

# Segmenting Financial Resilience

**17<sup>th</sup> May 2016**

# Agenda for today

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## **Morning session**

Introduction

Segmentation context

Methodology

Focus on the 'Squeezed' segment

## **Lunch**

Engaging the 'Squeezed' segment

The 'Cushioned' segment

The 'Struggling' segment

Review

# Requirements from a Market Segmentation

Nick Watkins (Money Advice Service)

- Based on measures of financial resilience
- Encompass both money guidance and debt advice
- Be intuitive and easy to understand and communicate
- Be easy to apply to most datasets
- Have sufficient robustness and longevity
- Be able to work with other segmentation models
- Be cost effective



# Building the model: Segmenting Financial Resilience

Karen Kelly, Client Partner & Henry Steenstra, Senior Account Manager

May 2016

To define an easily understood vocabulary to describe financial resilience

**Simple to  
Apply**

**Transparent**

**Insightful**



## Risk / Vulnerability

**Demographics**

**Bills & Outgoings**

Financial knowledge and sophistication

Life triggers e.g. divorce, redundancy



## Ability to Cope

**Sources of Income**

**Protection**

**Assets Credits / Liabilities**

1

**Initiation  
Workshop**

2

**Segment  
Build**

3

**FinCap  
Enhancement &  
Validation**

4

**Personas &  
Implementation**



1

**Initiation  
Workshop**

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**Segment  
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4

**Personas &  
Implementation**

**The purpose of the workshop was to agree the objectives of the segmentation and key aspects of resilience**

**Engaging  
required  
departments**

**Determining  
what drives  
the segments**

**Assign  
working  
group**

1

Initiation  
Workshop

2

Segment  
Build

3

FinCap  
Enhancement &  
Validation

4

Personas &  
Implementation

# Driving Variables



**650+** DEMOGRAPHIC, LIFESTAGE  
AND LIFESTYLE VARIABLES  
PER INDIVIDUAL...

- CACI's lifestyle database of 48m consumers across the UK
- Selected key driving variables from Ocean following the initiation workshop



## Risk / Vulnerability

### Demographics

- Age,
- Children,
- Marital Status,
- Occupation,
- Housing Tenure
- Number of People
- Number of Bedrooms
- Qualifications, Ethnicity, Region inc. urban/rural, Internet usage

### Bills & Outgoings

Food Spend, Credit Card Spend, Mortgage, Number of Cars

## Ability to Cope

### Sources of Income

Household Income, Benefits: Unemployment, Income Support, Sickness, Incapacity, Child Benefit, Tax Credits

### Assets

Savings Value, Investments Value, House Value, Pension Scheme

### Liabilities

Number of Loans, Purpose of Loan, Credit Card Spend, Debt Value

### Protection Products

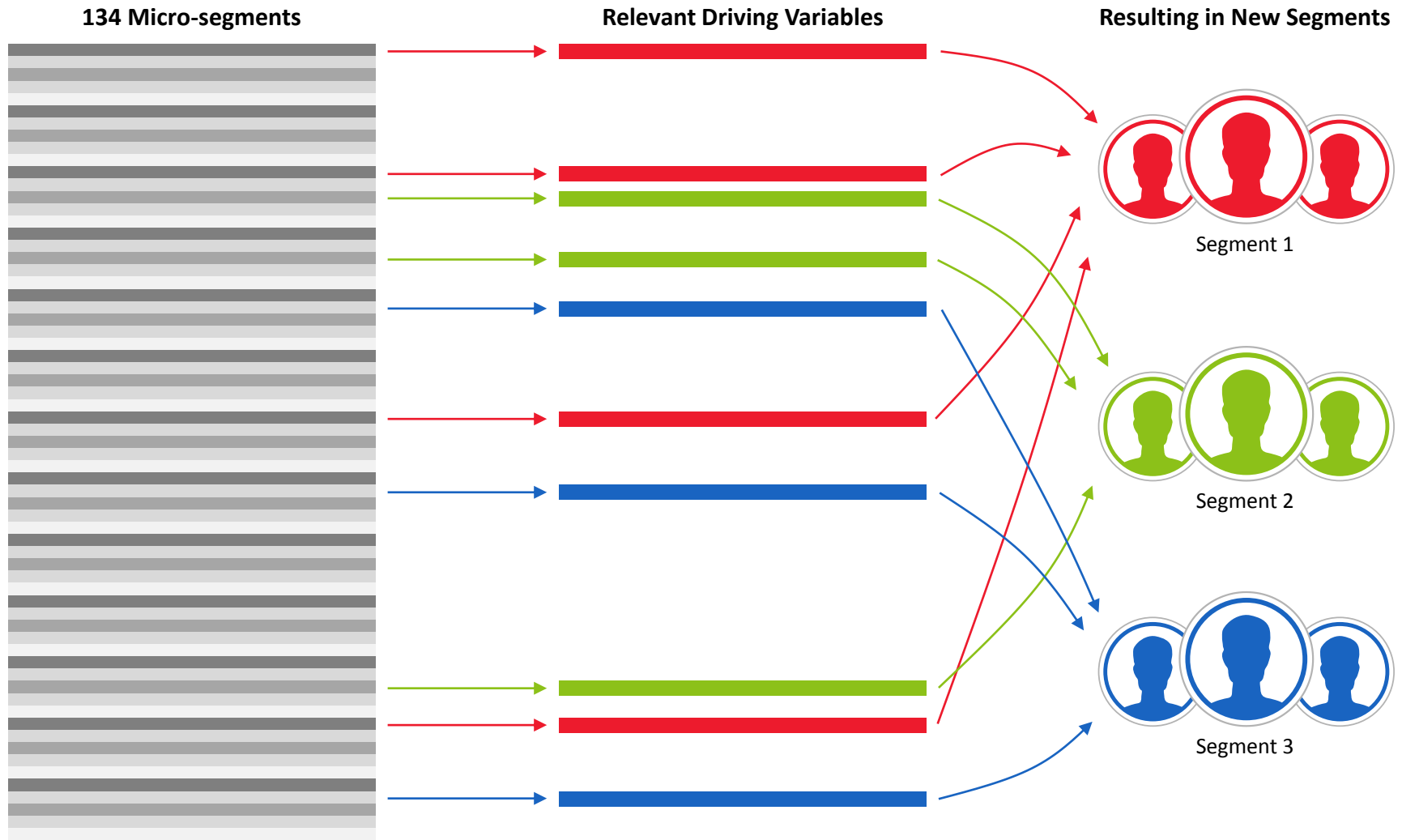
Life Protection, Whole of Life, Health Insurance (Personal and Employer, Home Buildings and Contents

# The Building Blocks

- CACI's off the shelf financial services classification
- 134 Fresco microsegments formed the building blocks for the segmentation
- Summarised the driving variables from Ocean at microsegment level
- Simple to apply to consumers, research surveys and service users



# Clustering Process



1

Initiation  
Workshop

2

Segment  
Build

3

FinCap  
Enhancement &  
Validation

4

Personas &  
Implementation





## VALIDATE THE MODEL

As a real up to date source of information we used it to validate our model.



## ENHANCE THE SEGMENTATION

The new data source fed in and we could expand the sub-segments and descriptions

# Our Approach

---

1

Initiation  
Workshop

2

Segment  
Build

3

FinCap  
Enhancement &  
Validation

4

Personas &  
Implementation

## 'SQUEEZED'

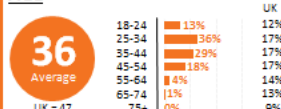
Have financial commitments and relatively low provision for coping with unexpected income shocks



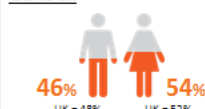
CACI

### DEMOGRAPHICS

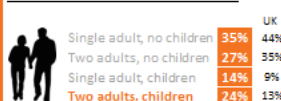
#### AGE



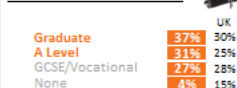
#### GENDER



#### HOUSEHOLD COMPOSITION



#### HIGHEST EDUCATION



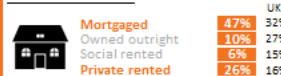
#### CHILDREN



#### WORKING STATUS



#### HOUSE TENURE

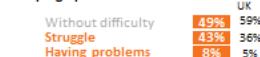


### ATTITUDES & BEHAVIOURS

Confident managing money



Keeping up with bills and commitments



Confident choosing financial products



Think HH budgeting approach works well

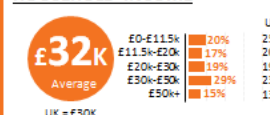


Has a financial goal

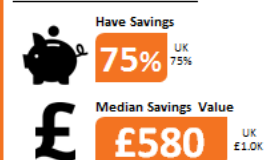


### FINANCIAL ATTRIBUTES

#### HOUSEHOLD INCOME



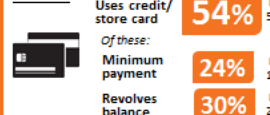
#### HOUSEHOLD SAVINGS



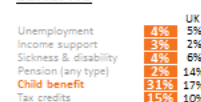
Savings : Income Ratio



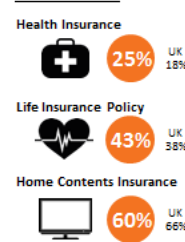
#### CREDIT



#### BENEFITS



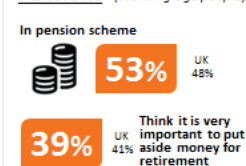
#### PROTECTION



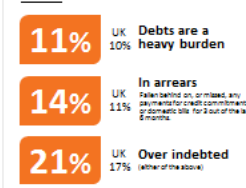
#### LOANS



#### PENSIONS (Working age people)



#### DEBT

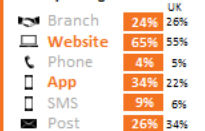


Debt : Income Ratio



### CHANNEL

Money management method:



Internet usage in a week





Have a smartphone



the Money Advice Service

# Knowledge Sheet

CACI																								2a		2b		2c		2d		3a							
HOME												HOW TO READ THE DATA												Key questions		All questions													
MAS SEGMENT																								Filter to greater than X overall percent: 0.0															
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	Break	UK: All Surveyed					UK%		782,661		4,233,485		1,593,122		3,177,655		2,256,453					
																						1.5%		8.3%		3.1%		6.3%		4.4%									
a1. Respondent age																																							
18 - 24																				12.4	441	↑	54.5	201	↑	24.8	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	
25 - 34																				16.8	267	↑	44.9	127	↑	21.2	33	↓	5.6	3	↓	0.5	0	↓	0.5	0	↓	0.0	
35 - 54																				34.3	2	↓	0.7	149	↑	51.0	275	↑	94.4	118	↑	40.4	0	↓	0.0	0	↓	0.0	
55 - 74																				27.9	0	↓	0.0	11	↓	3.0	0	↓	0.0	212	↑	59.1	152	↑	42.5	152	↑	42.5	
75 +																				8.5	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	676	↑	57.5	676	↑	57.5	
Prefer not to say																				0.2	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	
a1b. Respondent gender																																							
Male																				48.4	107		52.0	84		40.8	90		43.7	97		47.2	61		29.6	61		29.6	
Female																				51.5	93		48.0	114		58.7	109		56.3	103		52.8	137		70.4	137		70.4	
Prefer not to say																				0.1	0	↓	0.0	818	↑	0.5	0	↓	0.0	0	↓	0.0	0	↓	0.0	0	↓	0.0	
a2.Marital Status																																							
Married or in a legally recognised civil partnership																				41.5	19	↓	8.0	64		26.5	91		37.7	75		31.2	63		26.1	63		26.1	
Living with partner (not married or in a civil partnership)																				12.8	93		11.8	133		17.0	130		16.6	70		8.9	0	↓	0.0	0	↓	0.0	
Single (never married)																				27.7	280	↑	77.6	162	↑	44.8	143	↑	39.5	90		25.0	19	↓	5.4	19	↓	5.4	
Widowed																				8.2	0	↓	0.0	1	↓	0.1	0	↓	0.0	87		7.2	511	↑	42.1	511	↑	42.1	
Separated																				1.9	34	↓	0.7	158	↑	3.0	216	↑	4.1	350	↑	6.7	105		2.0	105		2.0	



Select your answers from the drop-down lists

Respondent age	<input type="text" value="Select the age range"/>
Home tenure	<input type="text" value="Select tenure"/>
Household composition	<input type="text" value="Select composition"/>
Type of property	<input type="text" value="Select property type"/>
Employment Status	<input type="text" value="Select employment status"/>
How many bedrooms in your home	<input type="text" value="Select bedroom count"/>
How would you settle an unexpected £300 bill	<input type="text" value="Select method"/>
How much of your credit card(s) balance is paid per month	<input type="text" value="Select credit card payment"/>
Do you have a will	<input type="text" value="Select Yes or No"/>

Clear Selection


High Level Segment

Please answer more questions

Secondary Questions



Sub Segment

# Methodology Report





**Presented To:** The Money Advice Service  
**Prepared By:** Rachel Harrison  
**Date:** January 2018

**Defining an Effective Market Mapping Model**  
Methodology Report

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**1. Background and Objectives**

The Money Advice Service (MAS) is a national service, based on a foundation of trust, to help people understand and manage their money better.

**1.1. Background and Objectives**



The MAS is a national service, based on a foundation of trust, to help people understand and manage their money better. The MAS is a national service, based on a foundation of trust, to help people understand and manage their money better.

**1.2. Objectives**

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**2. Phase 1 - Developing the Initial Model**

**2.1. Overview of data used**



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**2.2. Data**

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**2.2. Identifying the mapping driving variables**



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**2.4. Data**

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**2.5. Data**

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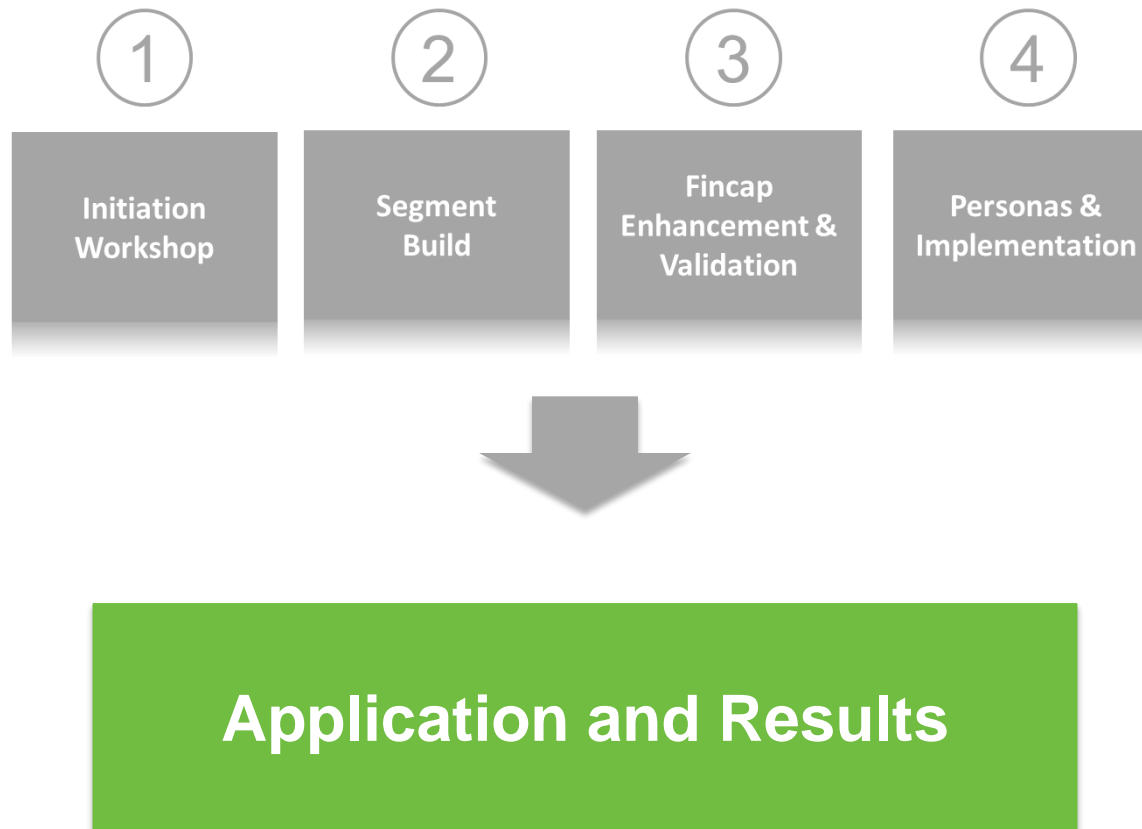
**2.5. Data**

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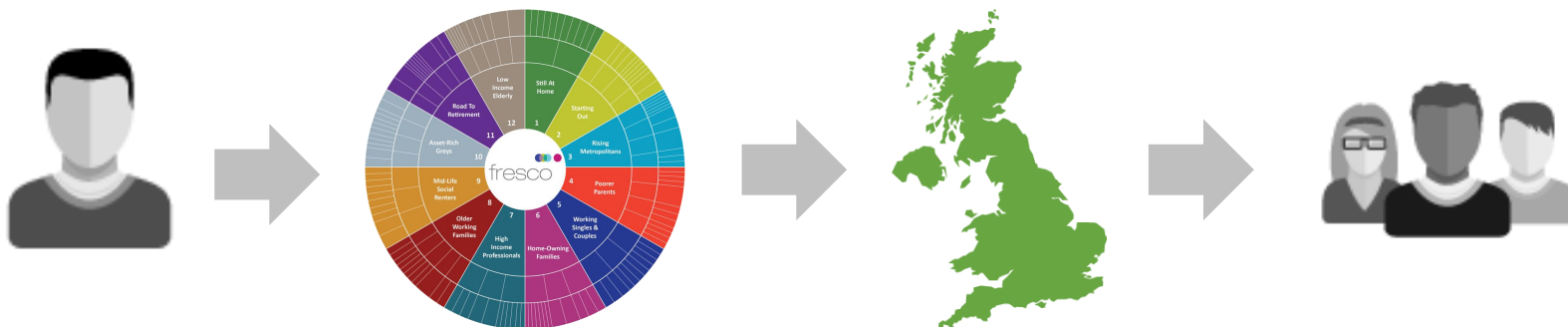
**2.6. Data**

The MAS is a national service, based on a foundation of trust, to help people understand and manage their money better. The MAS is a national service, based on a foundation of trust, to help people understand and manage their money better.



# Applying to Consumers



## Demographic Data

- Name
- Address
- Age

## Fresco

Providing the  
bridge to apply  
segmentation...

## UK Population

...onto the UK  
adult population

## Applied To

- Service users
- Site visitors
- Survey respondents
- Partner agency\*
- Financial services\*

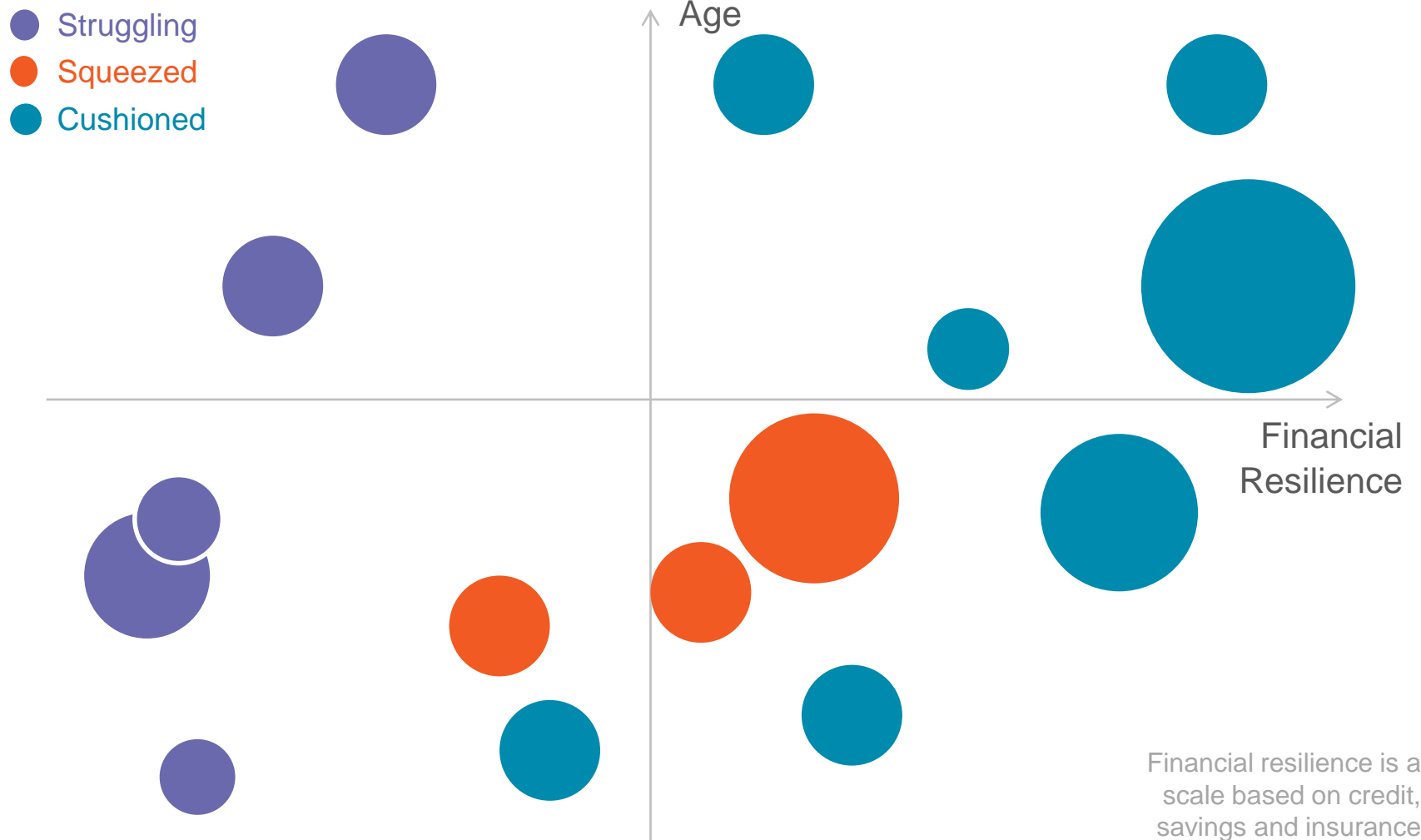
\*available via discussion  
with MAS/CACI



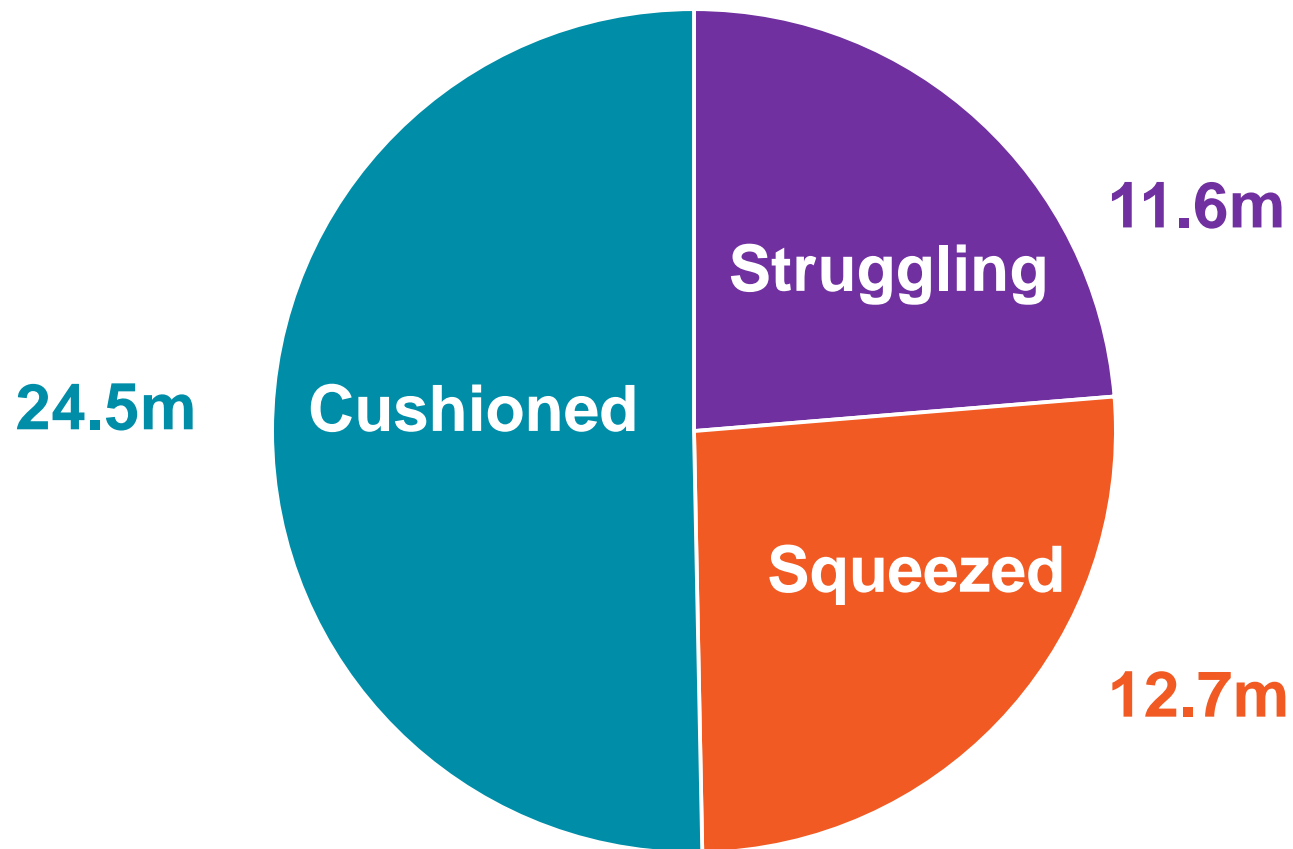
# Segment Summaries



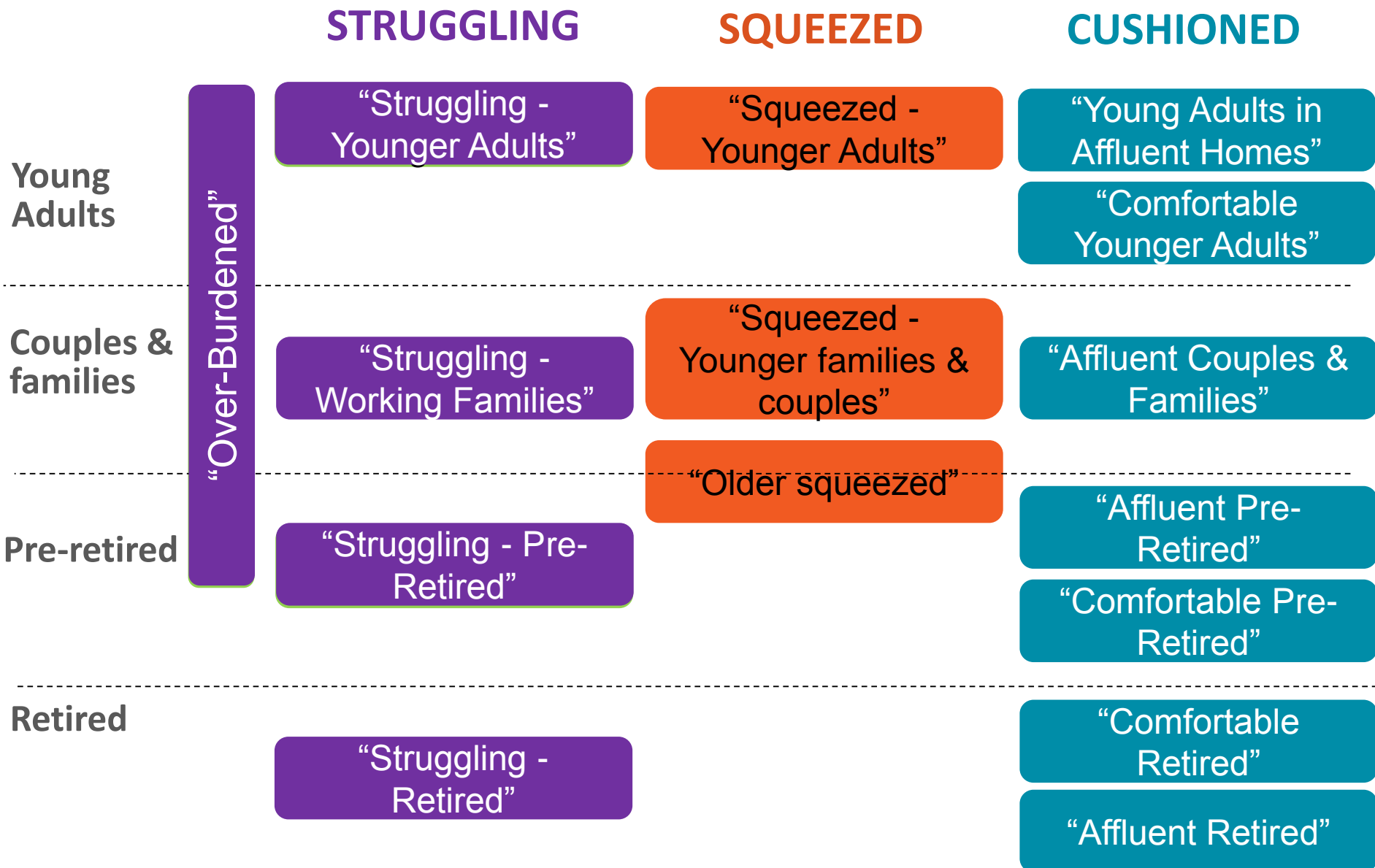
# Sub-Segments



# Three Macro-Segments...



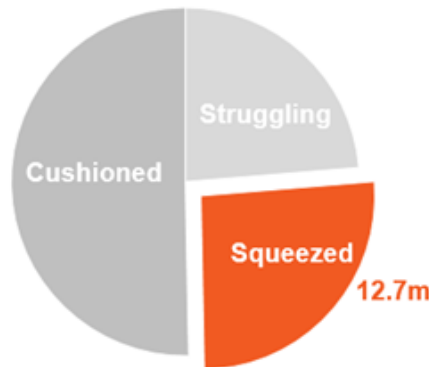
# ... and 15 sub-segments



# A focus on the 'Squeezed'

Ali Pugh (Director, Jigsaw Research)

Mike Healey (Money Advice Service)



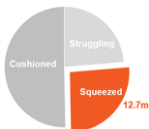
Coding of the  
YouGov 'Engaged'  
Panel (250k)

MAS Financial  
Capability Survey  
2015

TGI

**Squeezed**

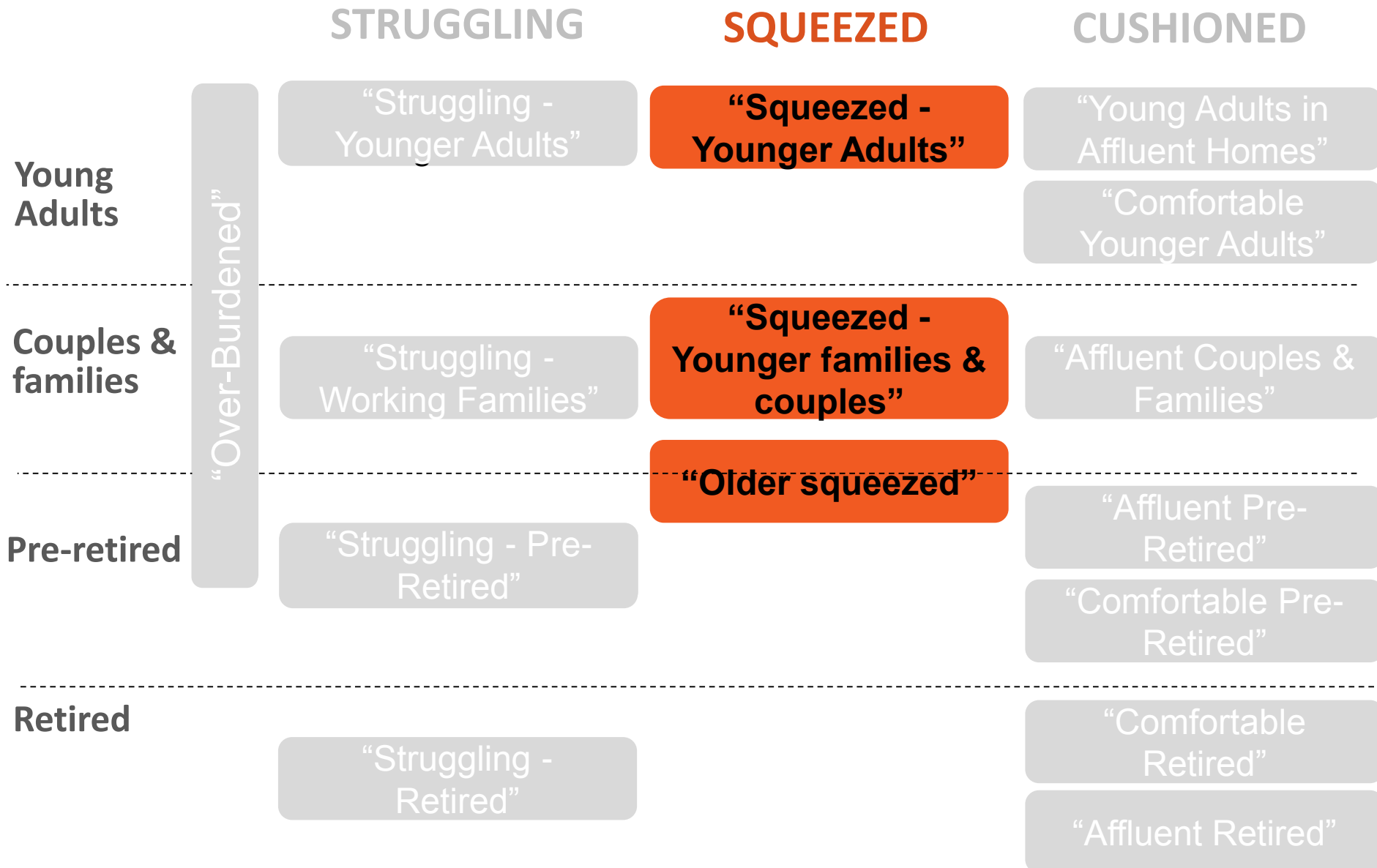
'Ethno-lite'  
qualitative  
research (Jigsaw)



# Why 'Squeezed'?



# Squeezed sub-segments





# Squeezed – Characterised by...

**All  
working  
age  
(<55)**

**Private  
renting &  
mortgage**

**Mostly  
working  
(Low to  
middle  
income)**

**Families**

**Moderate  
Skills &  
knowledge**



**37% have a  
degree**

**Digital**

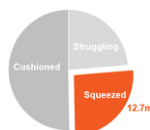


**83% go online  
daily**

**Highly  
mobile**



**73% have a  
smartphone**

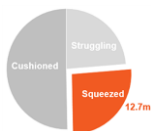
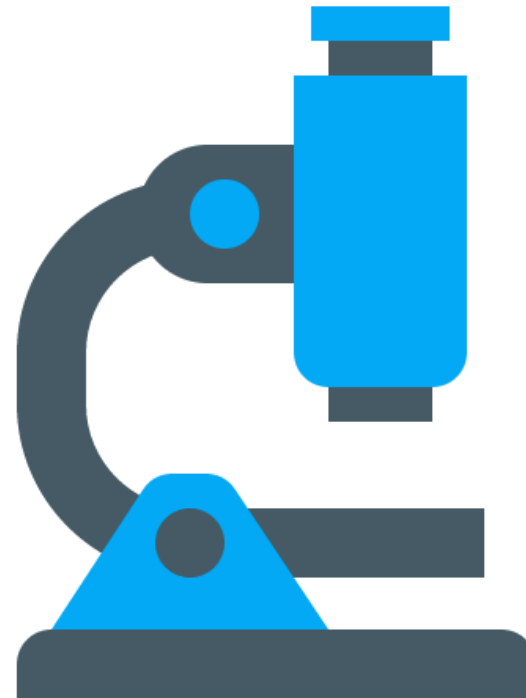


# Why we did what we did

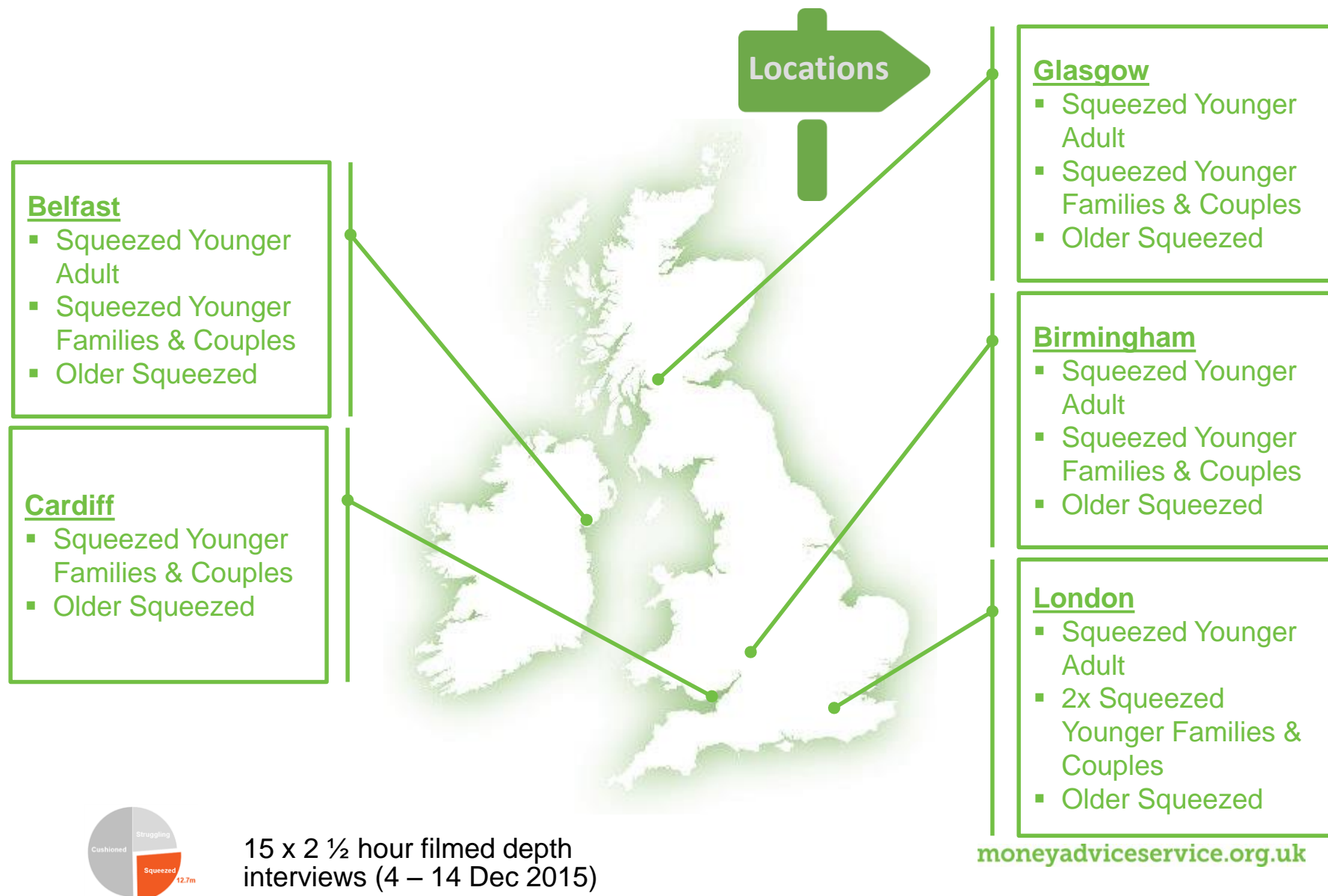
Getting closer to consumers was a key focus for MAS

Deployed an 'ethno-lite' approach

Supplemented with online longitudinal element

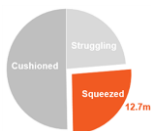


# Sample and research locations



They consider themselves  
to be vigilant with money....  
but manage more than plan

Lots of things going on in  
their lives at the moment...  
so tend to be focussed on  
the 'here & now'



# They report some good financial behaviour...

## They use online tools to keep track



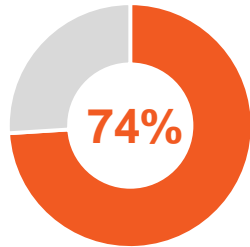
**89%**

(64% UK)

Regularly check their bank balance  
online or via an app  
(Couples & families)



## They save money regularly



(56% UK)

Save money every or most months  
(Couples & families)



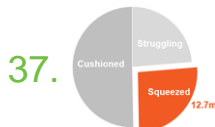
## And they say that they have goals and plans



**48%**

(35% UK)

Have financial goals with plans  
(Young adults)



# Many are under pressure and struggling

## Hard to make ends meet

51%

(41% UK)

Struggle to keep up with their bills and credit commitments



## Pressured to spend



31%

Feel under pressure to spend on their children even when they cannot afford to do so  
(Young adults, couples & families)



22%

Feel under pressure to spend like their friends even when they cannot afford to do so  
(Young adults)

## Unplanned spending

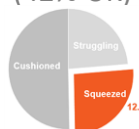
48%

(42% UK)

Make impulsive purchases

Source: YouGov

38.



Net 8-10 ratings where 0 is not at all like me  
and 10 is sounds a lot like me

# The Squeezed are living for today...

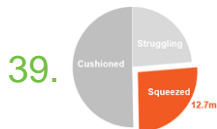
Have aspirations/life goals

But can feel stuck & unrewarded –  
in **limbo and are drifting**

Usually earning enough to cover  
principal obligations, but are  
vulnerable (if not acknowledged)

Tactical, not strategic

Can lack the means to move  
forwards (money & **knowledge**)

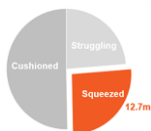


# Impact of children significant

A force for 'good' behaviour

A force for 'bad' behaviour

Can add to already strained  
relationships between  
parents





# A heavy reliance on credit

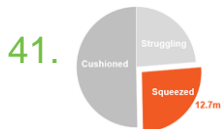
**35%** over-use credit cards (do not pay in full each month)  
(UK = 25%)



**22%** agree “*With a credit card I can buy the sort of things I couldn't normally afford*” (Source = TGI)  
(UK = 15%)

**11%** use high cost ‘non mainstream’ credit

(UK = 7%)

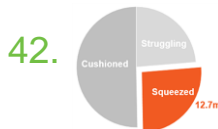


# And dealing with debt is a major issue for many

 **27%** 'Over-indebted'  
(Young adults)



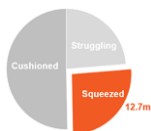
 **29%** Have 3+ months income in debt  
(UK = 18%)



More under control than it once was (for some)...

...but rarely revisited to see if it's managed in most effective way

Servicing of this debt can have a severe impact on disposable income



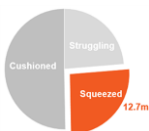


Debt often a key limiter of savings

No buffer against unexpected events leads to vicious circle with debt used to plug holes

Many with savings accounts but low balances and/or short term goals

BUT can be impressively disciplined when required



# Squeezed have limited saving buffers

Only **25%** have 3+ months income in savings

**42%** could not pay an unexpected £300 bill

## Saving goals for the short term:



**38%** saving for a holiday

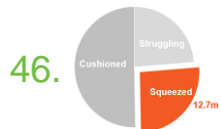


**31%** saving to paying off debts



**21%** for home improvements & **20%** to buy own their home

# Engaging the ‘Squeezed’



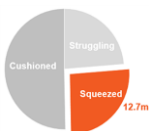


Don't feel they need advice

Specific needs nonetheless  
- buffer, debt control...

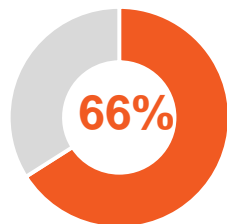
...and bigger picture/holistic  
approach to money

Positive framing could be  
effective, helping them to  
move on



# Accessing advice, but it's limited

## 2 in 3 accessed money advice or information



(60% UK)

Received money advice or information  
in the previous 12 months

## Going online and to friends & family



**39%**

(24% UK)

**Friends & Family**  
(Couples & Families)



**29%**

(21% UK)

**Price Comparison  
Website**  
(Older families)

## With few accessing the professionals

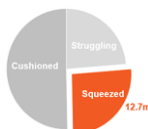


**2%**

(6% UK)


**Used an IFA**  
(Couples & Families)

48.





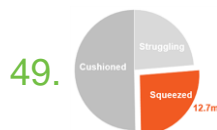
# Life is too busy and they lack confidence

 **27%** Agree they are too busy to sort out their finances (Young adults)  
(UK = 13%)

## And they lack confidence with money matters

**52%** Confident managing money\*  
(UK = 58%)

**41%** Confident choosing financial products\*  
(UK = 47%)



\*Net 8-10 where 0 is not at all confident and 10 is very confident

# They are distracted 'media stackers'

## Television

Comedy & Reality TV:  
*'Willing to pay for VOD'*

**19%** Watch video clips (UK = 14%)



## Messaging



**37%** use mobile to email (UK = 26%)

**35%** instant messaging (UK = 23%)

across multiple devices



## Shopping



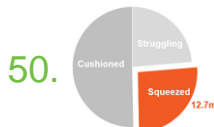
**58%** say *'Shopping online makes my life easier'* (UK = 48%)



## Social Media

**45%** feel the need to check social media every day (UK = 29%)

**84%** use Facebook in last month  
**6 in 10** using Facebook several times a day (YouGov)



# And they are disengaged with 'news' and financial matters

## Few read the 'news'

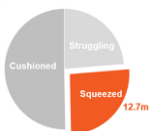
**28%** Disengaged with newspapers (YouGov)  
(UK = 21%)

**67%** DO NOT regularly read the financial sections in press or online  
(UK = 62%)

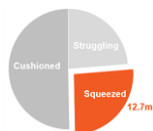
## And they increasingly turn to social media for news & info

 **1 in 5** Young adults use social media as their main source of news

 **8%** Young adults accessed money advice or info via social media  
(UK = 4%)



- They are making do and drifting – interested ‘bystanders’
- Engaged with regular ‘keeping track’, but are not budgeting and not focussed on the long term – they are reactive, not proactive
- They have no savings buffer to rely on leaving them susceptible to life events and unexpected costs
- They live for today and don’t want to do without – if they can’t afford it now, they continually resort to credit, often worsening their ‘debt spiral’
- They lack positive financial ‘role models’
- They are a busy and distracted group, therefore challenging to engage.



- **How can the financial services industry better meet the needs of the ‘Squeezed’ segment of consumers?**
- **What could be the role of Fintech to help engage this segment?**
- **How can we help the ‘Squeezed’ to save more rather than living for today?**

# Engaging the Squeezed Panel session

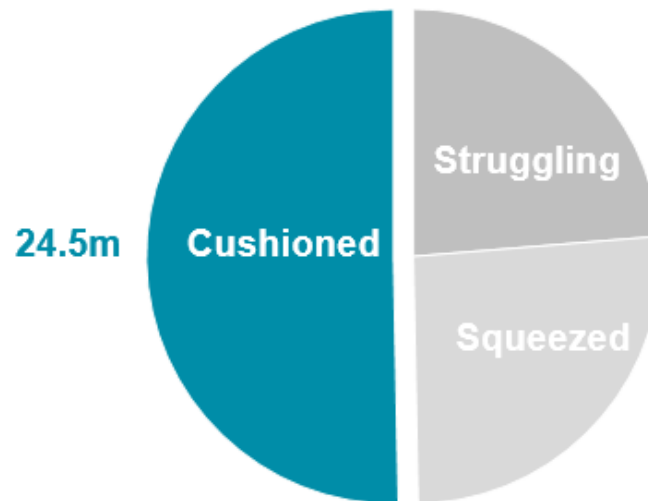
Matthew Whittaker – Resolution Foundation

Niall Bellabarba – The Oak

Jake Eliot – The Money Advice Service

# A focus on the ‘Cushioned’

**Vanessa Hill (Money Advice Service)**



# Who are they?

## Most financially resilient group



**Higher household income**



**Better financial buffer**



**Confident managing money and choosing financial products**



**Lowest level of over-indebtedness but not exempted to risks**

Comfortable young adults and pre-retired with high levels of over-indebtedness



# Sub-segments defined by life stage



## Young adults

Comfortable  
Younger  
Adults

Young Adults  
in Affluent  
Homes



## Couples and families

Couples &  
Families



## Pre-retired

Comfortable  
Pre-Retired

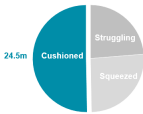
Affluent Pre-  
Retired



## Retired

Comfortable  
Retired

Affluent  
Retired



# Can't be looked as one group

## Comfortable Pre-Retired (1.4m)

- **High salaries**
- **Savings of about £5.5k**
- **Over-indebtedness in line with UK population**

## Affluent Pre-Retired (6.7m)

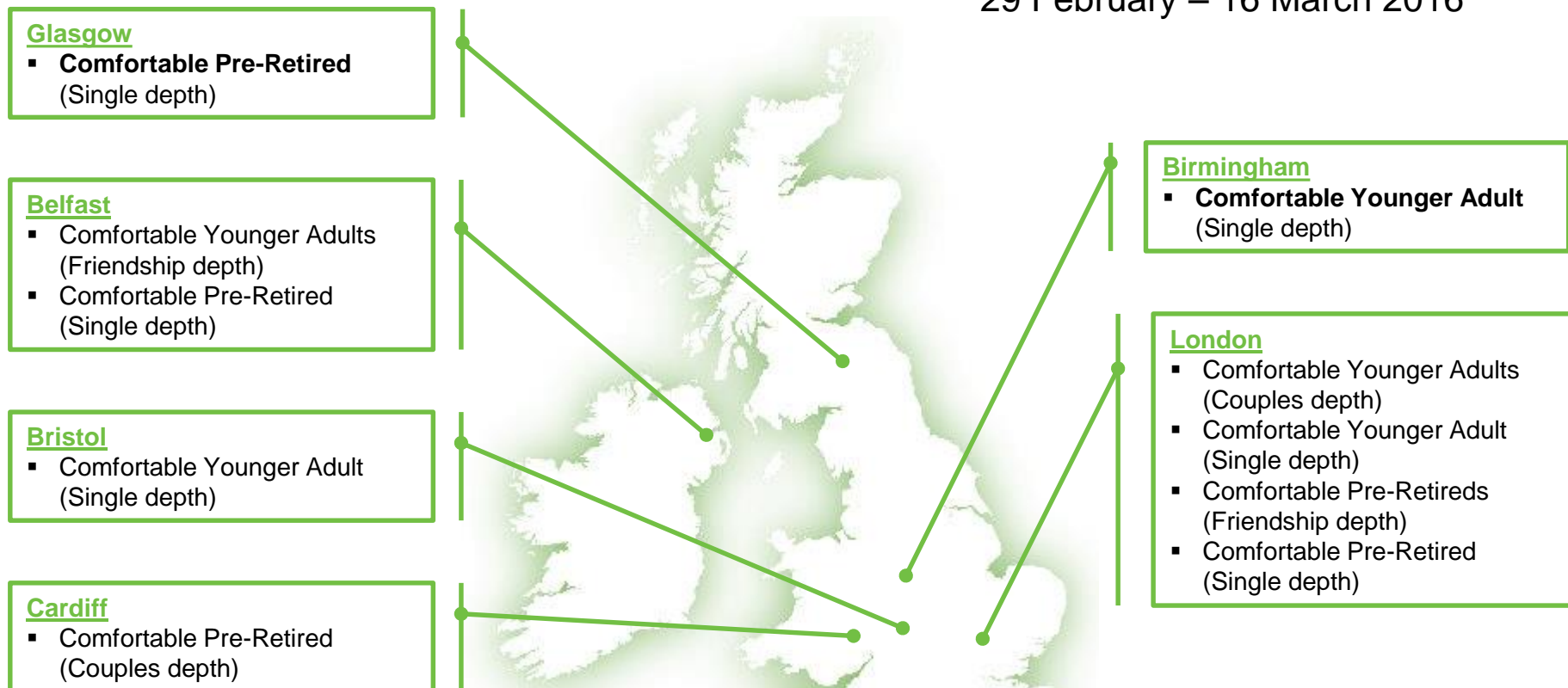
- **High salaries (£39k average)**
- **Very good levels of savings**
- **Very confident managing money (70% vs UK 58%)**



# Mini ethnography

## Sample & research locations

10 x 2 ½ hour filmed depth and  
friendship depth interviews  
29 February – 16 March 2016



# What do they have in common?



Good  
foundations &  
support  
systems



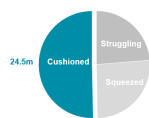
Property is  
king



They are  
'better' with  
money but  
there is room  
for  
improvement



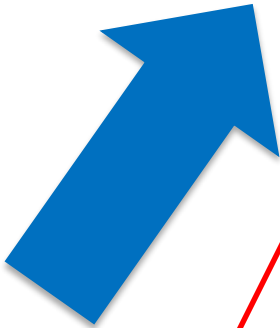
Can be fallible  
& vulnerable  
to life events



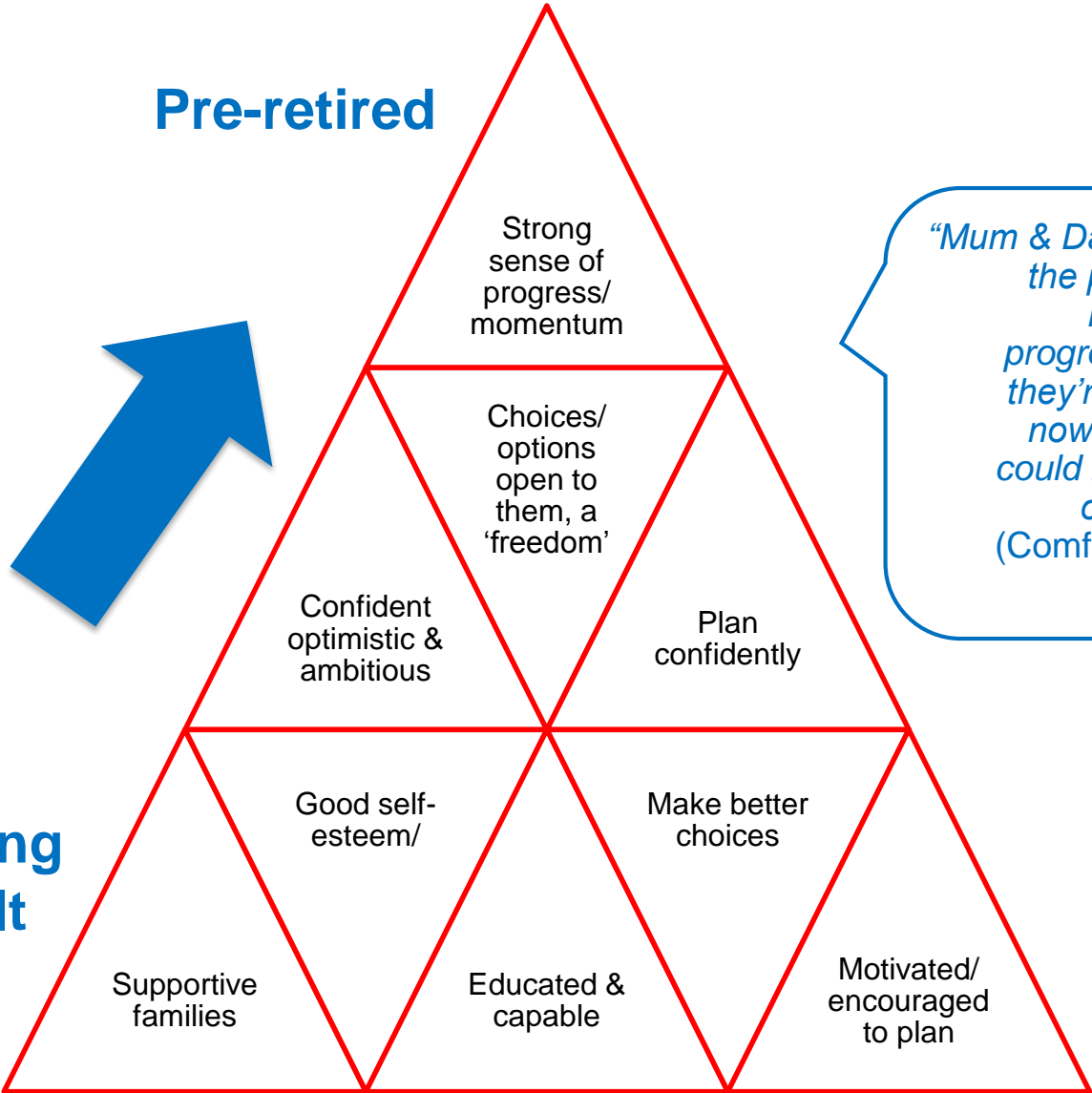
# Early good foundations and good support throughout life



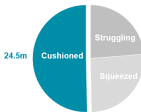
Pre-retired



Young adult



*"Mum & Dad have struggled in the past, but I've seen how they have progressed & grown, and they're both on their own now. So it's like, 'Oh, I could really take a leaf out of your books'."*  
(Comfortable Young Adult, London)





Buying property is generally  
**‘when’ not ‘if’** for young adults

## Greater ability to overcome barriers

- Deposit:
  - Inheritance
  - Good credit score,
  - Savings habit ingrained from early age



**Understandable ‘investment’**

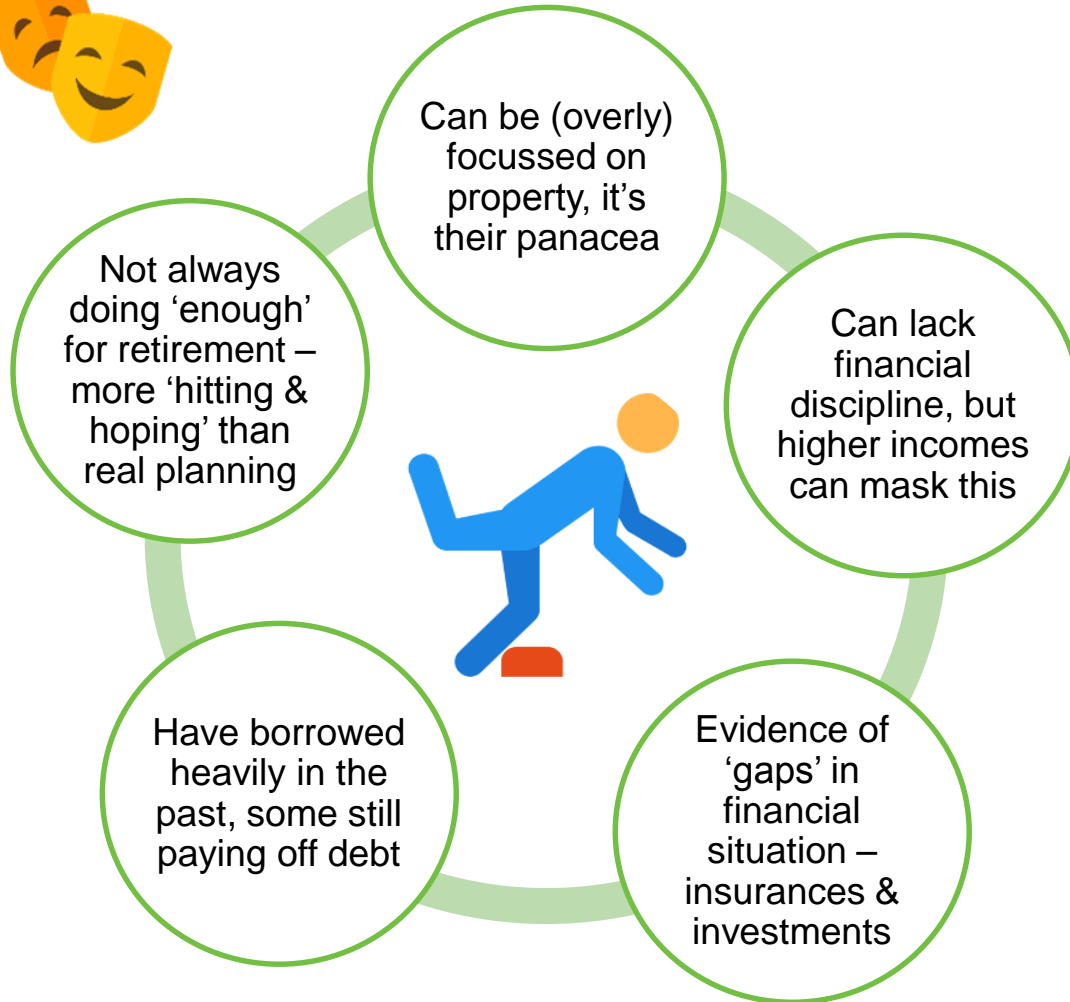
As well as financial security,  
the home provides  
**emotional rewards**

- Sense of achievement
- Status/grown-up
- Independence
- Would almost be an embarrassment not to own property

*“Once we’re a bit more stable, we’d like to go into property development.”*  
(Comfortable Young Adult, Birmingham)

**BUT their focus on property can blind them to everything else...resulting in a lack of focus on long(er)-term planning with property expected to provide for more things than it can probably cope with**

# They are fallible and vulnerable despite signs of good behaviour



Life events with considerable impact on their lives





- Redundancies (young adults)
- Divorces/separations
- Illness
- Endowment mortgage shortfalls

- Not always see themselves as needing to improve their approach to finances
- Relative comfort could underpin complacency and inaction
- **Blind spots:**

Negative life events

Obsessive focus on property

- **Areas where the Cushioned need more guidance:**

 <p>Protection against negative life events</p>	 <p>Advice around key financial decisions e.g. home buying and pensions</p>	 <p>Portfolio approach to finances for the short/ medium &amp; longer term</p>	 <p>Help to get into more sophisticated &amp; varied financial products</p>
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# Case Study – Peter

## BEFORE

- Ex-policeman, living in Cardiff, late 40s
- Comfortable and secure with wife and 3 children
- 10 years of extravagant spending by him and wife aimed at funding lifestyle and re-boot unhappy marriage
- Key problem: **credit cards and loans, including many missed, late or partial payments, and divorce**
- **Now Struggling:** has had to sell family home to put towards, though not wipe out, debt

“It creeps. It was manageable, manageable, then not quite so comfortable, but you let it happen. It was a slow dawning, I could see it happening. I should have been more forceful in controlling it, but I allowed it to carry on.”



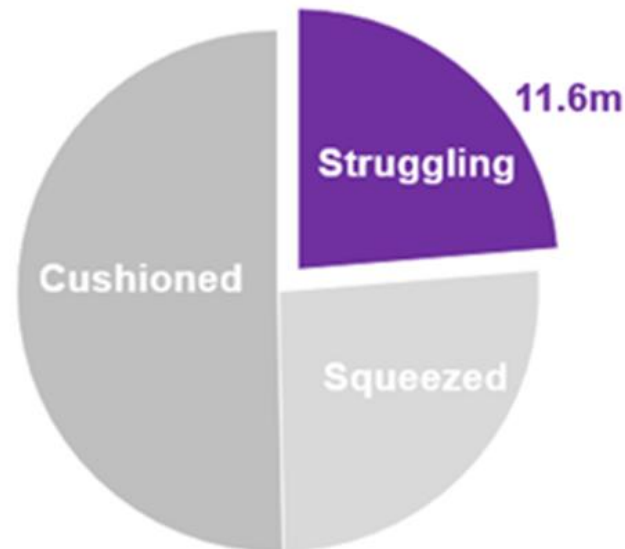
## TODAY

- Has agreed repayment terms with creditors
- Works 3 jobs
- Lives modestly (he and his ex-wife live apart in rented houses)

“I would think nearly anybody if they've been through it would realise that that's as stressful as the separation itself, dividing property, dividing everything and clearing up the financial mess afterwards”

# Focus on the Struggling segment

Helen Pitman (Money Advice Service)



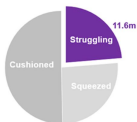
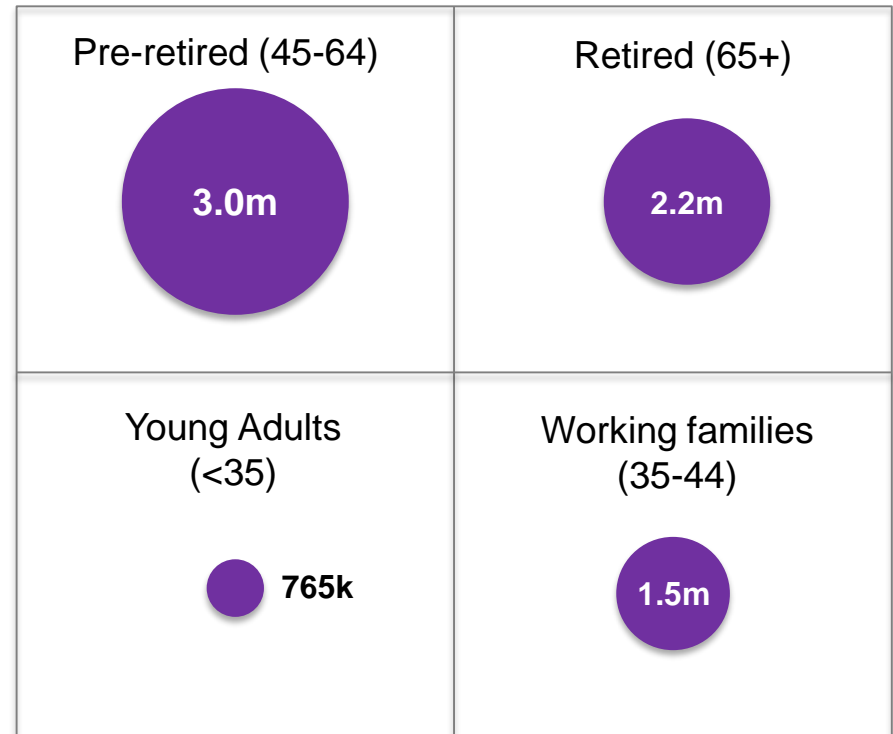
# Struggling segment made up of 5 sub-segments

## Over-burdened



- Highly vulnerable group
- Aged 18-55
- Dependent on benefits
- Largely social rented sector

## Other struggling sub-segments



# Struggling – Characterised by

**Low  
incomes**

**Renting  
social  
housing**

**Moderate  
digital  
access**

**On  
benefits**

**Many  
have a  
disability**

**Modest  
qualifications**

**Lower  
financial  
skills**



# Limited savings and plans

Many are budgeting at a basic level...

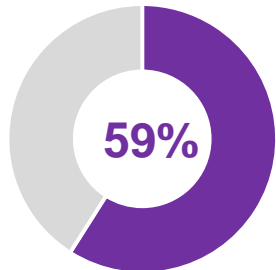
62%

set a budget of how much they  
can spend

*(For those keeping track of personal income and expenditure)*

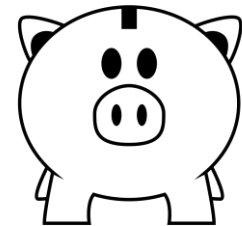


but there is a shortage of savings activity...



(40% UK)

have less than **£500** in savings



few have aspirational financial goals and...

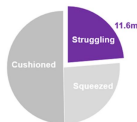
77%

(68% UK)

have no plans to achieve their  
goals

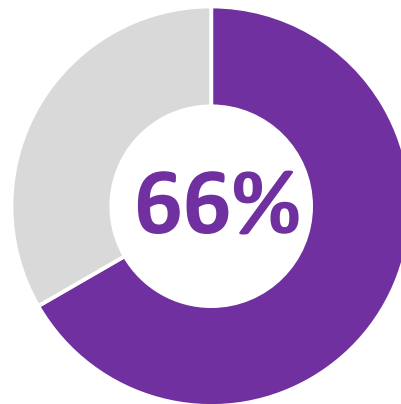
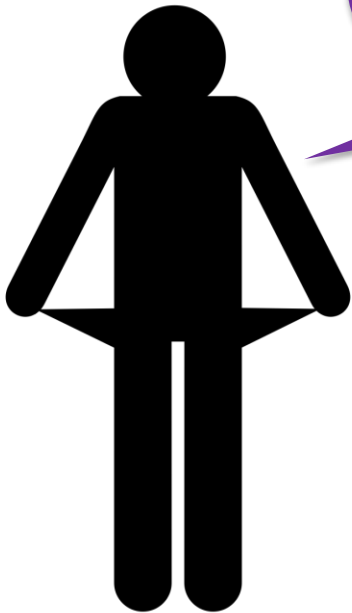


69.



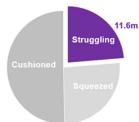
# Hampered by low income

Low income means that it's almost impossible to  
maximise income or build up a savings buffer



**Personal income  
<£17,500**

(45% for squeezed segment)



## 1 in 4 are over-indebted

**30%** of the  
overburdened

**31%** of  
working families

### Struggling segments

- Over-burdened
- Young adults
- Working families
- Pre-retired

### Over-indebted factors

- Renting
- Larger families
- Single parents
- Low incomes
- Younger people

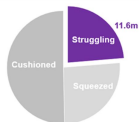
71.



# Struggling with everyday cost of living

- Do not use **mainstream lending** to same extent as squeezed segment
- Monthly rent or mortgage payments are **half** that of squeezed segment
- Those who are unable to make repayments are falling behind on **utilities and rent**

**RESULT: Under constant pressure and day to day “struggle”**





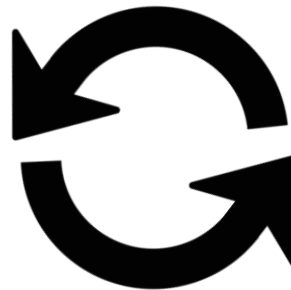
# Finding themselves in a dead end...

## Short termism

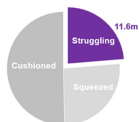
They'd rather take £200 now, if offered it, than £400 in two month's time

## Helplessness

"Nothing I do will make much difference to my financial situation"

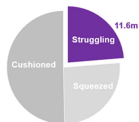
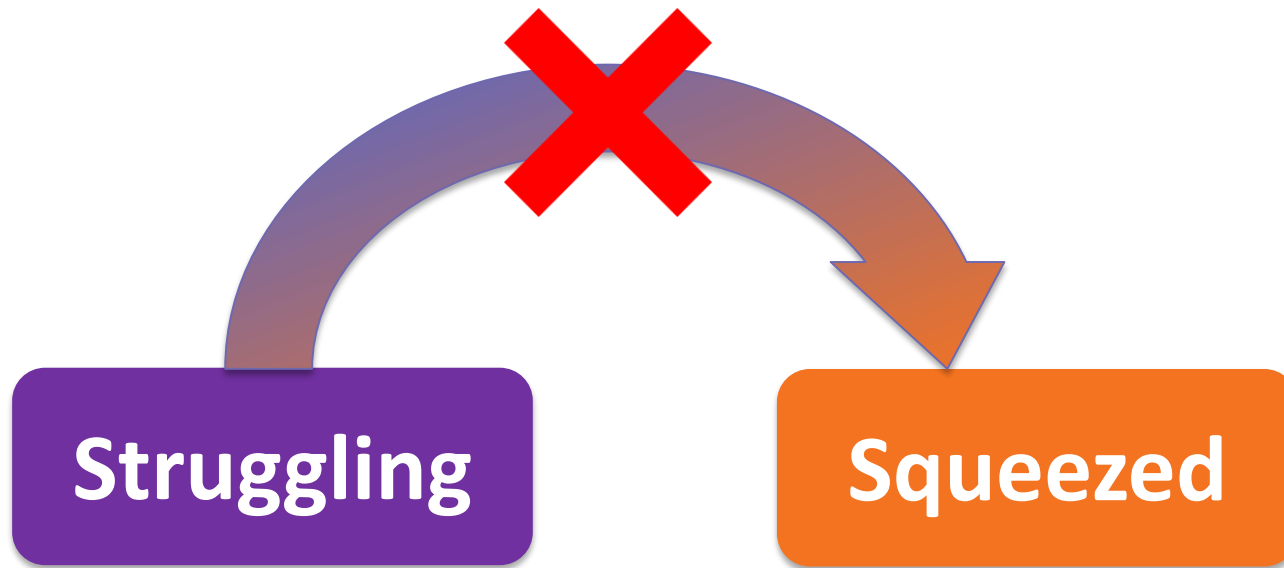


**Survival mode:** nothing much that can be done to resolve the situation



# Need a MASSIVE change to move

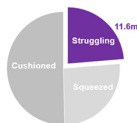
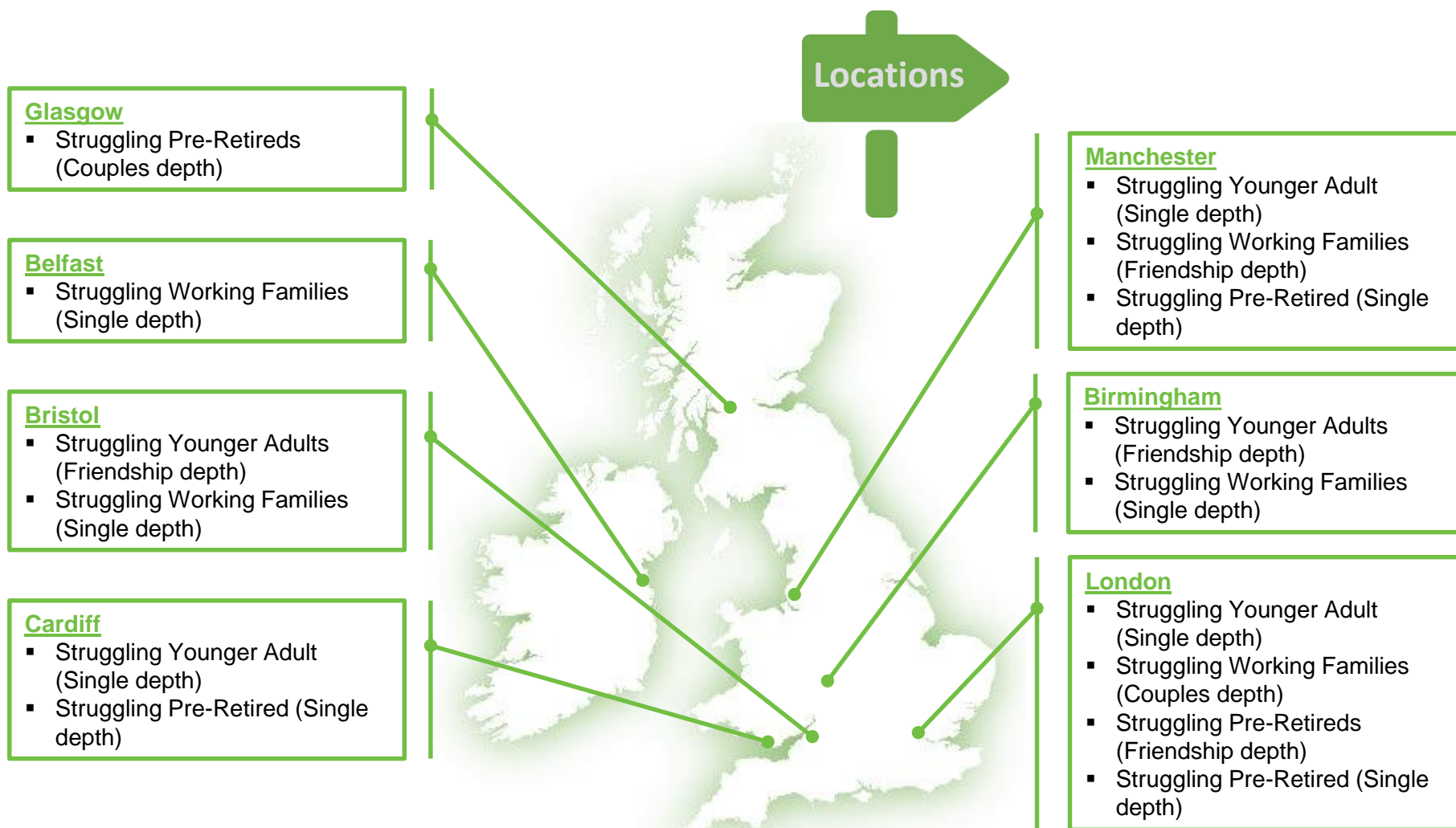
Most will remain within the **struggling** segment



# The 'Struggling' – An ethnographic perspective

**Luke Perry (Director of Qual, Jigsaw Research)**

# 'The Struggling'- Sample & research locations



15 x 2 ½ hour filmed depth interviews  
29 February – 16 March 2016

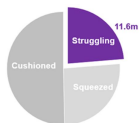
# A financial tight rope

Life is very difficult and financially constrained

Acutely precarious finances easily tip over into crisis

Situation and temperament governs approach to money

Some cope and survive but many are defeated and despondent





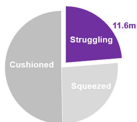
Financial capability a major barrier

Some evidence of 'good' but very basic behaviour

But many lack skills or knowledge

As a result they are not in control of their money situation at a basic level

Often leads to poor decision making, particularly credit



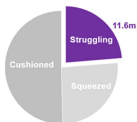
# Overwhelmed by debt

Over indebtedness extends to numerous areas of their lives

Often fail to foresee the consequences of borrowing

Bury head in sands, some resigned to never paying off

Cements a belief that they will be trapped forever



# Debt advice is key need



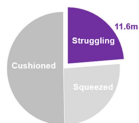
Alongside basic money management

Takes a long time to acknowledge the issue and struggle to know true situation

Some have sought advice but struggled in the process

Some slowly working way out through drastic measures

Both preventative and remedial is required





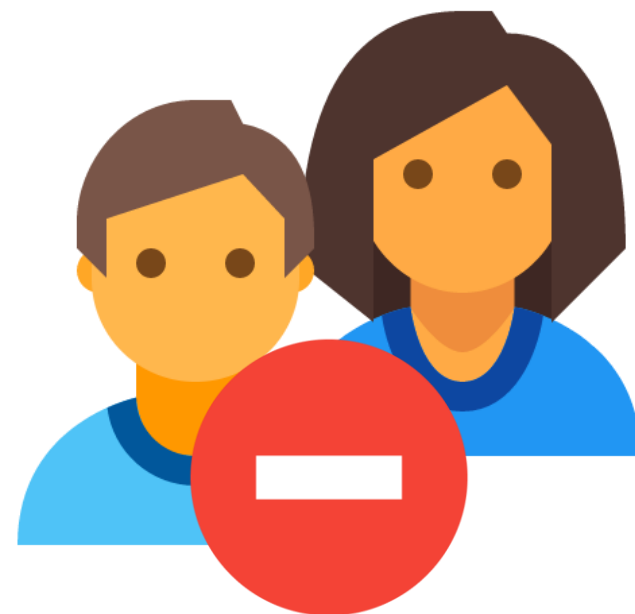
# Complex personal situations

Financial situation was compounded by broader personal complexity

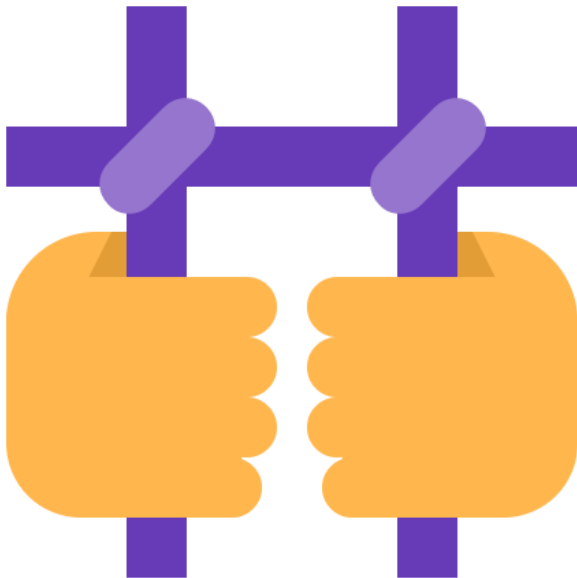
A lack of wider support structures in their lives

Unhappy history with institutions, financial & other, drives suspicion

Present broader complex issues beyond just financial



# Feeling trapped



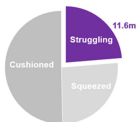
Circumstances dictate a *very* short term approach – hour to hour

Limited and confined in what they can do, feel fatalistic about situation

Likelihood of moving forward can feel very low

Basic money management and debt prevention/solution are primary need

Only then can longer term plans and options be explored





Living life on a financial tightrope

Money a constant source of anxiety

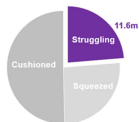
Financial capability a major barrier

Outlook dominated by debt

Hampered by broader complexity

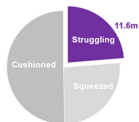
Suspicious of institutions

Feel very trapped by their situation

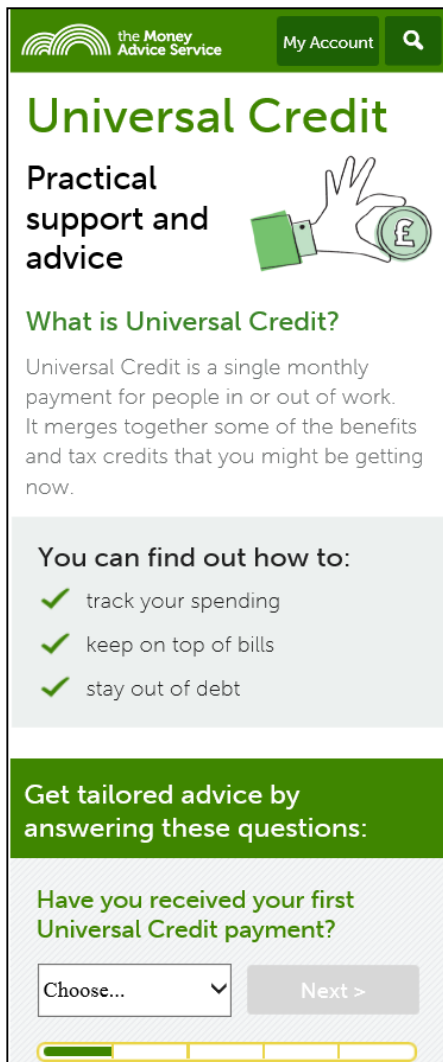


# ‘Struggling’ – What can we do?

Michael Royce (Money Advice Service)




# Support for Universal Credit claimants



the Money Advice Service My Account

## Universal Credit

Practical support and advice



### What is Universal Credit?

Universal Credit is a single monthly payment for people in or out of work. It merges together some of the benefits and tax credits that you might be getting now.

You can find out how to:

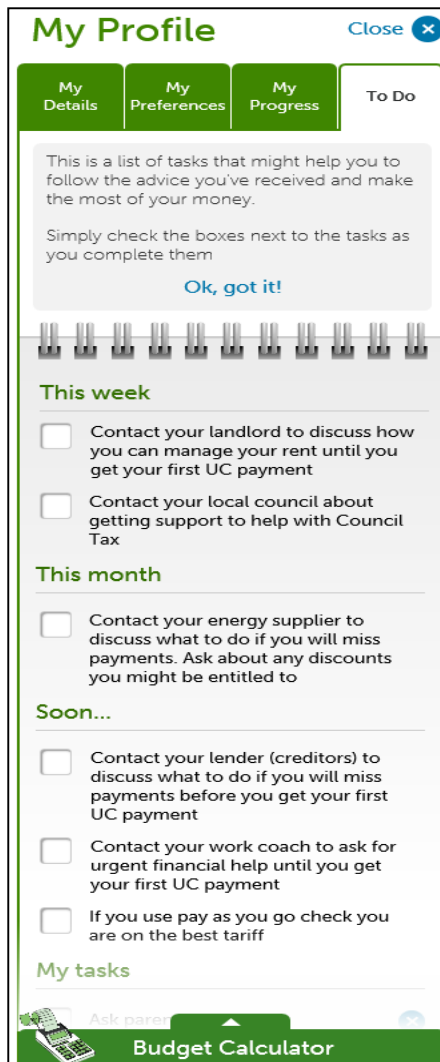
- ✓ track your spending
- ✓ keep on top of bills
- ✓ stay out of debt

Get tailored advice by answering these questions:

Have you received your first Universal Credit payment?

Choose... Next >

Progress bar: 1 of 5 steps completed



My Profile Close

My Details My Preferences My Progress To Do

This is a list of tasks that might help you to follow the advice you've received and make the most of your money.

Simply check the boxes next to the tasks as you complete them

[Ok, got it!](#)

Calendar view: 12 weeks

### This week

- ☐ Contact your landlord to discuss how you can manage your rent until you get your first UC payment
- ☐ Contact your local council about getting support to help with Council Tax

### This month


- ☐ Contact your energy supplier to discuss what to do if you will miss payments. Ask about any discounts you might be entitled to

### Soon...

- ☐ Contact your lender (creditors) to discuss what to do if you will miss payments before you get your first UC payment
- ☐ Contact your work coach to ask for urgent financial help until you get your first UC payment
- ☐ If you use pay as you go check you are on the best tariff

### My tasks

Ask parent

 Budget Calculator

- ❖ Full UC rollout by 2020/21
- ❖ 8mn households
- ❖ Universal Support delivered locally
- ❖ Self-help support
- ❖ In-work and out-of-work UC claimants
- ❖ Transition to monthly UC payments
- ❖ Transactional banking

# Thankyou!

[https://www.moneyadviceservice.org.uk/en/  
corporate\\_categories/research](https://www.moneyadviceservice.org.uk/en/corporate_categories/research)