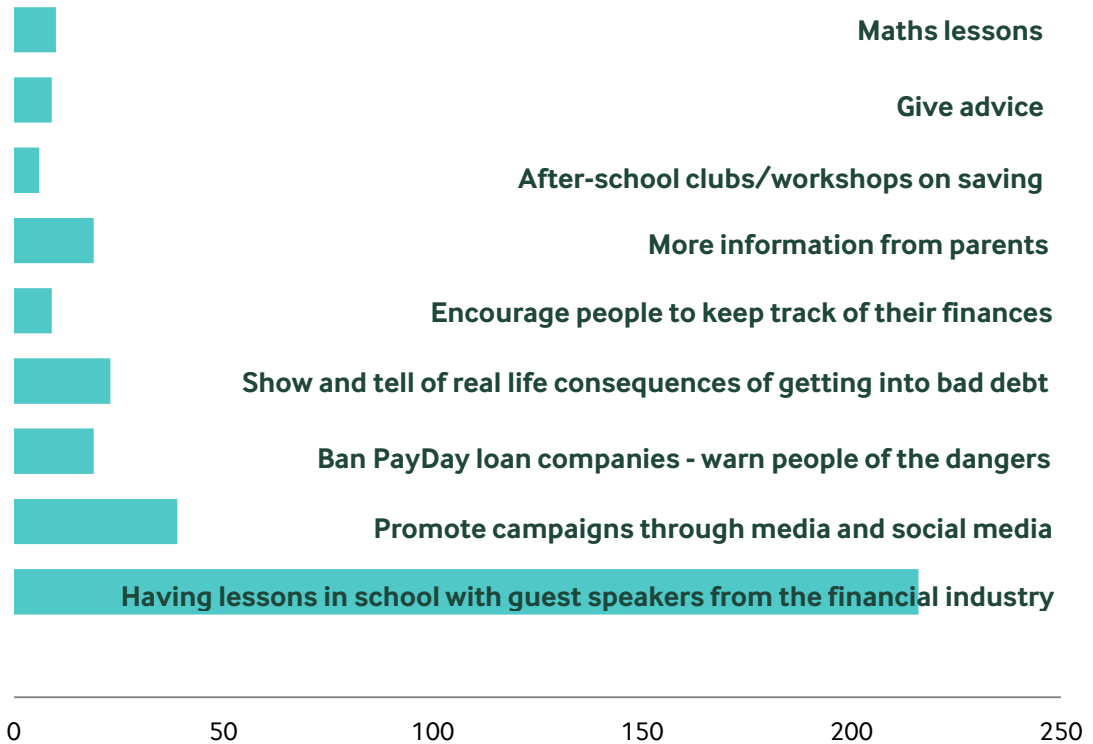
Of the 185 participants:

- 117 people felt that they understood the costs they will face in the future and how they will put their monthly budgeting of money under pressure
- 68 people commented that they did not understand the costs they will face in future and how they will put their monthly budget of money under pressure



**Question 5 – What is the best way to teach you about effective money management?**

**Question 8 – What do you think we can do to promote responsible financial habits?**



For ease of reference, answers to both questions 5 and 8 were considered together.

Of the comments made:

- 216 stated that having lessons in school with talks from representatives from the financial industry would be an effective way of teaching pupils about effective money management. This practical experience would help promote responsible financial habits
- 39 people made the case for promoting and teaching effective money management could be done through media and social media campaigns. These would include Television advertisements and using Twitter, Facebook and Apps
- 23 participants felt that the best way of teaching would be through a real-life show and tell from people who are or have been in, significant financial difficulty



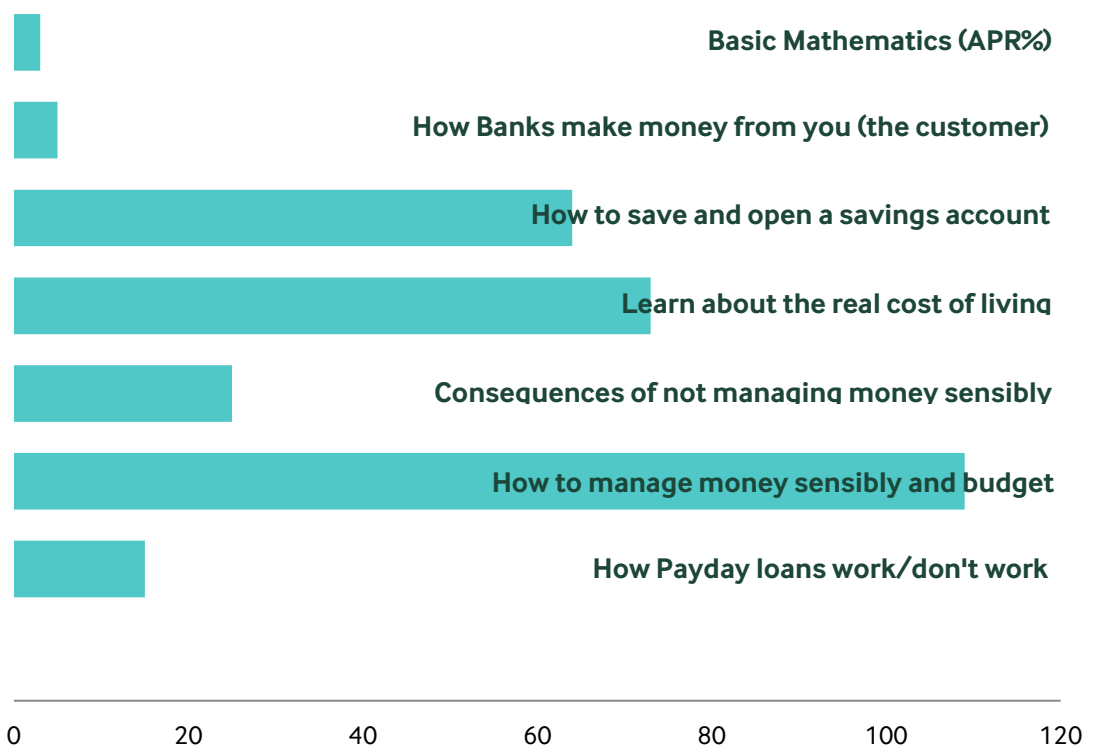
- 19 argued for the banning of Payday loan companies, and the need to warn people of the dangers of using short-term lenders
- 19 people stated that parents could play a bigger role in teaching young people about effective money management, and should encourage this discussion at home
- 10 people made the case for the utilisation of Maths classes for teaching and promoting responsible financial habits
- Nine felt that more advice and information should be made available to young people about effective money management
- Nine people argued for more encouragement for young people to keep track of their finances and financial habits
- Six participants made the case for workshops and after-school clubs to be set up for those who want to learn more about effective money management





**Question 6 – When thinking about money management what do you think is the most important thing to learn?**

**Question 7 – What would you like to learn and know about managing your money sensibly and effectively?**



For ease of reference, answers to both questions 6 and 7 were considered together.

Of the observations made:

- 109 stated that they would like to learn, and this it is most important to learn about how to manage money sensibly and budget within their means
- 73 people argued that they should be taught more about the true cost of living. This would involve teaching young people about how to pay utility bills, mortgages and loans
- 64 participants made the case for teaching young people about savings, and how to open a savings account



- 25 people felt that they would like to learn about the consequences of failing to manage money sensibly
- 15 stated that they wanted to know more about short-term payday loans and how they work/don't work in terms of money management
- Five people argued that young people should be taught about how Banks make money and profit from their customers
- Three people made the case for teaching young people the basic mathematics of finance, which would involve learning how to calculate APR and basic interest rates

