

Budget Planner Evaluation

MAS Response Paper – June 2018

This paper sets out our response to an evaluation of our Budget Planner, the fourth most visited tool on our website. It describes what we learnt and how we plan to act on the results.

The evaluation was carried out by Winning Moves
www.winningmoves.com

Why we commissioned this evaluation

We commissioned this evaluation because we wanted to understand how the Budget Planner works and what changes we could make to provide the best support to our customers. The Budget Planner helps our customers to monitor and plan their expenditure. As a result, we hope that they have a better understanding of what they can afford to spend, make cutbacks where spending is higher than necessary, and start to save.

We are committed to advocating and role-modelling good evidence and evaluation practice and acting in line with the Financial Capability IMPACT Principles. Therefore, it is important that we devote sufficient and appropriate resource to evaluation, act on our findings and publish these so others can learn from our successes and failures.

This project was an opportunity for us to explore options for evaluating interventions delivered via our website. As such, it is the first step in a longer journey to understand how outcome evaluation fits within a wider set of approaches to understand how well our website is meeting our customers' needs.

Evaluating tools on our website however presents a challenge. We have chosen to make registration optional to avoid discouraging our customers from accessing the help that they need. There is therefore little scope to follow up with the majority of customers who do not register. In addition, deciding what to measure is not always straightforward as the evidence on what outcomes online tools can bring about is limited. At the outset of the project, we worked closely with the evaluator, Winning Moves, to develop an approach that tackled these issues (as far as possible), by drawing on available evidence and data we held on our customers.

What we found

We were very pleased to see some promising signs that using the Budget Planner can help people to change their spending habits and manage their money better, and that this can have knock-on effects on their financial wellbeing.

Both this research and the wider literature found that whilst budgeting was a short-term behaviour (no participants were still updating their budget three months after first use), the changes to spending habits were sustained. As a result, some participants felt they had more money in their pockets, were starting to set goals and save towards these, and were consequently feeling more confident and motivated to maintain good money management behaviours going forward.

Although it was good to see that the Budget Planner could support such changes, most importantly for us, we also learned when and why this was sometimes not the case. For our Budget Planner to enable participants to make changes, certain conditions must be met, which we discuss further below. We learnt that our Budget Planner is missing opportunities to leverage these conditions, despite being well-received in terms of usability.

Condition 1: Users saw budgeting as a viable means to achieve a financial goal

For users who engaged with the Budget Planner, budgeting meant achieving goals that were important to them, such as finally being able to visit family abroad or getting their money under control. But for those who did not engage, budgeting was about 'saying no', 'being mean' or simply would not work for them.

Our response: Within the Budget Planner, we do not make the link between budgeting and achieving goals or spell out how our Budget Planner can help people finally take control of their money in a way that works for them. In future iterations of the Budget Planner we will explore the tone and language surrounding the Planner, to make this as engaging as it can be. Where possible we will seek to embed this in the tool structure, for example by allowing users to set a savings goal and adjust their budget accordingly.

Condition 2: Users took the time to complete the Budget Planner accurately and comprehensively

For the Budget Planner to work it needed to reveal something about users' finances that they did not know before – it needed to be 'eye-opening'. To get the most out of the Planner, participants had to take the time to complete the tool accurately, to get their bills together, check their bank accounts and speak to others in their household. However, when participants completed the Budget Planner from memory, this reinforced the belief that there was nothing more they could do to improve their financial situation.

Our response: Getting people to the Budget Planner is not enough. We need to ensure that they spend time completing it accurately, especially as completing it from memory may reinforce unhelpful beliefs and habits. We are exploring ways we can flag errors and gaps or more effectively prompt users to check their bills and bank statements. We are also looking at whether we can improve

accuracy, enable users to complete the tool more quickly, and provide more personalised guidance by asking users to provide more information about their household upfront.

Condition 3: Users recognise opportunities for change

Participants who made the most change after using the Budget Planner described the output as revelatory. Where they had once believed they had a good handle on their finances, they now realised that their outgoings were much higher than they thought. However, users who did not spot a stand-out expense to tackle first felt overwhelmed and defeated or asked whether their expenditure was the same as others – suggesting they were looking for guidance on where they could cut back first.

Our response: There is certainly more we can do to ensure users have a clearer call to action when they see their results. We are currently looking at ways to flag areas of high spending, based on average spending data for users' income and household size, and provide targeted guidance on how they can make cutbacks.

These are just some the findings that particularly stood out to us. For more detail please see the full report available [here](#)

Next steps for evaluating our website

In addition to improving our understanding of the Budget Planner we also learned a lot from this project about how we can evaluate our website going forward. There is still a considerable amount work for us to go through in this area, and over the next year we will consider:

- How we could go about incorporating outcomes measurement into our existing continuous improvement processes. To do so, we will also need to consider how interventions delivered via our website contribute towards Financial Capability outcomes;
- Whether it is viable and appropriate to analyse the data that our customers input into our tools, in order to understand their needs and thereby improve our services. This will require some fairly significant changes to the way we store data and therefore will require extensive planning and implementation work, especially in light of the new GDPR regulations;
- Identifying a broader range of monitoring and evaluation methods that could help us understand how interventions delivered through our website are working and identify opportunities to make improvements.

If you would like to know more about any of our work to improve the Budget Planner, implement findings from this evaluation, or develop our broader digital evaluation approach, please get in touch.

lizzie.jordan@moneyadviceservice.org.uk