

23 October 2018

Improving financial capability: learning from the What Works Fund



The Money Advice Service (UK)
moneyadviceservice.org.uk

#TalkMoney
#WWfindings

Welcome

Sarah Porretta, UK Financial Capability Director
Money Advice Service

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Introduction

Charles Counsell, Chief Executive
Money Advice Service

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Why what works?

Dr. David Halpern, National What Works Adviser
UK Government

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What Works?

David Halpern

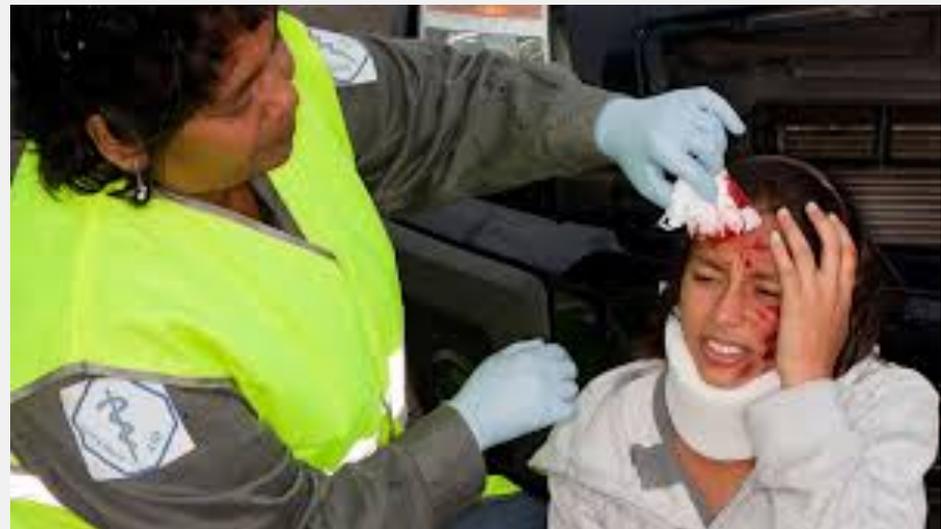
What Works National Advisor



the **Money**
Advice Service



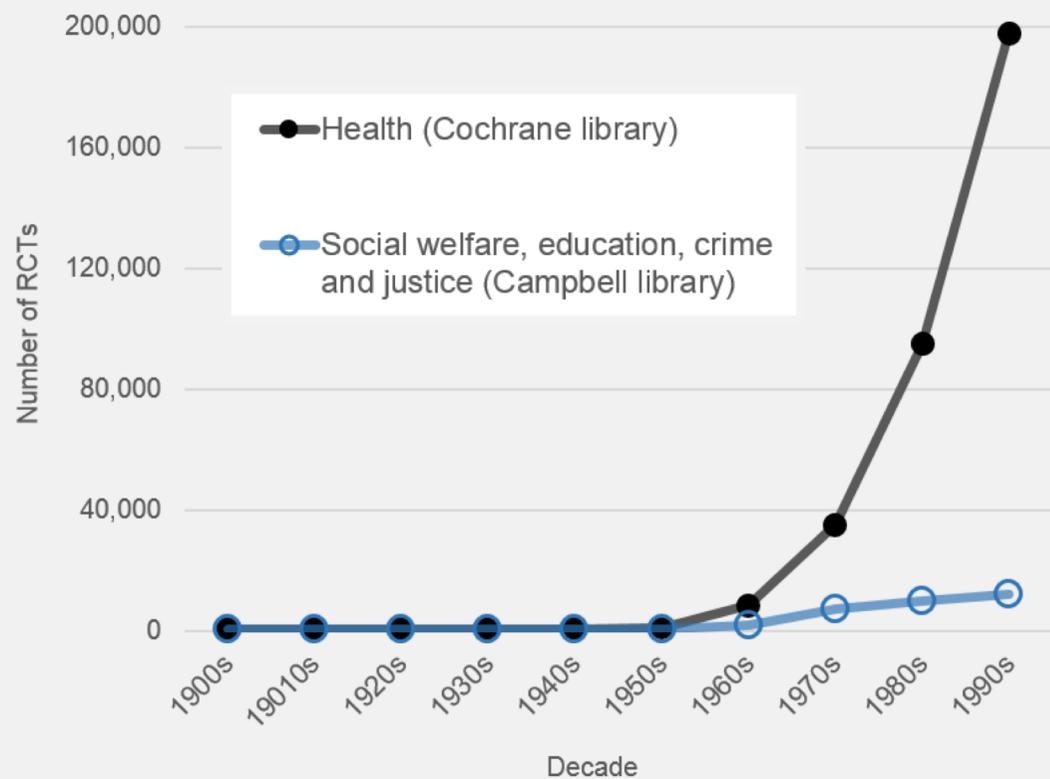
Cabinet Office





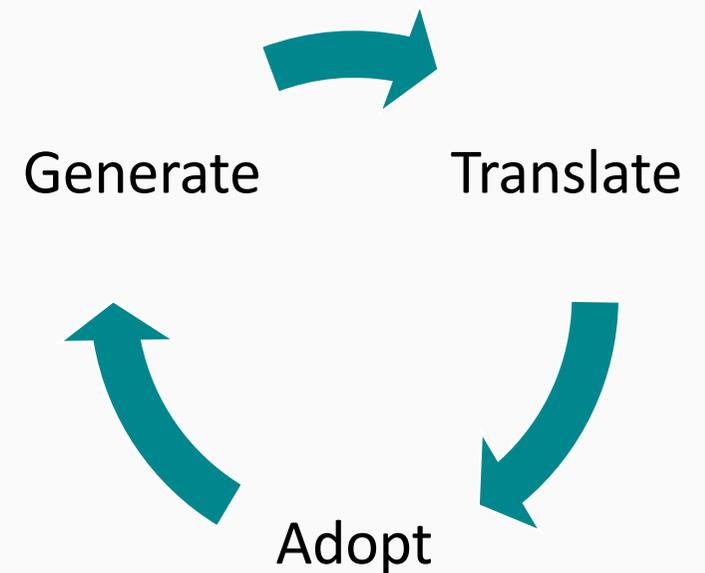
“...a NICE for social policy...”

Putting high-quality evidence
in the hands of decision
makers.



What makes a What Works Centre?

- Independent of government
- High-quality evidence syntheses and studies
- Translate assessments into practical guidance
- Build the capacity of decision makers to make use of evidence





Between them, the What Works Centres cover policy areas worth over £200bn of public expenditure.





Evidence toolkits make it easy for decision makers to understand what works – and what doesn't.

https://educationendowmentfoundation.org.uk

Filter Toolkit Toolkit Strand ^ Cost ^ Evidence Strength ^ Impact (months) ^

Filter results by keywords

£ Cost

🔒 Evidence

+1 Months Impact

[Reset](#)

Download Toolkit

Toolkit Strand	Cost	Evidence Strength	Impact (months)
Arts participation Low impact for low cost, based on moderate evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	+2
Aspiration interventions Very low or no impact for moderate cost, based on very limited evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	0
Behaviour interventions Moderate impact for moderate cost, based on extensive evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	+3
Block scheduling Very low or no impact for very low cost, based on limited evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	0
Built environment Very low or no impact for low cost, based on very limited evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	0
Collaborative learning Moderate impact for very low cost, based on extensive evidence.	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	+5
Digital technology	£ £ £ £ £	🔒 🔒 🔒 🔒 🔒	+4



The What Works Fund

- Evaluating existing interventions
- Testing new approaches
- ‘help organisations from across the sector to fund and deliver interventions that we know make a difference to people’s financial capability’

The Financial Capability Lab partnership:



THE
BEHAVIORAL
INSIGHTS TEAM

Making space for innovation.

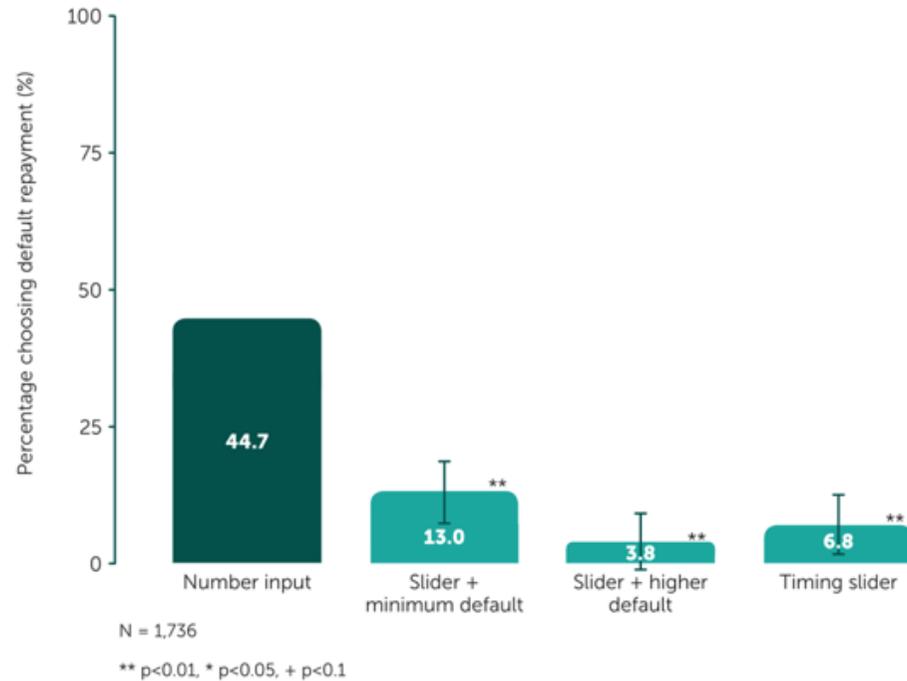
How can we encourage borrowers to pay back their debts more quickly?

Anchoring and defaults.

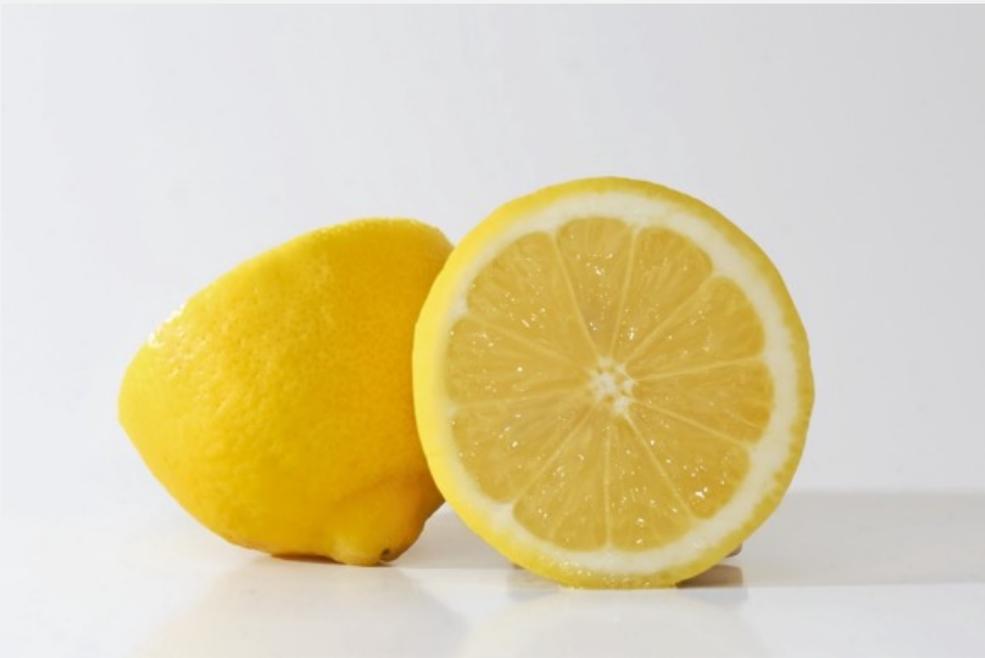
Figure 2: Example of slider with time scale to choose repayment amount



Figure 4: Percentage of participants choosing the default repayment amount



What
Works
Network **W**
W





Cabinet Office

Blog: whatworks.blog.gov.uk

Twitter: [@WhatWorksUK](https://twitter.com/WhatWorksUK)

Evidence of Impact

Three projects funded by the What Works Fund

#TalkMoney
#WWfindings

What Works for Financial Education

**Robyn Vernon-Harcourt, Project Manager
Young Money**

**Professor Tina Harrison, Lead Research
University of Edinburgh Business School**



What we evaluated

To what extent does training teachers to plan and deliver financial education impact on the financial capability of the young people they teach?



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Key Learnings

- Training teachers to plan and deliver financial education does have a positive impact on teachers' confidence and pedagogic practice.
- Access to quality resources is crucial.
 - but training helps make more effective use of resources
- Teacher's length of service and prior experience of teaching financial education influences the degree of impact.
- Teachers perceived the training and resources to be effective.

'having five units gave us the guidance as to where to focus and ... map out what we were doing and why we were doing it'.

'Things like that are a godsend for teachers ... especially if you're not an expert in it because it involves a lot more research'

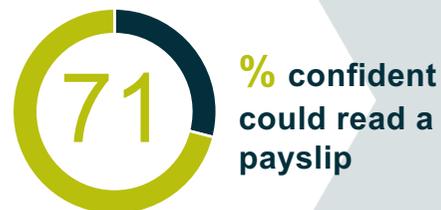
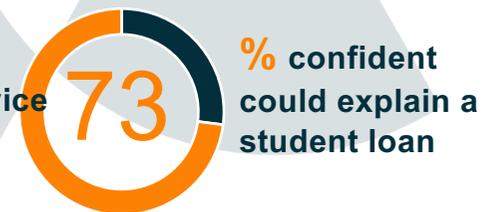


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Key Learnings

- Training teachers to teach financial education also has a positive impact on students' financial capability outcomes.
- The effect of the training can be seen in all 5 themes.
 - especially the themes of fraud and identity theft, seeking financial advice and choosing financial products.
- Students' confidence in managing money increased significantly.



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Wider Impact

- The wider roll-out of teacher training in financial education is beneficial.
- Supported by access to quality resources and a consistent curriculum.
- Opportunities to embed financial education in Initial Teacher Education as well as through ongoing CPD.
- Both teachers and students believe financial education is important.

'I think it is something that all students should do, but I don't know how they could do that unless it's put on, like, a national curriculum or something'

'they [Government] need to do something in producing some kind of financial framework for PSHE students overall because post-16 there's just nothing available'

'To see their enthusiasm for specifically things financial grow out of nowhere'

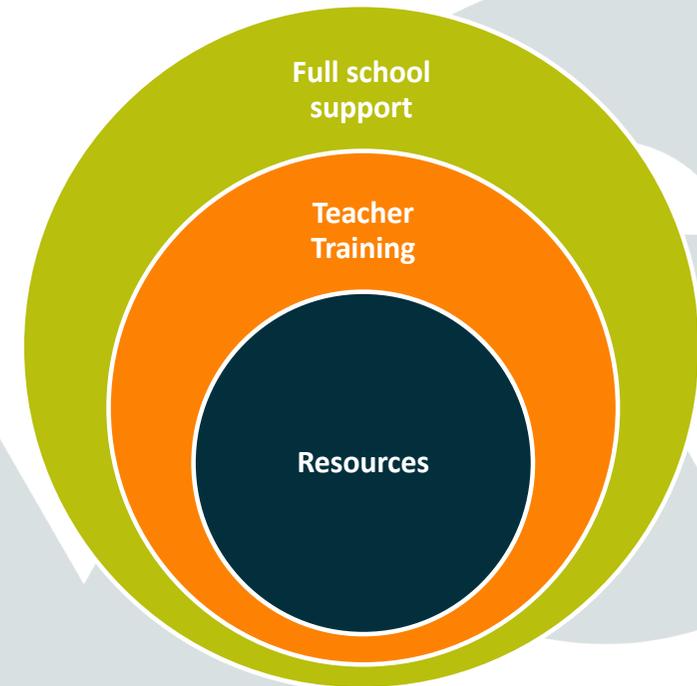


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Wider Impact: Young Money

- Refined model of support
- Greater ability to evidence impact of model for partners and future funders



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Next Steps

- Continue to track teachers and students over one more academic year.
- Consider longitudinal impacts of the training on teachers and students.
 - In particular, to explore whether increased confidence leads to positive behavioural outcomes
- Development of case studies
 - to explore the impact of school-level factors and teaching practice and identify positive practice for sharing.



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Thank you

Robyn Vernon-Harcourt

Email: Robyn.Vernon-Harcourt@y-e.org.uk

Professor Tina Harrison

Email: Tina.Harrison@ed.ac.uk



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Piloting Supported Rent-Flex with Optivo Housing Association tenants

Damon Gibbons, Director

About the Centre for Responsible Credit

- We are a dedicated research and policy unit established in 2010 and currently hosted within [Learning and Work Institute](#). We:
 - Conduct research into the extent of over-indebtedness, the effectiveness of regulation and the impacts of financial health programmes and financial services provision, and
 - Promote policy responses designed to protect the long term interests of households and sustainable economic growth.
- We provide a range of services, including:
 - High quality research, utilising both quantitative and qualitative methods
 - Strategic consultancy at all levels, including for local partnerships seeking to address over-indebtedness in working class communities
 - News and analysis of the latest policy, regulatory and practice developments, and
 - Policy driven events.

About the Supported Rent-Flex pilot

- The Supported Rent-Flex pilot provided 59 tenants within Optivo Housing Association with the opportunity to agree a personalised schedule of rent payments over the year – allowing them to over and under pay in agreed months – to reflect their expected peak financial pressures, such as at Christmas or in the school holidays.
- Rent-Flex was targeted to low income, working, tenants. To be eligible, tenants had to have dependant children, and either currently be in rent arrears of less than £500, or have had a history of payment problems in the past 12 months. They also had to have direct responsibility for payment of at least part of their rent (i.e. not on full Housing Benefit paid direct to the landlord).
- The on-boarding process required tenants to work with Optivo's Money Matters Team, which maximised income and conducted an annual budgeting exercise with the tenant. Following this, the tenant then had their Rent-Flex agreement confirmed in writing.

Key findings and learning

- **Offering Rent-Flex improved engagement with financial support:** tenants wanted Rent-Flex and were prepared to take-up support in order to access it, when they wouldn't otherwise have done so.
- **The support during the on-boarding process was extremely valuable to about half of the tenants:** Just over £70,000 worth of direct financial benefits were secured for these tenants. Outcomes ranged from small (£50 or less) value emergency grants for food, fuel or clothing to more substantial packages of support.
- **But half of all tenants were able to on-board onto Rent-Flex without a great deal of support.**
- **Ongoing support was also greatly appreciated when people had problems.** In most of these cases, tenants pro-actively contacted Optivo to seek help with their problems:

“[The Financial Inclusion Officer] was really good. When my husband lost his job, I told her about it and she contacted [the Income Officer]. She was really quick and she did everything she promised. I was in shock. Before I went on rent-flex it took ages to get through to a housing officer but this time [the Income Officer] got back to me the next day!”

Rent-Flex has a range of positive impacts on financial well-being

	Before Rent-Flex	After at least 6 months on Rent-Flex
Running out of money before the end of week or month	Over half (57%) 'always' did so, and a further third (36%) did so 'most of the time'	Only one-tenth 'always' ran out of money, and a further tenth did so 'most of the time'. Over one third 'hardly ever' or 'never' run out of money
Using credit to pay for food or other essentials	Half regularly used credit to buy food or pay for other necessary items because they ran short of money. A further seven percent reported that they did so 'sometimes'	Only five percent of tenants used credit to pay for essentials on a regular basis, and nearly three quarters never did so
Worrying about putting food on the table	45% of tenants told us they constantly worried about this, and a further 10% worried about this 'quite often'	None of the Rent-Flexers worried about putting food on the table on a regular basis, whilst a third did so 'only sometimes'. The remaining two-thirds, never did
Saving	Tenants were not able to save. Only one tenant had any savings at all, and these were for less than £50	The number of tenants saving increased to four, with each of these saving at least £100 and two of them more than £500.

Next steps

- Follow on Fund evaluation, tracking tenants to end of Feb 2019 when all tenants will have been on Rent Flex for at least one year.
- In discussion with funders to develop 2 or 3 larger scale trials with 350 Rent-Flexers each for a year. These will involve:
 - Mix of eligibility criteria (e.g. Universal Credit claimants, new tenants);
 - Trial of new assisted digital on-boarding and phone based support for tenants;
 - Training programmes for Housing Association staff;
 - 'System changes', including in housing management software;
 - Independent evaluation.
- Intention is to develop a scale-able and sustainable business model;
- Potential longer term development into Council Tax Flex and into FinTech, including 'Bill-Flex' wallets to provide larger sums of flexible assistance to users and which also share risk between participating service providers.



Age Scotland

Money Matters



Money Matters

How can we help older people, post retirement, to manage their finances through key life events and to plan ahead for later life?

June 2017 – January 2018

- Roadshows for Age Scotland member groups
- Information guides (Scottish legislation)
- Call the Age Scotland helpline for one-to-one advice
- Evaluation – in house and externally verified

Roadshow topic	Bookings	Attendees
Benefit entitlements	25	357
Care costs and funding	14	229
Power of Attorney	12	184
Wills and funerals	7	83
Planning for change	23	353
Total	81	1206



Evaluation

Pre- and post- roadshow questionnaires: increased knowledge, understanding, awareness and intended use of Information and Advice services

6 week follow up calls – *the most engaged participants*

- 84% had looked at the information guides
- 82% had talked to someone about what they had learned
- 40% had done something: looked into their finances, contacted a service for I&A or applied for a benefit.
- 56% felt the roadshow made a difference to the way they felt about their finances



Learning and changes for older people

I thought it was excellent. They didn't speak down to us. I felt they understood where we were coming from.

I've gotten in touch with my local pension wise person. I've encouraged my partner to get his Power of Attorney done.

I feel more confident that what I've been doing is along the right track

It's acted as a catalyst to get me going.

It was very useful. It confirmed things for me and it gave information to pass onto other people



Learning

Barriers to evaluation - cognitive impairment, sensory impairment or frailty

The model worked for many older people and potentially stigmatizing subjects:
It's preparing for when you die. I never knew all about it - it was enlightening.

Many had self-reported high knowledge / skills and were comfortably off - how do we reach others? *Not for myself personally but I assisted a friend with accessing a fuel allowance and enquired about other benefits for her.*

Some people were too busy to act on roadshow learning: *I haven't had a chance as I am going to see my husband in the hospital every night*

Why don't older people want to call helplines?



What has changed for Age Scotland?

- How we describe our helpline
- Press publicity with fresh evidence
- A tested model for project funding applications
- Opportunities to raise awareness of financial issues for older people
- Shared findings with TPAS - mid retirement financial review
- Shared findings with Social Security Scotland
- More confident evaluation – templates used as a guide

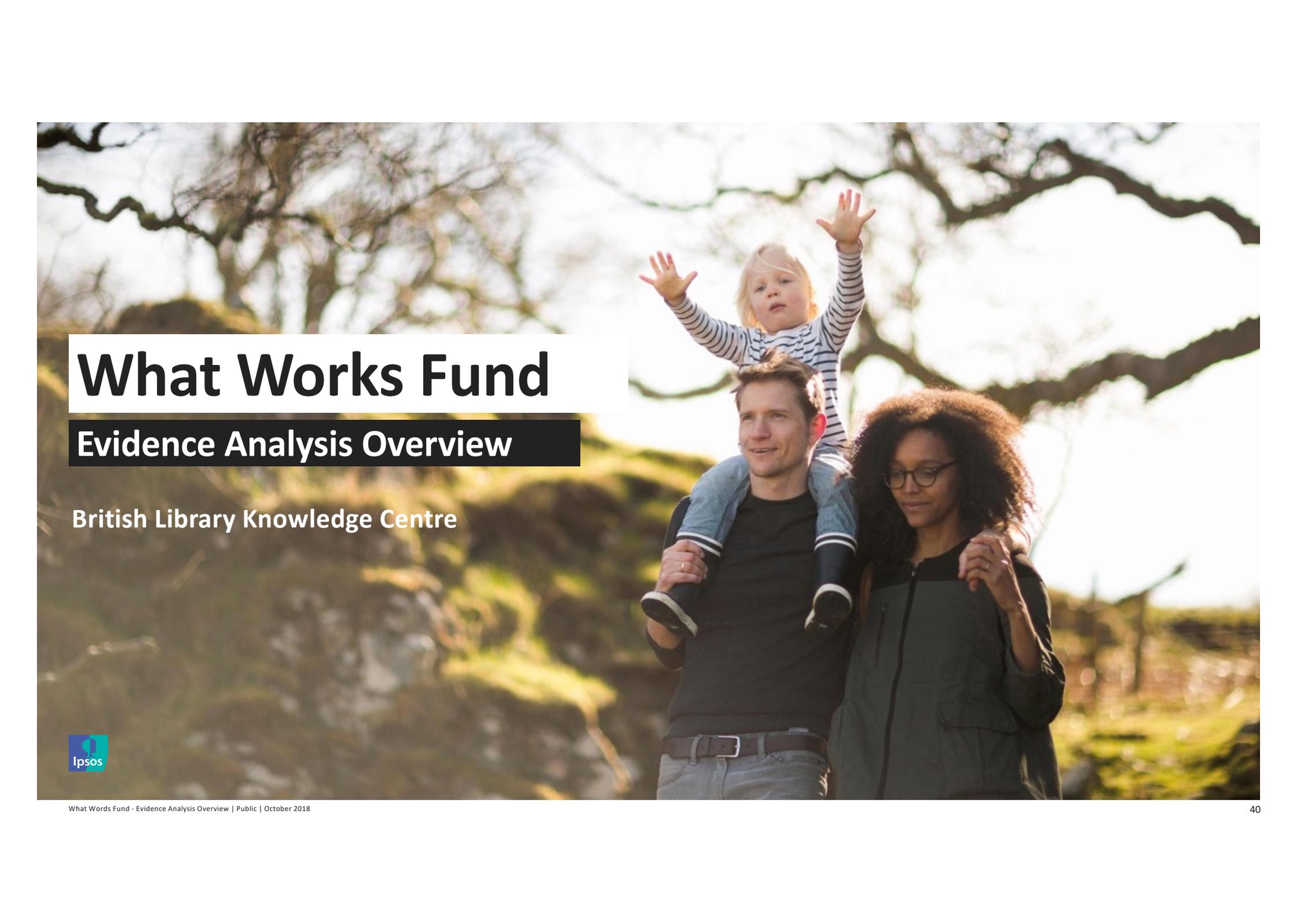
Refreshments

Findings from the What Works Fund

**Kelly Beaver, Managing Director of Public Affairs
Ipsos Mori**

**Professor Sharon Collard, Research Director
Personal Finance Research Centre, University of Bristol**

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What Works Fund

Evidence Analysis Overview

British Library Knowledge Centre



The What Works context



Embedding evidence at the heart of policy making and service delivery

10 What Works centres

288 evidence reviews

48 systematic reviews

5 WW centres have evidence toolkits

The FinCap evidence base in the UK

2016

26 evidence studies

3x

2018

80+ evaluation studies and evidence summaries

Testing and evaluating in a consistent way

1 Understand your programme

- Theory of Change
- Outcomes Framework

2 Measure a change

- Outcomes Framework
- Evaluation Plan

3 Learn and share

- Learning and Sharing Plan
- Evidence Hub



Comparable data at scale

Evidence informed interventions

What Works Fund

Evidence Analysis by Lifestage



Children & Young People

- Trainer-led group sessions in mainstream schools can lay the building blocks for financial capability
- Training teachers to deliver financial education has positive effects for teachers and their students.



“

I think it's changed me because sometimes when I go to the shops with my sister I'm thinking, "Why can't I buy too?" Then I sometimes think, "Do I really need this? Can't I use this money and save it for something else more important?"

(11 year old, MyBnk Primary Money Twist)

Children & Young People

- Support for parents can boost their confidence to be effective money role models for their children.

“

I never encouraged my children to do the shopping with me but after attending this course I am taking my children when I go for weekly shopping. They are helping [me] to check the food labels and the cost.
(Parent, Family Fortunes programme).

Young Adults

- Financial capability for young adults must be geared to their specific circumstances.

Centrepoin't's Moneywise service enables homeless young adults to 'mix and match' the support they get, with help including accredited training, workshops mentoring and ad hoc advice.

Young Adults

- Specialist training for youth practitioners can make them effective financial capability messengers for the young adults they work with.
- Peer-led group sessions are effective for young adults, but they also value the voice of ‘older experience’.



They have to start budgeting for food and so on. I gave them new ideas and tips on how to do this. Before they ignored the problem, I think the course has helped me change that mindset (**Youth Practitioner case study, NSAFS *Life, Money, Action***)

Working Age

- Life events offer ‘teachable moments’ to support financial capability as part of one-to-one help

Two models of engagement:

1. Around life events, e.g. health, relationship changes, job changes
2. Around immediate need, e.g. help with housing, benefits, debt

Working Age

- Low engagement limits the effectiveness of digital channels – but personalised one-to-one help can break down digital barriers
- Informal peer support can amplify the effectiveness of group sessions.

**Good Things Foundation
randomised control trial showed
that participants who were
supported to make an online
digital transaction were 6.5
times more likely to
transact again**

Older People In Retirement

- Group sessions can have a positive effect on financial capability, although older people find some topics off-putting

Income maximization was a popular topic for group sessions among older people e.g. benefit checks, utility switching.

Sessions on planning ahead e.g. making a will, tended to be less popular.

Older People In Retirement

- Embedding financial capability into online skills sessions is a good ‘hook’ to get older people engaged but they don’t necessarily use new online skills to manage money differently.



People don’t exist just to be financially capable ... the training has to first link into their wider interests and things they are already doing, finding ways to get their curiosity going and then building on this.

(Advice NI, Building Resilience In Retirement co-ordinator)

The WWF Legacy

**More large-scale,
good-quality
evaluations that
tested
comparable
outcomes**

**Further work
planned on
specific themes
and topics**

**All freely
available on the
Evidence Hub to
use and share**

**Clear ideas about
what works for
people at
different life
stages**

Evidence into Action: what next?

Kelly Beaver, Ipsos Mori

Professor Sharon Collard, University of Bristol

Jake Eliot, Head of Policy & Propositions, Money Advice Service

Nick Watkins, Head of Insight and Evaluation, Money Advice Service

Hosted by Sarah Porretta, UK Financial Capability Director, Money Advice Service

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Lunch