

Talking with Young People about Finances

In your interactions with young people from foster care, you may find yourself faced with the challenge of helping them with their finances - from creating a budget, to applying for and managing their financial aid for post-secondary programs, to helping them think about and plan for a healthy financial future.

As you work with young people, keep the following points in mind:

- Many young people from foster care start out so disadvantaged that they may be constantly playing an impossible game of catch up - academically, socially, emotionally, and financially. These challenges are compounded as they transition into young adulthood. If youth lag behind academically, they may not be able to complete a postsecondary program of study. If they don't graduate from a postsecondary education or training program, they may struggle to find employment. Their job prospects may be extremely limited if they don't have access to or can't afford transportation. If a young person is parenting, they will have to factor in child care costs as well as balancing parenting responsibilities with work and school. All of these factors will impact their ability to be self sufficient and while it can be done, the barriers that they encounter often keep them from moving forward and becoming productive adults.
- Young people often become accustomed to existing in survival mode because their futures are so uncertain. They remain focused on the "here and now," intent on spending what little money they have instead of managing their resources effectively. Because the child welfare system fosters dependence, young people may struggle with envisioning a positive future and focusing on education, employment and career paths that will lead to self sufficiency. In fact, neuroscience would tell us that their apparent unwillingness to plan for the future may not be the product of apathy but rather, a function of their brain's immature ability in the areas of future orientation and delayed gratification.
- Learning the mechanics of adulthood can be extremely difficult for any young person but even more so for young people who have been in foster care. Youth may have no frame of reference for what it means to manage one's money "wisely" and may not understand why it is important to pay bills on time and the consequences of not doing so. Money management is a process - youth need to learn the basics so they can build a strong foundation and develop the skills and competencies needed for productive adulthood. They also need to be able to practice these skills and make mistakes while they have the benefit of assistance and a safety net in foster care.
- And finally, cobbling together enough money to pay for post-secondary education can be a daunting task for any young person. We need to ask ourselves if it is a developmentally appropriate expectation for foster youth to successfully navigate the complex systems involved with higher education and financial aid. And yet, despite the fact that many of their same-aged peers can rely on extended support well into their 20's, we expect students from foster care to be able to navigate these complicated bureaucracies singlehandedly without the benefit of an emotional or financial safety net. For students

from foster care, these challenges are most certainly magnified by their limited access to financial resources and the world of work during adolescence as well as experiences with abuse, neglect and trauma which may have impacted their development.

Here's advice from the young people themselves:

- **Don't just tell us what to do, show us.** Young people don't learn by being told what to do. We hear these messages all the time and we just stop paying attention if we feel you are lecturing us.
- **Be patient with us.** We want to learn how to be more responsible but it can be very overwhelming. Some of us are dealing with a lot of things from our past and it is hard when you feel like you have to do this all on your own. It's even harder when you're a parent because you're just not taking care of yourself - you have to worry about your child and you don't want her to end up in foster care.
- **Have humility and be understanding.** Sometimes it's hard for us to articulate what we think, need or want to do. Give us a chance to tell you what's going on, and just take time with us. We have financial problems but we may also have many other problems that are more immediate (like housing if you have no place to stay) than talking about our financial futures.
- **Help us understand that our money is our future.** We are not used to having any money and when we do, we just want to spend it - like any teenager would want to do. We need to understand that if we spend it all today, we won't have anything for tomorrow and foster care won't always be around to take care of our needs.
- **Help us learn how to do comparison shopping.** We need to learn how to make the most of the money that we have. Take us shopping and teach us how to do this. We may not understand that we can get the same products at a cheaper price depending on the store or the brand. This is another way to help us make better use of our money.
- **Give us the opportunity to try to manage our money a little at a time.** Some of us really need to make mistakes before we learn anything. It may not make sense to adults but a lot of teenagers learn best that way - they have to figure it out for themselves. Let us practice with a little bit of our money and then if we make a mistake, it won't be a major one that has really serious consequences.
- **Teach us how to save and why it's important.** Teach us about investing our money. We don't know about these things because we haven't had anyone in our lives to show us.
- **Connect us to resources for managing our money - SHOW us, TELL us, and let us PRACTICE.** We need to hear it and see it and do it in order to learn. Provide written materials to back up what you say. Share actual experiences with us so we can see how what you're saying relates to real life.
- **Don't assume that we know about money, budgets, financial aid etc.** Don't use acronyms or certain words (like financial literacy) thinking that we will understand. You may think we know what things like "FAFSA" mean but we probably don't and we are not going to admit if we don't know something. Try not to put us in that position.
- **Prepare us for things that we will need to do or places we will need to go to get financial aid for school.** Prepare us for working with/talking with the financial aid office at school - tell us what to expect and ALSO tell us what we need to say. You don't want us to "talk ourselves out of money" but at the same time, we need to have accurate information so we don't end up accepting loans that we don't need.