

Evidence & Evaluation



**Financial Capability
Strategy** for the UK



Evidence and Evaluation

- Improving evidence and evaluation is at the heart of the Strategy – it is critical that service design and funding decisions are based on robust evidence of need and what works.
- There has been some progress made in developing a strong evidence base and improving evaluation practice, but there are still gaps in our understanding of what works to increase financial capability.
- The Money Advice Service will take on a role akin to a ‘What Works Centre’, seeking to enhance the effectiveness of interventions designed to improve financial capability. It will do this by focusing on increasing the use of evidence about what works, helping build the capability and capacity of organisations to evaluate their interventions using common outcome measures, and partnering with others to design, fund and evaluate initiatives which show the potential to improve financial capability.
- The Money Advice Service will support an evidence driven sector by:
 - ▶ promoting good practice through the IMPACT principles to promote good practice;
 - ▶ co-ordinating research and evaluation across the sector to ensure resources are targeted at filling key evidence gaps;
 - ▶ developing a Common Evaluation Toolkit to help providers to consistently measure and report outcomes; and
 - ▶ continuing to publish and disseminate impact evaluation through the Evidence Hub and accompanying Insight Library.
- The Money Advice Service will contribute to the evidence base by:
 - ▶ delivering a joint initiative with the Education Endowment Fund to fund and evaluate interventions that seek to improve financial capability in schools; and
 - ▶ undertaking a pilot project with Big Lottery Wales which aims to motivate parents and equip them with the confidence they need to develop their children’s financial capability.

Introduction

Evidence and evaluation is fundamental to the success of the Strategy. In order for the financial capability sector to make the best use of finite resources, it is critical that service design and funding decisions are based on robust evidence of need and what works.

The aim of this element of the strategy is to develop a highly effective financial capability sector, underpinned by a robust evidence base in which resources are directed to areas of unmet needs and interventions which have been proven to work. And to ensure that the impact of innovative new programmes is evaluated in a rigorous and consistent way.

Money Advice Service analysis suggests that around 7 in 10 UK-based financial capability programmes are evaluated or assessed in some way. There are pockets of excellent practice, but much of the activity focuses on monitoring reach, outputs and customer satisfaction rather than measuring outcomes and impact. It is also difficult to compare the results from published impact evaluations due to the diverse and sometimes significantly different ways in which organisations define and measure financial capability outcomes.

There remain significant gaps in our understanding. Many existing interventions have not been rigorously evaluated and the evidence that does exist is not always taken into account when designing services or making funding decisions. To achieve the sustained cultural change needed, the Money Advice Service will take on a role similar to a ‘What Works Centre’, working with and through a range of strategic partners from across the financial capability and research and evaluation sectors.



The Money Advice Service will:

- support an **evidence-driven sector** by providing guidance and practical tools that will support impact evaluation and evidence-based commissioning; and
- contribute to the **wider evidence base** by:
 - ▶ developing and sharing insight about levels of financial capability at the UK population level and identifying areas of unmet need - this will primarily be done through the Money Advice Service's Financial Capability Survey and wider strategic research; and
 - ▶ partnering with others to design, fund and evaluate initiatives which show the potential to improve financial capability.

The Financial Capability Framework on page 11 lies at the heart of the approach to both intervention and population level measurement. It enables linkages between the two types of insight to be made and creates a shared language for success.

Context

Important advances have been made in the last few years, both within the UK and internationally, in the understanding of the most effective ways to improve financial capability.¹⁵ Yet our shared understanding of people's financial behaviour and what drives it still lags significantly behind other behaviour-change fields, such as health. Greater co-ordination of research and evaluation activity is needed to minimise duplication and ensure the focus is on filling agreed core evidence gaps.

Funders and practitioners are largely supportive of an increase in evidence-based commissioning. Given current gaps in the evidence base, and a lack of resource and skills amongst frontline providers to capture and interpret evaluation data, more work is needed both to build the evidence base and the capacity to conduct robust evaluation.¹⁶

Supporting an evidence-driven sector

The Money Advice Service will improve the effectiveness of the wider sector by supporting stakeholders in the appropriate generation and use of evidence. This will require sector-wide cultural change and an environment in which openness and innovation can thrive, with providers willing to share information on approaches that have not worked as well as those that have.

The Money Advice Service will work with the sector to promote good evidence and evaluation practice in the following ways:

- supporting organisations who sign up to the **IMPACT principles** in embedding and promoting good practice;
- **co-ordinating the sector** to promote evidence-based practice and ensure evidence gaps are filled without duplication;
- support consistent evaluation by promoting the use of the **Financial Capability Outcomes Frameworks**;
- providing guidance and practical tools to help practitioners evaluate their provision through the **Common Evaluation Toolkit**; and
- supporting the dissemination of evidence through the UK Financial Capability **Evidence Hub**.

¹⁵ The Financial Capability Evidence Hub includes robust impact evaluations of interventions. [Available online here](#).

¹⁶ The Financial Capability Consultation Response, Next steps document and responses to the consultation can be found at www.fincap.org.uk/development-of-the-strategy.



IMPACT principles

The Money Advice Service has developed IMPACT principles. These principles set out the high-level approach to evidence and evaluation that the Strategy wants to embed in all organisations at all levels, particularly within funder, commissioning and delivery organisations. They have been developed to encourage organisations across the sector to make a public commitment to maintaining the evidence base and ensuring that robust evidence is at the heart of everything they do. Signatories to the IMPACT principles will act as impact champions, helping to share and embed best practice amongst the wider sector.

Make an IMPACT: principles for financial capability funders and providers

- I Be an Impact champion**
Whatever your role, you consider evidence and evaluation at every stage of commissioning and delivering financial capability programmes, and are a proactive champion of the approach to others. This includes factoring the evidence of need and what works into funding decisions, building evaluation in from the start of new interventions, and sharing effective practice around evidence and evaluation with others.
- M Mind the gap**
When making decisions about the programmes you fund or deliver, you take into account the 'gaps' in both current provision and knowledge about what works. This will help to ensure that your initiatives compliment rather than duplicate programmes that are already being delivered and will enable you to focus innovation, research and evaluation activity on filling key gaps in knowledge about the most effective approaches for different groups.
- P Properly resource it**
You allocate sufficient resources to impact and process evaluation activity to ensure it is high quality and that the findings are reliable, but you also make sure the scale of the evaluation remains proportionate to the programme in question. If you are a funder, this will involve building resource for evaluation into funding arrangements.
- A Add to the wider evidence base**
You are committed to sharing the learning about what has worked - and what hasn't – from the evaluation of your programmes with the wider financial capability sector through the Financial Capability Evidence Hub (as well as other channels). This involves sharing information on the nature of the programme or initiative you deliver, the resources required to deliver it, the number of people and who it reaches, as well as what impact it has had.
- C Be Consistent when measuring outcomes**
You use the financial capability shared outcome frameworks when developing your new programme evaluations (unless there is a clear justification for not doing so). This will help improve the consistency in the way the sector measures its impact and will enable stronger conclusions to be made about the most effective means of improving people's financial capability.
- T Take Time to understand the results and their implications**
You make learning from and acting on the lessons from evaluation a priority to ensure you continuously improve the programmes you fund or deliver. You use the evaluation findings to both help adapt and refine any ongoing initiatives, as well as informing the design and commissioning of new ones; designing new interventions to deliver specific identifiable outcomes. You demonstrably change as a result of what you have learnt, becoming a true IMPACT champion.



Co-ordinating the sector

The Money Advice Service will help to co-ordinate the sector’s research and evaluation activity. This will ensure that new research targets key knowledge gaps and delivers actionable insight to the sector, thereby maximising the impact of research spend.

This Strategy also acknowledges the vital importance of securing buy-in from funders and commissioners to achieving sustained change over and beyond the course of the Strategy. This will require bringing them on board with the importance of robust and consistent impact evaluation and the use of evidence to drive commissioning. The Money Advice Service has co-ordinated two funders’ summits with funders of financial education and services targeting Children and Young People. One of the aims of the summits was to promote the IMPACT principles to promote better generation and use of evidence across the sector, with the intention that funders will go on to encourage the organisations they fund to embed good evaluation practice into the work they do.

Common evaluation toolkit

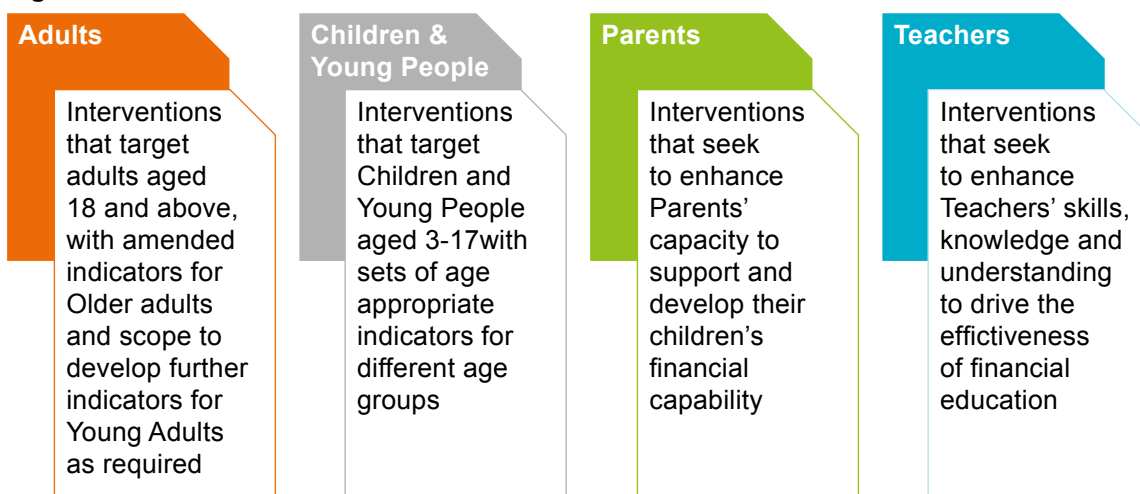
Improving evaluation activity will help providers to understand what outcomes they achieve, demonstrate their impact and, continuously improve their services. The Money Advice Service is currently developing the Common Evaluation Toolkit which will increase consistency and quality of impact evaluation and support proportionate and tailored evaluation. It will help organisations move from measuring reach and outputs to outcomes and impacts.

The Common Evaluation Toolkit will be flexible enough to apply to a wide range of interventions, including both those seeking to affect long-term behavioural change and those just looking to prompt a single action, such as accessing advice. It will also apply to different beneficiary groups and take account of the fact that some interventions differ in the degree to which they seek to change attitudes, knowledge and skills. It will consist of shared outcome frameworks, practical tools and guidance.

Outcomes frameworks

There are four ‘outcomes frameworks’ for differing life stages and beneficiary types. The frameworks for Adults and for Children and Young People were developed by New Philanthropy Capital in collaboration with the Money Advice Service. The Money Advice Service has since developed two further frameworks for Teachers and Parents (developed with pfeg - part of Young Enterprise, and NatCen respectively). The figure below outlines the intended intervention type for each framework; these can be accessed on the UK Financial Capability site.

Figure 2: Outcome framework



Each outcomes framework will have a corresponding set of Measurement Tools (e.g. survey questions) to measure the ‘distance travelled’ against these outcomes.

Practical tools and guidance

Alongside the outcomes frameworks, users of the Common Evaluation Toolkit will have access to:

- guidance and a template for developing a **Theory of Change** to enable users to determine which outcomes their intervention is seeking to effect;
- a **Decision Tree** tool which will help providers to decide upon the most appropriate evaluation approach; and
- **guidance** to support providers in using the toolkit and in effectively evaluating their provision. To avoid duplicating existing work, users will be signposted to external resources and training on evaluation best practice where available.

Piloting of the Common Evaluation Toolkit is underway and will continue through to Spring 2016. The Money Advice Service is piloting the toolkits with providers, schools and funders delivering a range of types of intervention. The Money Advice Service is also working with Age UK to develop and pilot indicators for Older People and with Project Oracle to pilot the Children and Young People toolkit with providers of financial capability provision for young people. Further details of piloting activity can be found in the action plan. Based on learning from the pilots the toolkit will be adapted before final publication.

Whilst there are a large number of outcomes which can be measured using the toolkit, it is not expected that all these would be measured when evaluating a particular intervention. Rather the outcomes frameworks incorporate a wide range of key outcomes providers may want to measure, to ensure they are able to identify an appropriate set of indicators and measurement tools.

Evidence Hub

The Money Advice Service launched the Evidence Hub in March 2015 to make it easier for everybody involved in financial capability to access evidence of what works in improving financial capability. All evaluation reports placed on the evidence hub are assigned a Standards of Evidence rating, in line with best practice established by What Works Centres including the Early Intervention Foundation and the Education Endowment Foundation. The Standards of Evidence rating indicates whether the intervention itself was effective and also provides an assessment of the robustness of the evidence, based on the evaluation methodology used. The rating signifies how certain we can be that the observed effect on beneficiaries' financial capability resulted from the intervention itself rather than other external factors. The Standards of Evidence rating acts as a quality mark for evaluation, denoting good practice and identifying evaluation approaches which should be replicated more widely.

The Money Advice Service have recently launched a revised version of the Evidence Hub, based on feedback from users on their expectations and experience of use. On the whole, the feedback received has been positive. Some changes to functionality have been made, together with further clarification around the purpose of the Hub and the Standards of Evidence rating. Users wanted a wider range of interventions and different types of evidence, beyond impact evaluation, in addition to further curation of content, in particular higher-level interpretation of the Hub content and implications for funding decisions.

In response to user feedback the Hub will develop to include higher-level summaries of key learnings which further interpret the evidence and also include an Insights Library where other types of evidence can be stored. This will help funders identify the key characteristics of the kinds of intervention that work, and direct funding accordingly.



Insights library

The Money Advice Service will lead on the development of the Insights Library, which will sit within the Evidence Hub, but contain other forms of evidence aside from impact evaluation (e.g. national level survey data, evidence of need and service gaps, process evaluations and qualitative insight). Through the creation of the Insight Library and development of learnings summaries the Service will significantly expand the 'What Works' area to provide the sector with an accessible repository of key evidence to inform decision making, as well as thought leadership that brings to the foreground key learnings or implications for programme and research design. The Money Advice Service will work closely with key stakeholders and funders, both in the development of the Insight Library and ongoing curation to ensure that the content delivered is useful and addresses pertinent questions for the sector.

Contributing to the wider evidence base

There are significant gaps in our understanding of the UK's population's financial capability and the best ways to improve it. The Money Advice Service will contribute to the evidence base by running the national Financial Capability Surveys of adults and also for children and young people to help us better understand the profile and distribution of the UK's financial capability.

The Money Advice Service will aim to partner with others to fund interventions that will be robustly evaluated to help fill key evidence gaps. For example, there is limited evidence on the best way to improve children's financial capability, so the Money Advice Service is working with the Education Endowment Fund to support robust evaluation of interventions that have been shown to have promise in raising pupils' financial capability and educational attainment.

There is also limited evidence on which interventions work to improve the impact parents can have on children's financial capability so the Money Advice Service is working with Big Lottery in Wales and other partners to carry out 'Talk, Learn, Do: Parents, Kids and Money' pilots to test the most effective ways to support parents to improve their children's financial capability. More details can be found on page 8.

The Money Advice Service will also help to co-ordinate the activities of the wider research sector and focus them on filling key evidence gaps (informed by content and gaps in the Evidence Hub and Insights Library), and reducing duplication through our Money Advice Service Research and Evaluation Group, and wider research gatherings. We will encourage organisations to share information about current projects, through the Financial Capability website, and broker relationships between researchers looking to evaluate interventions and front-line providers delivering those interventions.

The Money Advice Service will monitor change across the sector using both qualitative and quantitative approaches to evidence the extent to which the Strategy is prompting sector-wide change and uptake of good evaluation practice.



Action Plan

The Money Advice Service will take forward this action plan and will draw on the Research and Evaluation Group (REG) for advice and guidance on the approach taken.

1 Grow the evidence base

- a. Support funders and providers to conduct more consistent and better-quality outcome evaluation by:
 - ▶ developing and piloting, then launching the Common Evaluation Toolkit;
 - ▶ continuing to develop the Evidence Hub and Insights Library;
 - ▶ delivering support to providers seeking to integrate the Outcomes Frameworks into their evaluation activity; and,
 - ▶ continuously reviewing and updating the Outcomes Frameworks and Common Evaluation Toolkit in line with user feedback and learnings about key indicators of financial capability.

- b. Co-ordinate research and evaluation across the sector, including conducting new research, to fill key evidence gaps and reduce duplication. This will include:
 - ▶ running the Financial Capability Survey;
 - ▶ commissioning research to fill key gaps in our understanding of what drives or impedes Financial Capability;
 - ▶ delivering research events and co-ordinating research programmes across the sector with support from the Money Advice Service Research and Evaluation Group;
 - ▶ publishing research programmes for the Money Advice Service, and other key commissioners of Financial Capability research, on the Financial Capability website;
 - ▶ conducting research to demonstrate the social and economic benefit of financial capability; and
 - ▶ commissioning research to develop an understanding of how nudge theory can be applied to change people's financial behaviour.

- c. Engage with funders to enable them to build robust evaluation into their requirements for funding. This will include:
 - ▶ launching the IMPACT principles and working with early signatories to embed these; and,
 - ▶ continuing to increase the number of funders signing up.

2 Promote greater use of the evidence base

- a. Continue to develop and expand the Evidence Hub as a comprehensive resource for the sector to inform funding decisions, design of interventions, and research activity; and incorporate an accompanying Insight Library.

- b. Support funders and providers to use and apply evidence to ensure that resources are used to deliver interventions that are proven to work, or show promise, and meet a known need:
 - ▶ promote use of evidence by funders through appropriate forums and channels; and,
 - ▶ support signatories of the IMPACT Principles in applying evidence to the work they do, and producing funding applications that are underpinned by robust evidence.