

ABOUT US

YOUNG PEOPLE AND MONEY

Hafod is a housing association registered with the Welsh Assembly Government. We are a non-profit making organisation and operate under strict controls. We work with local authorities and other agencies to provide homes and services to people in housing need across South East Wales.

For further information about Hafod please visit our website at www.hafod.org.uk or phone us on 02920 675800.



Shelter
Cymru



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YOUNG PEOPLE AND MONEY

for the 16-25 year old



making a difference

ABOUT THIS BOOKLET

We recognise that young tenants often have specific financial needs. If you are aged 16-25, this publication is for you.

This booklet aims to

- look at your income, benefit rules relating to your age group and some of your rights and responsibilities
- provide you with information on budgeting and managing your money
- help if you are continuing your education and are a young parent

CONTENTS

INCOME – ARE YOU GETTING ENOUGH?

- Minimum Wage
- Income Support
- Housing Benefit
- Working Tax Credit
- Child Tax Credit
- The Social Fund

SPEND SPEND SPEND?

- Budgeting
- Drawing up a budget
- Having fun and saving money
- Don't let your mobile drag you down

SAVE MONEY AND SAVE MONEY

- Saving money
- Identity cards
- Bank accounts
- Borrowing money

STUDYING - CONTINUING EDUCATION AS A PARENT

- Higher Education Grant
- Assembly Learning Grant
- Childcare Support
- Parent's Learning Allowance

USEFUL CONTACTS

QUERIES



BARCLAYS PLC ACKNOWLEDGEMENT

We would like to thank Barclays Plc for their generous financial donation which helped pay for the research work by Shelter Cymru which has resulted in the advice in this booklet.

INCOME – ARE YOU GETTING ENOUGH?

MINIMUM WAGE

If you are 16 or over, the law says how much you should be paid. This is called the 'minimum wage' but there is no upper limit to how much you can earn per hour.

There are three levels of minimum wage. These change every April so check with your local Jobcentre or Tax Office if you are unsure. Different minimum rates of pay are set depending on your age:

- workers aged 22 years and older
- workers aged 22-21
- workers under the age of 18, who are no longer of compulsory school age

In Wales a person is no longer of compulsory school age after the last Friday of June of the school year in which their 16th birthday occurs. If you don't think you're getting enough, contact your local Citizens Advice Bureau or Student Support Officer if you are studying.

You might be able to claim Income Support if you are aged over 16 and are on a low income and not in full-time paid work. It can help you with day-to-day living expenses. It is not paid to unemployed people who have to be available for and actively seeking work (they may be able to get Jobseeker's Allowance instead). You might get Income Support if you are ill and are not eligible to claim Incapacity Benefit.

If you have a partner who works an average of at least 24 hours a week, you cannot usually get Income Support.

You can apply for Income Support at a Jobcentre Plus, or download the forms from their website:
www.jobcentreplus.gov.uk

HOUSING BENEFIT

Housing Benefit is paid by local councils. It is a payment towards your rent costs and you do not necessarily need to be claiming other benefits to get it. You could also claim housing benefit if you are working but on a low income.

You will not be entitled to housing benefit if you're living with your parents or other close relatives and paying rent to them. You won't be able to claim if you're a full-time student unless you're disabled or have children.

You can apply for housing benefit at your local council offices (look in your local business pages for details). If you are claiming Income Support or

Jobseekers Allowance, a claim form will be included in the pack.

WORKING TAX CREDIT

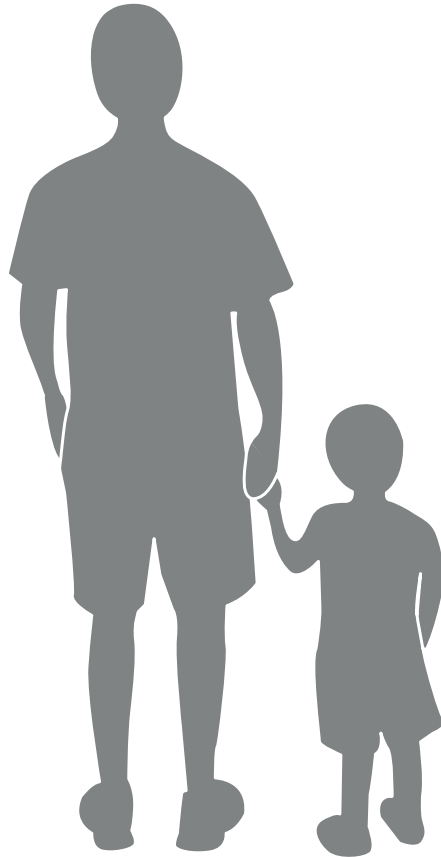
You may be entitled to Working Tax Credit if you work for 16 hours or more per week and are responsible for children. If you are not responsible for children you can get Working Tax Credit if you work and are disabled.

Our Shelter Cymru Housing Benefit Advisers will be able to provide you with a 'better off' calculation to demonstrate the financial implications of returning to work in either a full-time or part-time capacity.

You can get further information and an application pack by phoning the tax credits helpline on 0845 300 3900 or by visiting your local Revenues and Customs Enquiry Centre.

CHILD TAX CREDIT

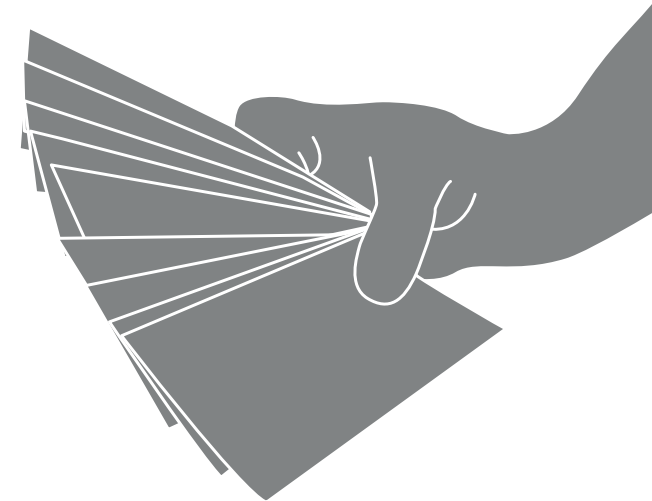
You may be entitled to Child Tax Credit if you are responsible for a child. It is a weekly payment to help towards your living costs if you're 16 or over and have full responsibility for looking after a child (even if you're not the parent). How much you get depends on how many children you're responsible for, whether you live alone, the child's age and your income. You may get extra payments if your child is disabled.



THE SOCIAL FUND

You may be able to get financial help for some unexpected payments if you're already claiming Income Support, Jobseeker's Allowance and

some other benefits – see our section on the Social Fund in 'The Cost of Running Your Home', which explains how to make an application for a Crisis Loan or Community Care Grant.



SPEND SPEND SPEND?

If you're running a home for the first time, managing your money might be new to you so we've put this section together to help you develop the skills you need. We recommend that you complete a budget plan to work out how much it will cost to run your home. You should also look at our booklet, 'Making the Most of Your Money', which talks about money management in more depth.

DRAWING UP A BUDGET

Coping with bills can be difficult for young people, especially if you've never done it before. Managing a household budget, no matter how small, can be difficult to master because very few of us are taught how to do this at school or before we leave home. Drawing up a budget is the best way of keeping control of your finances and making sure you have enough money for essentials. We have published a separate booklet called, 'Making the Most of Your Money' which is available at your area office. We have also produced budget sheets to help you manage your money.

FURNISHING YOUR HOME

It's tempting to try to keep up with your friends and family when furnishing your home but it is possible to have a comfortable home without breaking the bank. Don't expect to achieve the same standard of living as your parents; they have had many years to accumulate their belongings.

HAVING FUN AND SAVING MONEY

If you want to avoid getting into debt you should prioritise your money; pay your rent, your bills and your

food first. If you are running short of money and want to spend less on entertainment, try to think of cheaper alternatives. For example, instead of going out for something to eat and then to the cinema, how about inviting friends over and hiring out a DVD? You'll be surprised how much you can save.

If you're at a loose end, it's probably not a good idea to go window shopping, as you might end up buying something. Why not try doing something you may never have done before, like visiting museums or playing cards with your friends. You might actually enjoy it!

DON'T LET YOUR MOBILE DRAG YOU DOWN

Many people find that they can't keep track of their mobile phone bills, which is why we wrote a special section on this subject in 'The Cost of Running Your Home'. Tariffs can vary considerably so it's worth shopping around. If you're under 18, you will not be able to enter into a monthly contract but you will be able to purchase a pay-as-you go phone.

SAVE MONEY AND SAVE MONEY

SAVING MONEY

If you've got some spare cash at the end of the month then your budget is obviously working. To make the most of this money in case you need it for emergencies, it's best to put it into a savings account. By saving money you not only increase the amount you have but you can avoid borrowing for something later and save yourself a fortune on interest payments.

The best option for you depends on how long you want to save for and how often you want to gain access to your money. There are a number of different accounts and schemes available, including Post Office accounts, bank accounts and the credit union. Saving with your local credit union is a great way of putting money aside for the future and getting yourself into good habits.

IDENTITY CARDS

To open a bank account you will need to have some form of identity and complete some paperwork. You might feel completing the forms and obtaining the identity is just not worth it, however a little effort completing a form could save you money. If you feel worried by all the paperwork or want help completing the application form please contact your nearest area office for help.

BANK ACCOUNTS

Bank accounts are not only a way to keep your cash safe but they can help you save money through the way you pay your bills; such as direct debit and internet shopping. There is no legal age limit at which you can open a bank account but there are restrictions on opening certain kinds of account, for example, if you are under 18 you are not normally

legally responsible for your debts so you are unlikely to be granted an overdraft.

For more information please see our section on basic bank accounts in our budgeting publication.

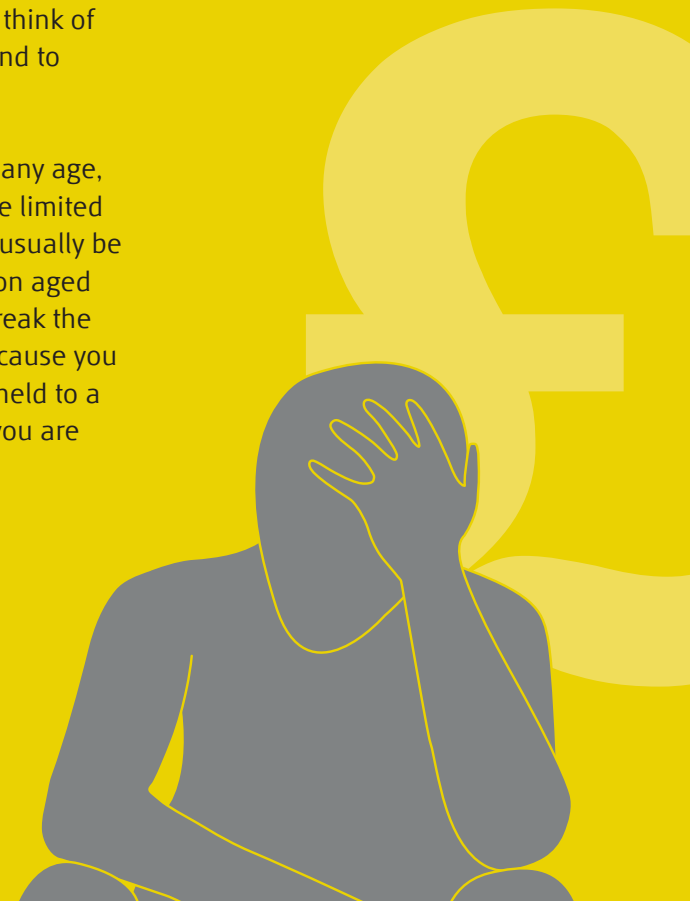
BORROWING MONEY

It is not a good idea to borrow money unless you can afford to pay it back. Think carefully whether you need to borrow money and whether there are other options you can think of such as buying second hand to avoid borrowing.

You can borrow money at any age, but access to loans may be limited because a lender will not usually be able to take a young person aged under 18 to court if they break the terms of a loan. This is because you cannot usually be legally held to a contract you make when you are under 18 years old.

If you are under 18, it is a criminal offence for anyone to send you material inviting you to borrow money or obtain goods or services on credit or hire purchase. However, if you are over 14 but under 18, you can enter into a credit or hire purchase agreement if an adult acts as your guarantor.

If you apply for a credit card when you are under 18, you will have your application turned down.

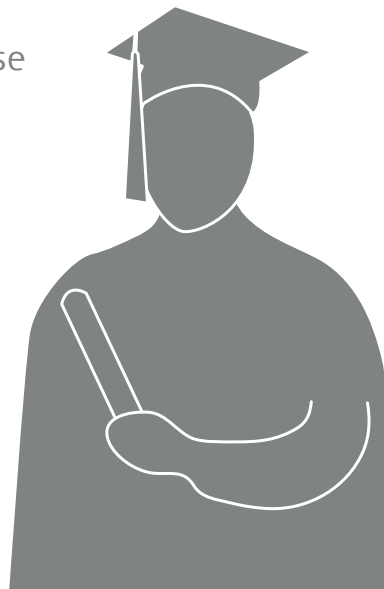


CONTINUING EDUCATION AS A PARENT

“ whilst you are studying you may be eligible for grants from Access or Hardship Funds ”

If you are aged 16-25 and not a parent, some of the following information might not apply.

If you decide to continue with or restart your education as a young parent, you will need to thoroughly explore the cost implications of your chosen course of study.



The financial support available depends on many various factors including your income, family circumstances, your age and whether you want to study full time or part time. If you or your family receive any benefits you will need to check how any support you may receive for your studies may affect your benefits. Jobcentre Plus has a general guide to benefits available for those who are bringing up children.

Whilst you are studying you may be eligible for grants from Access or Hardship Funds – these are administered by the individual educational institutions which produce their own guidelines about how funds will be distributed. For more information contact your student welfare officer.

HIGHER EDUCATION COST

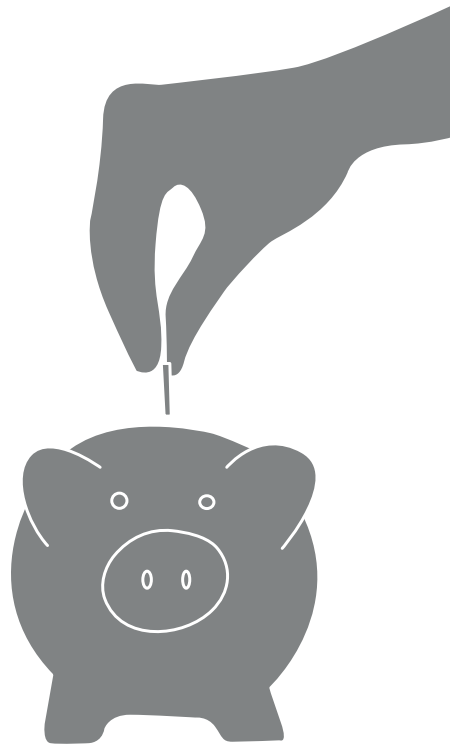
The Higher Education Grant is a means tested grant for full time higher education students. It is usually paid with your student loan and it does not have to be repaid. For further information contact your Local Education Authority. You might be eligible for a HE Grant if you are a lone parent attending university.

ASSEMBLY LEARNING GRANT

The Assembly Learning Grant provides additional money for students who might otherwise suffer financial hardship while they are studying. It is only payable to those with an address in Wales and it is means tested. It is for students taking a full or part time higher education course. Students on part time higher education courses will only qualify if the course amounts to at least 30 credits in an academic year. It does not matter where you are studying in the UK as long as your home address is in Wales. Contact your Local Education Authority for how to apply.

CHILDCARE SUPPORT

Students with children in full time higher education can claim towards the cost of registered or accredited childcare during term time and short vacations. The amount you could receive will depend on your income and that of your dependants. Jobcentre Plus will not count this money when they work out your benefit entitlement. Contact your Local Education Authority for further advice.



PARENTS' LEARNING ALLOWANCE

This is available for full time higher education students and will help with course related costs for students who have dependent children. This allowance is means tested. Your Local Education Authority can give you a clearer picture of how much money you could receive. Jobcentre Plus will not count this grant when they work out your benefit entitlement.



USEFUL CONTACTS

CITIZENS ADVICE WEBSITE

www.adviceguide.org.uk

GENERAL ADVICE

www.thesite.org.uk

HOUSING AND HOMELESSNESS ADVICE

www.sheltercymru.org.uk

LOTS OF MONEY SAVING IDEAS

www.moneysavingexpert.com

YOUNG PEOPLE'S GATEWAY

www.dfes.gov.uk/youngpeople

QUERIES

If you have any queries, comments or need any further information please contact us by telephone, in person, by post or via our website:

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