

Stepladder Plus: Financial Awareness Programme for Young People in Care

Mission: Securing an otherwise unsecured future by empowering young people from a care leaver background to become financially literate and masters of their own destinies.

1.1 What is Stepladder Plus?

Stepladder Plus is a well-established financial education programme set up by The Share Foundation for looked-after young people. It is offered to young people in care aged 15 to 17 who have been in care for at least one year, providing them with training, tools and resources to improve their money-related skills and facilitate transition into adulthood. This will also reduce the number of young adults not in education, employment or training (NEET).

The programme consists of six 'steps' incorporating literacy, numeracy, financial capability, financial planning and securing education or employment. It presents minimal logistical challenges, as all of the learning is delivered online and can be completed at the convenience of the participant.

The Programme is evidence-based and well-established with over 6 years of proven track record and more than 700 participants.

Its innovation lies in its incentivised approach to learning – participants can earn incentive payments for completing each step (up to £1,500 in total) which are paid into their starter capital account, whether Junior ISA or Child Trust Fund.

This document's purpose is to highlight the plethora of reasons to invest/provide funding for Stepladder Plus.

1.2 Why Stepladder Plus?

Not only is it unique in that participants can '**earn as they learn**', investors can be assured that any funding provided will go **directly** to the participants' incentive payments - the governance, administration and framework are already in place.

This is a unique offering as it ensures benefactors know exactly where their money is going and that is directly to those who need it most. The extended programme would result in greater life prospects for over 3,000 vulnerable young people in care each year.

How is the Stepladder Plus going to be expanded?

Through this Business Case, we are seeking investment to:

- ▼ Scale up the provision, extending it to all care leavers in the UK;
- ▼ Ensure there is stable long-term funding;
- ▼ Achieve the ultimate goal: an increase in the number of care leavers who enter and sustain education, training and employment, and ensure care leavers are more resilient

Testimonials:

Stepladder is a good start to life, and it has helped me understand the meanings of savings and housing and how I could work around it, also about how to save money. It gave me the chance to learn about everything, I didn't think I could do it at the start, but I did it, and it's been very rewarding. I thank everyone for helping me through it. [CW, May 2022] – Programme participant.

Before starting on the Stepladder Programme, CW was classed as NEET. She now has a fulltime job with training and the relationship with her foster carers is better.

Stepladder Plus in numbers:

770 

15-17 year olds who are taking or have taken part in Stepladder Plus Programme

91 

Local authorities engaged with Stepladder Plus

£600 

Average incentive payment per participant

MyBnk research on the financial education provided to care leavers by local authorities

Recent research by MyBnk into the financial education of care leavers also found that access to financial education provided by local authorities is inconsistent.¹⁷

Of the care leavers surveyed:

89%

reported facing challenges when trying to **access** financial education support

67%

admitted '**feeling anxious**' about money

80%

wanted more help managing their finances

Increased need:

Care leavers are significantly more likely to be NEET than other young people. Outcomes associated with being NEET include:

- ▼ Negative effects on health, including poor physical health and mental health;
- ▼ Increased likelihood of homelessness;
- ▼ There is an association between being NEET and youth offending, although it is not clear the link is causal.
- ▼ More likely to fall into debt, face financial difficulties and be victims of fraud.

Implementation plan:

- ▼ The exact process will differ on a number of factors, including whether the funding comes from a private or public investor (or is pooled funding from several sources).

1.3 Economic and financial case

Scaling Stepladder Plus represents positive value for money based on its potential monetised benefits.

Benefit to cost ratio exceeding 1 confirms that the benefits of scaling up Stepladder Plus outweigh the costs.

For each £1 paid out on incentives for the participants, public services can save £3. The potential benefit increases to £5.60, if opportunity cost is taken into consideration. Positive value for money is additionally strengthened by the fact that the Programme already has the foundation of experienced and skilled staffing, funding to cover operational delivery costs confirmed to March 2027 and strong partnerships in place with local authorities across the country.

- ▼ **Potential financial benefits per Programme participant: £80,702 (public finance cost) or £149,877 (opportunity cost)**
 - ▼ Based on the estimates by the Audit Commission in 2010
 - ▼ Adjusted for inflation based on the Bank of England calculator using Consumer Price Index (CPI) inflation data from the Office for National Statistics
 - ▼ **Cost per Programme participant: £600**
 - ▼ Based on the average total value of incentives per person as reported by The Share Foundation (see the full Financial Case for more detail)
 - ▼ Cost of the Programme operations not included in this calculation as it is outside the scope of this Business Case
 - ▼ **Number of participants per annum: 3004**
 - ▼ Based on research carried out by The Share Foundation (see full Financial Case for more detail)
 - ▼ **Impact (percentage of Programme participants that incurred NEET status): 8%, compared to 40% for care leavers generally**

- ▼ Based on the NEET status reported by participants across Programme completion stages (start – 16%, after – 11%, follow-up – 8%)
- ▼ **Deadweight (percentage of positive outcomes that would have happened without the Programme): 72%**
 - ▼ Based on the most conservative out of the existing benchmarks for care leavers support programmes (10% for Reboot West, a Care Leaver SIB, 72% for Activity Agreements)

The above assumptions are conservative in nature, giving a strong degree of confidence in the ability for the benefits to be achieved.

1.4 Funding requirement

The Share Foundation is looking for a stable, sustainable funding source to cover the costs of incentives so doors can be unlocked for 15-17 year olds in care, nationally.

Stepladder Plus funding requirement – key assumptions

30,039



Est. number of eligible young people across four UK nations (based on The Share Foundation research with LAs)

50%

Anticipated participation rate – share of local authorities that take part in the Programme (based on The Share Foundation assumptions)

60%



Anticipated participation rate – share of eligible young people who start the Programme (based on The Share Foundation assumptions)

Benefit cost ratio calculation

The benefit:cost ratio for the Programme is set out in the table below. This demonstrates that the Programme is projected to deliver positive value for money.

Economic appraisal overview

[1]	Number of participants annually	3,004
[2]	NEET avoidance [1] x 8% x 28%	67
[3]	Total benefits – public finance cost £80,702 x [2]	£5,430,405
[4]	Total benefits – opportunity cost £149,877 x [2]	£10,085,163
[5]	Total Programme cost [1] x £600	£1,802,340
[6]	BCR – public finance cost [3] / [5]	3.0
[7]	BCR – opportunity cost [4] / [5]	5.6

Based on the figures in the box to the left, the total estimated annual cost of providing incentives in year 1 would be c£1.8m.

It is important to note: the above figures only represent year 1 and there will be fluctuations on a yearly basis due to a new cohort of 15 year-olds becoming eligible and others becoming adults.