

Talk, Learn, Do / ‘Siarad, Dysgu, Gwneud – learning and policy recommendations

This paper accompanies the full evaluation of Talk, Learn, Do (TLD), MAS’s financial capability parenting pilot. It outlines the potential policy implications of findings from the evaluation and sets out MAS’s recommendations for future parenting-focused financial capability support. The full report for ‘Talk, Learn, Do evaluation: a financial capability intervention for parents’ is available here (<https://www.moneyadviceservice.org.uk/en/corporate/research>).

Throughout this paper the term ‘parent’ is used to refer to any adult with parenting responsibility for a child, which can include a range of other carers.

Summary

- Adult financial capability is shaped and informed by what is seen, experienced and learned during childhood and adolescence. Children’s financial habits and values begin to form very early in life. There is a strong case for targeting resources to support financial capability development in children and young people.
- Development of good financial capability requires financial education at home and in communities, as well as at school. Parents are key influencers of children’s financial capability. There are direct links between what parents do and their children’s financial behaviour. Policy and practice that focuses on supporting parents to talk to and teach their children about money therefore offers significant opportunity to shape financial capability for future generations.
- Evaluation of TLD, our parenting pilot, has demonstrated that embedding support to help parents talk to their children about money in parenting provision can be effective in improving financial capability-related outcomes for children and young people and parents.
- There are significant opportunities to use this learning to reach parents and children across the UK at scale. We recommend:
 - The TLD model of adding a module on money management to existing parenting programmes should be considered by commissioners of parenting support. The method for achieving systematic roll-out of this will vary across UK nations and MAS would welcome working with government departments and local authorities to explore how this can be achieved at scale.
 - Policies and strategy that shapes parenting support should include parent’s ability to help their children learn about money as a core outcome and consider opportunities to embed aspects of TLD within delivery.
 - TLD should be tested as a stand-alone package for practitioners and professionals who support parents outside the boundaries of structured parenting programmes, such as family key workers and early help services, social workers, and debt advisers.

Background

The Money Advice Service (MAS) is a UK-wide, independent service set up by Government to improve people's ability to manage their financial affairs.

MAS's evidence shows that far too many people in the UK are struggling with their finances - 8.3 million adults in the UK are over-indebted and 11.9 million either couldn't pay or don't know how they would pay an unexpected bill of £300. MAS includes a focus on children and young people in its work because we believe it won't be possible to address this challenge in the long term and ensure future generations of adults are financially capable, without a focus on financial education during childhood and adolescence – our research has shown adult financial capability is linked to skills, knowledge, mindset, attitudes and behaviours developed during childhood, and that these abilities and habits can begin to develop from a very early age.¹

To develop financial capability, children need to observe, talk about and experience the use of money on a regular basis. Parents play a crucial role – they are seen by children and young people as the key source of learning and advice about money², and there are direct links between things parents can do around money, such as role-modelling financially capable behaviours and giving children responsibility for saving and spending decisions, and their children's financial behaviours. Parents are ideally positioned to provide opportunities for children to experience and talk about money day-to-day.

MAS Response - Talk, Learn, Do

TLD was designed in response to both the increasing evidence that parents are a vital influence on children and young people's financial capability and that starting early matters³, and a lack of existing provision aimed at supporting parents to help their children learn about money. Our starting point was the need to develop an intervention that would maximise engagement from parents, provide relevant and meaningful learning, and ensure the model could be effectively and consistently delivered in different locations.

TLD is a 2-hour financial capability module to support parents to talk to and teach their children about money. It was co-designed with parenting practitioners in Wales and delivered as an additional week at the end of two parenting programmes, Family Links, and Incredible Years, in Wales, during 2016-17. Detail about the design and implementation of the programme is provided in the full evaluation report.

TLD had the following aims:

- Equip parents with the skills and confidence needed to talk to their children about money
- Educate parents on the importance of talking to children about money from an early age and change attitudes about how early it is to talk to children about money
- Understand the longer-term impact of building financial education into parents' daily activities with their children.
- Enable parents to help their children develop positive money habits that will stay with them through their life and consequently, impact on the parents own financial capability.
- Provide an evidenced model for funders, commissioners and practitioners to use in their interventions.

¹ Money Advice Service; Whitebread, D. and Bingham, S. (2013). *Habit Formation and Learning in Young Children*. Available at

<https://www.moneyadviceservice.org.uk/en/corporate/habit-formation-and-learning-in-young-children>

² See for example, MAS, *The Financial capability of children and young people in the UK*, March 2016. Available at

<https://www.moneyadviceservice.org.uk/en/corporate/research>

³ Money Advice Service; Griffiths, A. and Ghezelayagh, S. (2018) *"Children and Young People and Financial Capability: Needs Analysis"*. Available at

<https://www.moneyadviceservice.org.uk/en/corporate/research>

Outline Evaluation Findings

TLD was evaluated through a process evaluation which aimed to understand how TLD was delivered, and an impact evaluation, which aimed to measure the impact of TLD on parents' attitudes and behaviours. Parents were surveyed at various stages and qualitative visits were undertaken to understand longer-term impacts on parents. The detail of methods used are set out in the accompanying evaluation report.

The evaluation showed that TLD has had a positive impact on:

- **Parents' knowledge of how to talk to their children about money** - Parents reported that a main 'take out' from the TLD session was that it is 'never too early' to talk to your children about money. This is important because:
 - Parents' attitudes towards teaching children about money has a role to play in developing their financial capability
 - Parents thinking children should be given experience with money at younger ages is directly linked with their child's active saving behaviour and indirectly linked to their day-to-day money management.
- **Children's ability to handle and manage money** – in particular, increasing parents giving their children pocket money, and an increase in children's ability to manage their own day-to-day money or allowance. This is important because:
 - children with responsibility for their spending decisions are more likely to understand the value of money and that choices need to be made when spending money; more likely to be able to explain choices made when spending; and to understand the difference between wants and needs
- children who get money regularly, regardless of the amount, have better financial engagement (connection) and more financially capable behaviour.
- **Parents reporting their children were able to recognise the difference between needs and wants** – there was an increase in the number of TLD parents stating that their child was able to recognise the difference between something they want (e.g. sweets), and something they need (e.g. food).
- **Parents believing, they should have conversations about money and give children experience of money at younger ages** – This is important because talking to a child about money, and/or showing a child how to complete money-related tasks, is often associated with better financial capability.
- **Frequency of money related discussions around companies trying to sell things** through adverts and some TV programmes increased amongst TLD parents. This is important because parents talking to their children about the fact advertising happens online influences a child's financial mindset, which in turn influences their active saving behaviour.
- **Parents' own over-indebtedness** - TLD did not focus primarily on parents' own attitudes to, or behaviours with money. However, there was a decrease in the proportion of TLD parents who reported being overindebted⁴. Examples parents gave for actions prompted by being part of TLD include: TLD encouraging parents to face up to the debt they were in, make changes to their spending behaviour and engage more in exactly what money is going in and out of their household accounts. Our insights show that children who grow up in overindebted

⁴ This measure was calculated by combining parents' answers to two questions: the extent to which they felt keeping up with bills and credit commitments was a burden, and if they had fallen behind on, or missed, any payments for credit commitments or domestic bills for at least three of the last six

months. If they reported keeping up to bills/credit commitments was a heavy burden, or that they had fallen behind/missed payments, they were classed as being over-indebted.

households do worse on several measures of financial capability, so reducing overindebtedness may have benefits for both parents and children.

The full detail of these results is set out in the accompanying evaluation report.

Policy Implications and next steps

TLD has demonstrated that it is possible to make a positive impact on children, young people, and parents' financial capability outcomes with a relatively brief intervention focusing on supporting parents to teach their children about money.

The impact on some parent financial capability outcomes suggests it may offer a model to improve financial capability of two generations at once, and potentially support 'breaking the cycle' of intergenerational low financial capability. This could be a factor in supporting families to achieve positive outcomes more widely, potentially enhancing activity to increase social mobility or reduce poverty. In addition, these insights could be reflected in policy relating to family learning and the home learning environment, a current topic of interest among policy-makers in Wales, Scotland and England.

TLD has added to a limited evidence base on what is likely to be effective in supporting parents as 'intermediaries' in financial education for children and young people. It shows one method proven to be effective on many outcomes and gives indication that the model of supporting parents to help their children offers promise for application more widely in financial education. It provides a basis for further testing of a range of approaches to supporting parents to understand the breadth of opportunities for effectiveness.

Learning from our evaluation, we recommend:

- Local Authorities and other commissioners of parenting programmes and wider support for families around parenting, family learning, debt, financial inclusion or wellbeing, should consider embedding TLD as a module in existing provision, and supporting practitioners to develop the skills to deliver it.
- Policy-makers designing local family-focused approaches to improving outcomes, should include financial capability as a core outcome and consider how TLD could be delivered as a part of the implementation of these approaches. Specific opportunities across UK may include:
 - Troubled Families programme legacy in England – we could work to embed delivery of TLD through parenting support in Local Authorities who have prioritised outcomes around financial wellbeing/debt.
 - DWP reducing family conflict support – learning from TLD could be used to design aspects of the offer focused on parental relationship, such as constructive discussions with children about conflict relating to money.
 - Implementation of the Scottish Government's parental engagement action plan, *Learning Together*, could incorporate learning from TLD into the development of new family learning programmes and use ParentZone Scotland to share TLD tools directly with parents.
 - Ensuring future Northern Ireland Family and Parenting Support Strategy considers inclusion of financial capability, and considers the roll-out of TLD, or piloting of new TLD-based approaches working with whole families, as an option to deliver this.
 - Continuing to embed TLD in local approaches to Families First and Flying Start in Wales, ensuring it is delivered in every local authority, and

considering opportunities to build TLD into local offers resulting from increased focus on family learning through Community learning centres.

- Incorporate learning and tools from TLD into government campaigns targeting parents and carers of young children, such as 'Take Time to Talk Listen and Play' in Wales and 'Play, Talk, Read' in Scotland.

MAS is keen to engage with Government departments, local authorities and other national bodies and local partnerships to pursue these opportunities and develop plans to embed TLD in all relevant policy and roll-out at scale in every nation of the UK.

We would also welcome discussions with any potential funding/commissioning or delivery partners about opportunities to test areas for future development. Opportunities for further testing could include:

- Training practitioners who support parents with parenting challenges on a more informal day-to-day basis, rather than as part of formal multi-week parenting programmes. This could include family key workers and early help practitioners, social workers, health visitors, family nurses, children's/family centre staff, and adult/family learning professionals.
- Training practitioners who specialise in support for parents as individuals – e.g. debt advisers, JCP advisers, and other local advice providers – with a view to building in elements of TLD to help them consider the impact of money challenges on their children and advise on how to find constructive solutions to these.
- Testing shorter one-off interventions with parents using TLD materials, and exploring the impact of offering tools and tips online / via an app.

- Testing TLD in a whole family learning context, where adults and children learn together – this would require an adaptation of approaches to enable parents to interact with children during delivery⁵.

⁵ Evidence points to the benefits of family learning for increasing children's levels of attainment, narrowing the gap between the lowest and highest achievers, prepare children for the rapidly changing labor market and help secure a prolonged economic recovery. Broader evidence suggests benefits in respect of adult literacy, engagement and interest of adults in

their children's learning, and more positive attitudes towards adults' own learning. NIACE (2013) Family Learning Works: The Inquiry into Family Learning; BIS RESEARCH PAPER NUMBER 93 Evidence of the Wider Benefits of Family Learning: A Scoping Review NOVEMBER 2012