

Charities step in to ensure youngsters stay debt free

Despite the levels of debt in the UK consistently rising every year, consumer spending through credit cards, store cards and other forms of unsecured credit continues, with financial industry analysts citing the ease with which credit can be obtained as one of the main causes of the rising debt.

To attempt to combat this debt two charities - Citizens Advice and YouthNet - have teamed up to educate young people across the country on how to handle their finances to ensure they are in a better position to handle their money and make informed financial decisions later on in life. The two charities hope to provide money advice to 16-25 year olds in the UK through the mediums of online content, podcasts and via mobile phone. With 84% of young people using the internet at least once a week and 96% of 15-24 year olds owning a mobile phone, it is hoped that the project could help 500,000 people avoid the pitfalls of debt.

The three year project, funded by £300,000 from the HBOS Foundation, has set out to not only offer education in basic budgeting, but also to help young people understand commonly misunderstood terms such as APR so they can compare credit and understand what taking out a loan may mean for them and the consequences of missing repayments.

The Personal Finance Education Group is another organisation that is attempting to help youngsters make sensible financial choices as they get older. Learning Money Matters, a campaign launched in 2006 has aimed to introduce personal finance education into at least two thirds of English secondary schools with 900 enrolled in the project so far. The organisation published figures that showed over half of England's teenagers are, or have been in some sort of debt by the time they are 17, stating that early on in life, kids are getting the idea that living in debt was the norm, rather than saving up money to be able to buy goods.

Educating young people and helping them understand finance at an early age is essential to helping them lead comfortable and financially sound lives as they grow up, experts say; as much of the population who are in debt, do not teach their children how to avoid it. Charities and organisations involved with advising young people on money matters have stated that without their help, many youngsters could find themselves with serious problems when they apply for [car credit](#), mortgages or loans in the future.

About the Author

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