



# Research Update

## Financial wellbeing of young people

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### Introduction

The most recent global economic recession has received much attention over the past years, with indicators such as Gross Domestic Product (GDP), Gross National Product (GNP) and regional unemployment figures providing empirical evidence at the national (or macro) level. The impact of the recession at the family and individual (or micro) level has also been highlighted. Whilst persistent child poverty rates are important indicators, these figures are based on large-scale surveys of household income. Specific research into the financial wellbeing of children and young people has tended to be more sporadic and non-systematic.

Thus, in 2013, ARK undertook a small-scale project to explore the financial wellbeing of children and young people. Existing and newly-designed age-specific questions were included in both the **Kids' Life and Times (KLT)** Survey of 10 and 11 year olds, and the **Young Life and Times (YLT)** Survey of 16 year olds. This Research Update is based upon these responses.

### Family background

Financial issues have been explored within YLT for many years. In particular, there are nine years of data relating to family financial background, which enables us to track change since before the current recession. Whilst we may

Table 1: How well off do you think your family is financially?

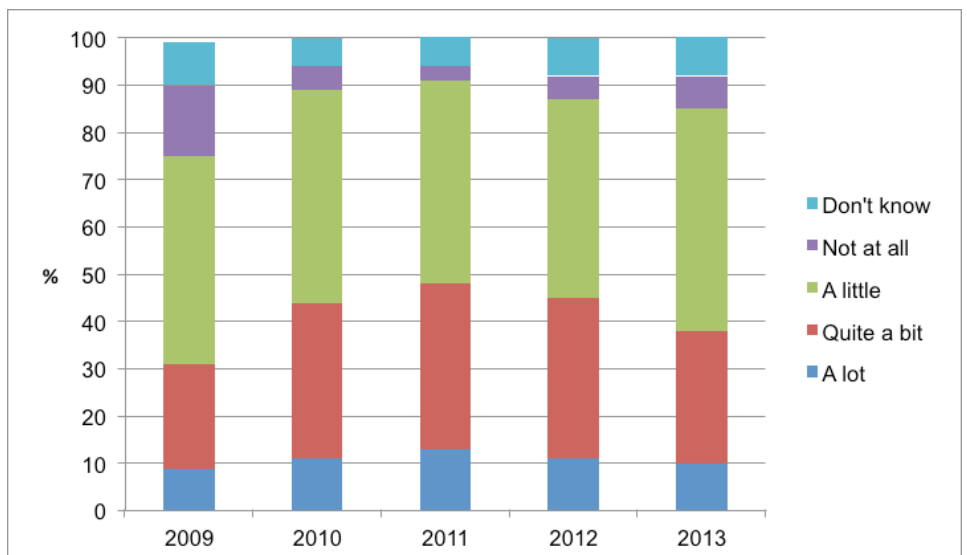
	%									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Not at all well off	4	4	4	5	5	4	4	5	5	
Not very well off	14	11	10	12	13	14	15	14	12	
Average	53	53	57	56	55	56	56	55	53	
Well off	22	25	24	23	22	21	21	22	26	
Very well off	3	4	2	1	1	3	1	2	2	
Don't know	3	2	3	3	4	2	3	3	3	

have expected the economic downturn to have had some impact on these figures, in fact there has been a fairly consistent pattern over the past years. As Table 1 shows, the vast majority of young people were able to make a judgement on their family's financial background, and less than five per cent each year said that they didn't know. In general, around one in six respondents said that their family was not at all well off or not very well

off. Just over one half described their family's financial background as average, and approximately one quarter each year said that their family was well off or very well off.

In 2009, the survey included a new question on how much the economic crisis or credit crunch had impacted on respondents and their family. In that year, just under one third of respondents

Figure 1: To what extent has the recent economic crisis ('credit crunch') affected you and your family?



(31%) said that they had been affected a lot or quite a bit. At the same time, six out of ten (59%) were affected only a little or not at all. As clearly shown in Figure 1, by 2011, nearly one half of respondents (48%) said that their family had been affected quite a bit or a lot, although this fell to 38 per cent by 2013. Of note is the higher proportion of respondents who didn't know how to answer this question compared with the proportion in Table 1.

Data from 2013 show that, as might be expected, there is a strong relationship between family financial background and the level of impact made by the recession. Thus, those who were least affected by the recession were more likely to be well off or very well off (62%), and none described their family as not well off. By contrast, of those affected a lot by the recession, six out of ten (61%) described themselves as being not well off (including 25% saying that they were not at all well off).

## Family affluence

Within the Kids' Life and Times Survey, family financial background has been measured using the World Health Organization (WHO) Family Affluence Scale (FAS). This is a four-item measure of family wealth which is conceptually related to common consumption and material deprivation. These four items are having own bedroom; family ownership of a car, van or truck; the number of holidays away; and the number of computers or laptops. As with many scales, there are some biases and limitations to the FAS. For example, rates of car ownership may be higher in rural areas due to geographic isolation or lack of public transport, and

so does not necessarily reflect wealth in the same way as in a city. Sharing a bedroom may be related to culture and family size, as well as to the age and gender of other children.

Comparing the data from 2009 (which is the first year that the FAS was asked in a consistent way) and 2013, there is no difference in the proportion of children having their own bedroom (79%). In relation to vehicles, similar proportions (less than one in ten) in both years said that their family did not own a car, van or truck. However, higher proportions in 2009 said that their family owned two or more (64% compared to 57% in 2013), and so the reverse was true in relation to owning one vehicle (31% in 2009 compared with 37% in 2013). This means that while overall levels of ownership have not changed over those four years, the number of families having more than one vehicle has decreased since 2009, perhaps as an effect of the recession.

The majority of children in 2009 and in 2013 said that they had gone away on holidays with their family, and there are minimal differences between the two years; for example, 28 per cent in 2009 and 25 per cent in 2013 had done so twice. However, the survey does not ask about the location, duration or type of holiday taken, and so there may be qualitative differences between the two years.

The biggest change has been in relation to the number of computers owned by the respondents' family. Nearly all children reported that their family owned a computer (98% in 2009 and 99% in 2013). Around one third of children in

2009 reported that their family owned one computer, compared to 22 per cent in 2013. This means that two thirds of children (64%) in 2009 owned two or more computers, and this had risen to more than three quarters (77%) in 2013.

Overall, there was little change in the FAS scores, and the level of affluence between the two years. Around one half of children (52%) in both years were deemed to be in the high affluence category, with nine per cent within the low affluence category. However, the qualitative differences between each year will not be picked up by the FAS due to the way it is calculated. However, while the FAS score itself may be flawed, an examination of the individual items can provide useful indicators of family affluence.

## Making ends meet

Two sets of questions were included in both KLT and YLT, and explored how much respondents felt their family was coping with different types of expenditure. The first set explores how well families are managing financially, and in particular, was there enough money to pay for ordinary things like food and clothes, and for special things like holidays and birthday presents. As Table 2 suggests, a higher proportion of KLT respondents than YLT respondents said that their family had enough money for ordinary things and special things (66% and 55% respectively). However, the same proportion in both surveys (3%) indicated that their family did not have enough money for either. The proportion of respondents who did not know how to answer the question

Table 2: How well family is managing financially

	%	
	KLT	YLT
Enough money for ordinary things and special things	66	55
Enough money for ordinary things but not some special things	21	40
Not enough money for ordinary things or special things	3	3
I don't know	9	2

Table 3: Over the past year has your family found it difficult to afford ...

	%					
	KLT			YLT		
	Yes	No	Don't know	Yes	No	Don't know
School uniform	9	75	16	24	69	7
School books and materials	5	82	13	8	89	4
Day trips/events DURING the school day	10	74	16	12	83	5
Day trips/events OUTSIDE school hours	10	72	17	20	74	6
School-organised holiday trips	12	70	19	39	55	7

\* these figures exclude those respondents where this item/event was not offered in their school.

was higher for KLT than for YLT (9% and 2% respectively), which may reflect the different age groups involved in these surveys.

As might be expected, there was a strong association between the responses to this question, and family affluence or financial background. Among KLT respondents, those respondents from families with enough money for both ordinary and special things had the highest mean FAS score. Among YLT respondents, the vast majority of those who described their family as well off (88%) felt that their family could afford both ordinary and special things, and none of that group felt that their family could afford neither. In contrast, only 12 per cent of those who are not well off said that their family had money for ordinary things and special things, and 15 per cent felt that their family could afford neither.

When asked what kinds of things there was not enough money for, the items most frequently cited by children taking part in KLT were holidays, trips, days out or meals out, followed by computers and electronic toys (for example a tablet, laptop or PC). Whilst holidays and technology were also identified by many YLT respondents, these young adults were also very aware of household-based expenses such as electricity, heating and petrol/diesel.

## School-related costs

The second set of questions related to paying for school-related items and activities. The majority of young people (at least four out of five) said that their family had not found paying for school books and materials to be difficult. Other activities, such as affording school uniforms, and especially school-organised holiday trips were more problematic – see Table 3.

For all of these school-related costs, KLT respondents were less likely than YLT participants to say that their families found it difficult to afford them. The gap in the proportion in each survey saying 'yes' is particularly obvious in relation to school uniform (15 percentage points) and school-organised holiday trips (27 percentage points). The higher proportion of KLT than YLT respondents not knowing how to answer these questions is evident (around 10 percentage point difference). Again, this may reflect the higher age of YLT respondents, and their corresponding awareness of family financial background and potential difficulties. Another explanation is that the types of school-organised holiday trips within secondary-level schools may be more expensive than in primary schools.

Overall, the majority of respondents of either survey said that their parents did not have any problems paying for the five identified items or activities. However, this was much higher for KLT respondents (77%) than for those taking part in YLT (58%). In contrast, one quarter of YLT respondents said that their family had problems affording at least two items on the list, whilst for KLT respondents this was 13 per cent. Again, there was a strong association with family financial background. For example, among YLT respondents, 85 per cent of well off respondents did not identify any item as being a problem to afford, compared with one in six (16%) of those who are not well off.

## Discussion

This Research Update has identified that KLT and YLT survey respondents come from a wide spread of family financial backgrounds. Unsurprisingly, there is a strong association between this and how well these families are managing financially. The data also highlighted a higher level of awareness of financial circumstances by YLT respondents than among children taking part in KLT, no doubt due to the different ages of these two groups.

It is important that surveys explore the financial issues, not least because such data will be an important tool for government, in particular to monitor progress related to its Child Poverty Strategy. This is emphasised in the recent consultation document *Delivering social change for children and young people* (OFMDFM, 2014), which focuses on continued social improvement for children and young people along with a sustained reduction in poverty. In particular, that document stresses the need for such a strategy to be firmly evidence based and informed by the views of children and young people, their families and those who work with them (p. 4). Nevertheless, whilst surveys can identify the financial pressure upon families, further research is necessary to fully explore how children and young people feel about this.

## Key points

- In 2011, nearly one half (48%) of YLT respondents said that their family had been affected by the economic crisis.
- Among the families of KLT respondents, overall levels of car ownership have not changed between 2009 and 2013, although the numbers having more than one vehicle has fallen.
- 77% of the families of KLT respondents owned at least two computers in 2013, compared to 64% in 2009.
- A higher proportion of KLT respondents (66%) than YLT respondents (55%) felt that their family had enough money for ordinary and special things, but this may reflect the higher level of awareness of financial pressures among the 16 year olds taking part in YLT.
- One quarter of 16 year olds said that it is a problem for their families to afford school uniforms, and 39% say this in relation to school-organised holiday trips.

## References

Office of the First Minister and Deputy First Minister, 2014, *Delivering social change for children and young people*, Belfast: OFMDFM

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Kids' Life and Times is carried out annually and documents children's opinions on a wide range of social issues. In 2013, 3,773 children in Primary 7 completed the survey online in schools. Young Life and Times is also carried out annually, and in 2013, 1,367 16 year olds took part.

Both surveys are joint initiatives of the two Northern Ireland universities and aim to provide an independent source of information on what children and young people think about the issues that affect them. Check the survey web sites for more information on the survey findings ([www.ark.ac.uk/klt](http://www.ark.ac.uk/klt) and [www.ark.ac.uk/ylt](http://www.ark.ac.uk/ylt)) or call the KLT director on 028 9097 5962, or the YLT director on 028 9097 3947 with any queries.

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