



Financial Skills for Life
Building financially
capable communities

December 2009

This report has been produced as part of the Citizens Advice Financial Skills for Life Programme.

Key partner



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www.financialskillsforlife.org.uk

www.financialskillsforlife.org.uk is the national financial capability website of Citizens Advice. It is aimed at the financial skills community across England and Wales and has recently been expanded to include:

- more information about our programmes and partnerships
- up to date information about local forum meetings
- more free downloadable guides, tools and reports – including a new financial capability starter pack
- more real life case studies and good practice examples.

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Introduction



David Harker
Chief Executive
Citizens Advice



Rob Devey
Chief Executive
Prudential UK &
Europe

Citizens Advice Bureaux know that having the financial skills to make informed decisions at key points in life can mean the difference between a secure future and a desperate struggle. Last year bureaux handled over 1.9 million debt enquiries and saw a 50 percent increase in clients at risk of losing their homes through mortgage or secured loan arrears. Bureaux also used their community links and financial expertise to help improve the financial skills of a quarter of a million people.

The Citizens Advice service and Prudential have been working together on the Financial Skills for Life programme for seven years. Well before the recession hit we shared a vision of creating communities that are financially capable. We want everyone to have the knowledge, skills and confidence to make informed decisions about their money. Particularly people on low incomes or at risk of social exclusion.

Through the programme the number of bureaux providing educational programmes has trebled to well over 200. Working with local delivery partners, bureaux are helping people to budget better, find the right deals, and borrow and save appropriately. We have also shared our experience with policy-makers and established a network of regional financial capability forums to promote effective local partnership working.

This guide highlights the benefits of bureaux working in partnership, and the essential support that has been received from private and public sector funders and policy makers.

We welcome the way in which housing associations, credit unions, local authorities and other partners are working with us to make sure that we reach the people who most need help. Independent evaluations show that our work with their frontline workers and clients is making a real difference to people's decisions and, indeed, their lives.

Financial Skills for Life has brought together a range of stakeholders and investors who share our ambition that financial capability services will be available through all bureaux in England and Wales by 2011. Whether you are a potential partner or policy maker, we hope that this guide will encourage you to get involved with our work.

David Harker *Rob Devey*

“ Helping people to manage their money better is not just an issue for the here and now. The costs of financial exclusion are intimately linked with prolonged and entrenched unemployment, and patterns of ill health, illiteracy and social deprivation that are found in our poorest communities. Financial capability training can help break this cycle, giving people the tools to manage their money and the knowledge to make sure they are receiving a fair deal. Citizens Advice Bureaux and other advice agencies need support from local authorities to deliver this training in a planned and sustained way.”

Bala Mahendran,

Local government representative, HM Treasury
Financial Inclusion Taskforce and Chief Executive,
Basildon District Council

“ There were parts of it that I never even dreamed about. Budgeting for birthdays and stuff, you just sort of pay out for them and don't think about it, instead of really sitting down and budgeting for them.”

Parent participant

“ We have been a long term supporter of the Financial Skills for Life programme. The Citizens Advice service has an excellent brand and ability to reach deep into disadvantaged communities. They also bring a national network and a real commitment to delivering high quality initiatives.”

Alan Eagle,

Manager, Santander Foundation

Creating financially capable communities

Financial Skills for Life is the national financial capability programme of Citizens Advice. With Prudential as its key partner, the programme has enabled us to secure substantial support from a range of funders for financial education initiatives by Citizens Advice Bureaux. Often partnering with other local groups, bureaux deliver training and support that particularly help people on low incomes avoid financial crisis.

Financial education is becoming an increasingly substantial part of the work of the Citizens Advice service. For the first time last year, over half of all our Citizens Advice Bureaux in England and Wales provided financial capability services in their local communities.

Bureaux and forums working across England and Wales

Well over 500 staff and volunteers in over 200 bureaux are now involved in delivering financial education. They collaborate with other agencies through the network of regional financial capability forums that we have established through Financial Skills for Life with support from the Bank of America and also the Santander Foundations. Working together, bureaux and forum members deliver initiatives that benefit a quarter of a million people a year.

Substantial reach

Last year alone:

- about 50,000 people, including hard to reach adults and school pupils, benefited from face-to-face bureaux training
- another 200,000 people are estimated to have benefited from bureaux training the frontline workers in partner organisations who can in turn help their clients
- many more will also have been reached through local public information and media campaigns.

Increasing participation

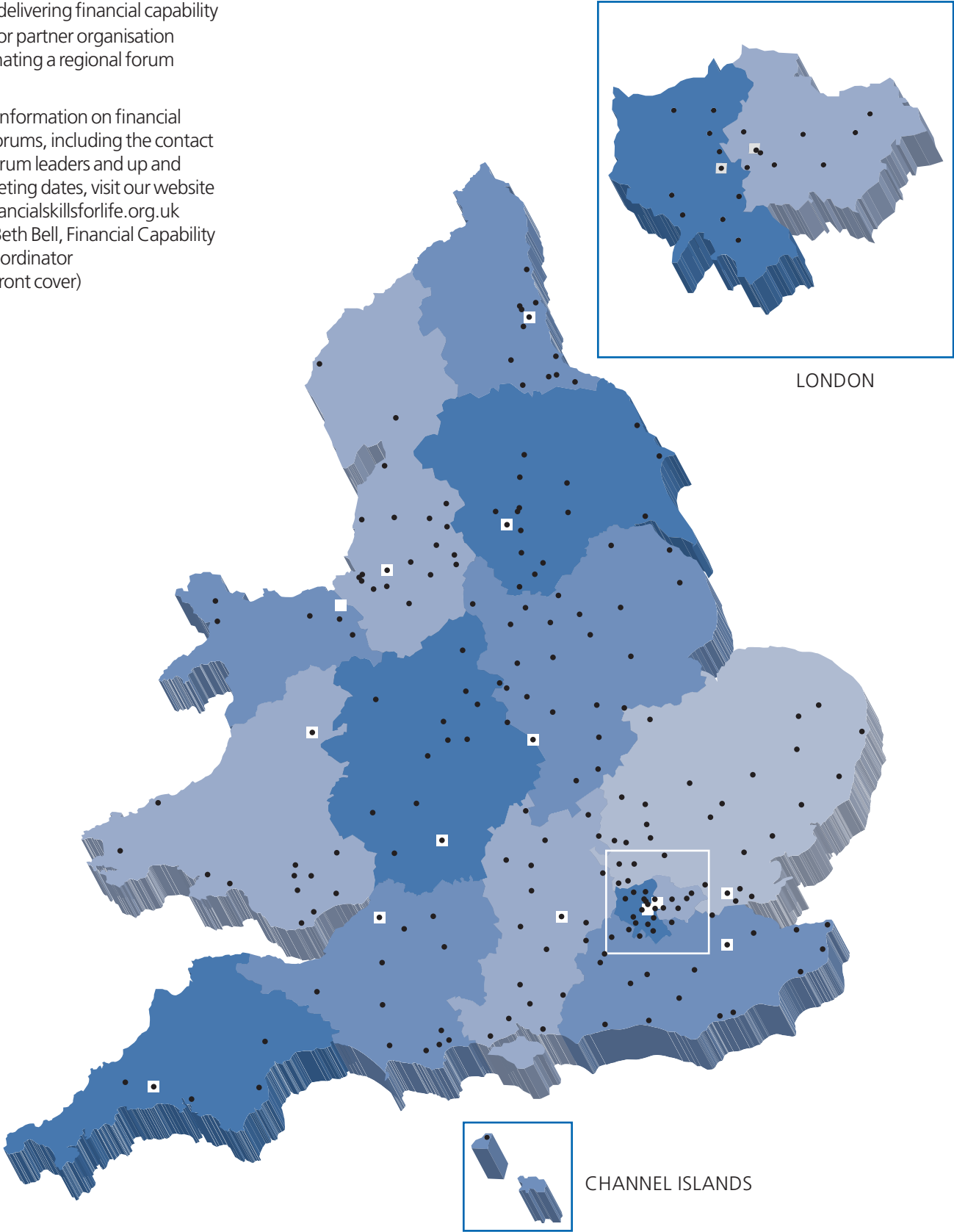
There is a real appetite from bureaux to deliver financial education services:

- Over the last three years a total of 280 bureaux, two thirds of all Citizens Advice Bureaux in England and Wales, have delivered some level of financial capability service.
- Some 95 percent of bureaux that are not already involved are interested in delivering a service.

211 Citizens Advice Bureaux delivering financial capability services in 2008/09

- Bureau delivering financial capability
- Bureau or partner organisation co-ordinating a regional forum

For further information on financial capability forums, including the contact details of forum leaders and up and coming meeting dates, visit our website at www.financialskillsforlife.org.uk or contact Beth Bell, Financial Capability Forums Co-ordinator (see inside front cover)



Our **MoneyActive** project, supported by Nationwide Building Society, is substantially increasing bureaux' capacity by training and supporting volunteers to deliver financial capability sessions. The project has funded 44 projects in the first year and by 2012 it will have supported 1,300 volunteers across the UK.

Delivering training

Bureaux work with a wide range of client groups and community partners. They make a difference by delivering training sessions that help people to budget, bank, access credit, manage debt and maximise their incomes.

They use a range of methods to improve people's financial skills including one-to-one mentoring and public information campaigns. But nearly all build their programmes around group training sessions.

An expanding financial capability workforce

Over half of the bureaux which deliver a financial capability service dedicate at least one day a week of worker time to it. Over 300 bureaux staff and 250 volunteers are now involved. Last year saw a 150 per cent increase in the number of volunteers working for us on financial capability issues. This number is growing fast thanks in particular to our MoneyActive programme, with substantial support by Nationwide Building Society.

Funding

- Over three quarters of Citizens Advice Bureaux delivering financial capability received some central funding support from Citizens Advice in the last year.
- Since April 2008 Citizens Advice has awarded nearly £2 million of funding to bureaux and forum members to deliver financial capability initiatives.

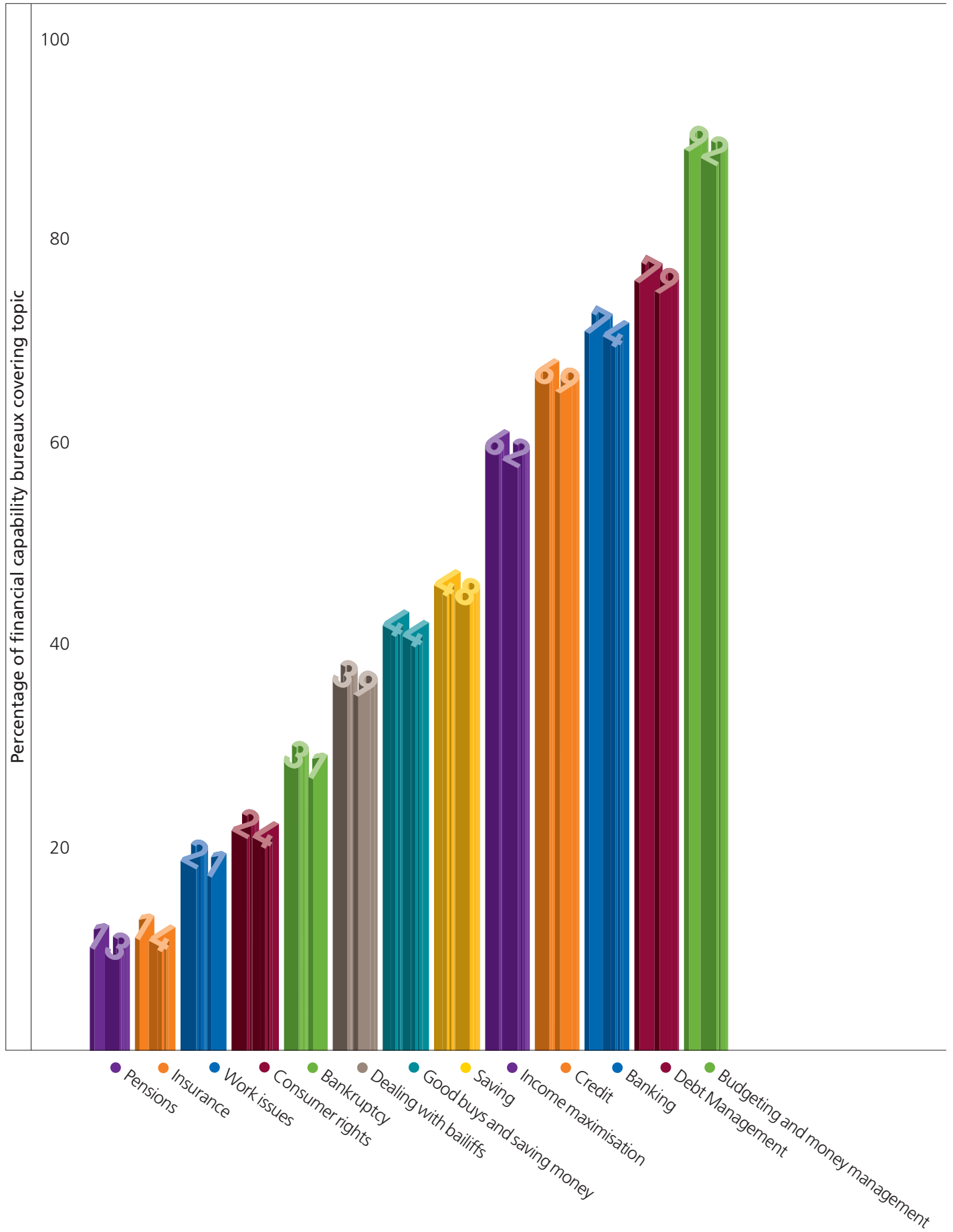
Bureaux and their partners also benefit from other Citizens Advice resources such as free training and materials.

The financial sector is the major supporter of our work. As well as Prudential, we are grateful for the particularly significant funding that we have received in the last two years from Santander Foundation, Bank of America Foundation, Barclaycard, Citi Foundation and Nationwide Building Society.

A range of national and local public sector agencies, charitable trusts and housing associations also provide important support.

At least 20 bureaux offering a financial capability service do so without any specific funding for it. Although limited in what they can do, the training they provide still benefits at least 20,000 people each year.

Topics delivered by bureaux to end users/frontline workers: 2008/09



Partnership work through regional forums

“ In the past year we have involved staff from our local authority housing and homelessness teams. They have found the meetings useful and seen the value of this work in the services that they offer.”

West Midlands Forum member

“ Attending the forum has offered us the chance to work in partnership with the local credit union and to widen our network.”

North East Forum member

Citizens Advice has set up and funded 14 regional financial capability forums throughout England and Wales, with support from Bank of America Foundation. Led by local Citizens Advice Bureaux, or other community partners, they provide a focus where people with an interest in financial capability share best practice, network and get joint initiatives off the ground.

In the last two years these forums have:

- brought together over 600 organisations – including housing associations, credit unions, school leaders, and representatives from the Financial Services Authority (FSA), the Department of Work and Pensions (DWP), local authorities and the financial services industry
- channelled £1 million of national funding to forum members to help them promote financial capability in their communities
- delivered initiatives that have helped people with financial decisions, for example, the best way to buy their energy or save for Christmas
- stimulated a wide range of collaborations. By getting together members can effectively agree priorities and secure funding that helps them achieve their objectives.

Forums continue to diversify their membership base so that a wide range of agencies with access to different communities are represented. They are determined to identify the best ways to get financial education to those who need it most, and to influence the policies of strategic partners in their areas.

In 2009 all forums started to map financial capability activities in their regions. The results are being used to reach out to new members and respond to gaps in service provision. Over 300 organisations have already responded to the initiative, sharing information about who they work with and how they make a difference.



Citizens Advice © Justin Phipperger

Working smarter at a county level

Regional forums have also led the way to establish county-level financial capability groupings. They enable agencies to get together to co-ordinate the delivery of services at a local level. They can also engage more effectively with public agencies and their policy and planning work, such as local authority community strategies. Twelve have already been established and more are in the pipeline.

County level forums will also help us address one of the key challenges of our forward strategy – to link with local authorities to secure investment in financial capability. Local authorities are under increasing pressure to deliver their services within tight budgets, but they also want to deliver local, joined up, solutions to a range of problems in their communities. Well planned and delivered community level financial capability initiatives by bureaux and forum partners can help them do just that.

“ We want more people in our region to be able to benefit from improved financial skills. Our forum is encouraging more agencies to get involved. We are also adding value to local authority economic development strategies by bringing our collective experience and delivery capacity to the table.”

Vernon Fuller, St Helens CAB,
Financial Capability Forum Leader,
North West England

CASE STUDY:

North Wales Financial Capability Forum – a catalyst for action

“ Our forum in North Wales is acting as a catalyst for action. It has worked closely with the DWP’s Financial Inclusion Champion for north Wales to create a new financial inclusion sub-forum. This includes all housing associations with properties in North Wales.”

Les Cooper, Wales and West Housing Association
Financial Capability Forum Leader, North Wales

The forum also linked in with the Mid, South and West Wales Forum who put forward a joint response to inform the Welsh Assembly Government’s Financial Inclusion Strategy. **Jayne Wynn**, Forum Leader commented “Our response carried the weight of a wide cross-section of interests. We were also able to use our members’ experience to present arguments around things like access to bank accounts through Post Offices. These points do seem to have been taken seriously by Ministers.”

Targeting our work

The **Horizons Programme**, supported by Barclaycard, has enabled bureaux to reach over 120,000 lone parents since 2005. Through the programme, Citizens Advice Bureaux have delivered integrated programmes of support – which include financial capability training and information alongside basic debt and benefits advice. Our work complements that of our national programme partners, Family Action and Gingerbread.

Citizens Advice Bureaux build on their community links and trust gained as an independent provider of money advice to reach and improve the financial skills of a wide and diverse range of groups.

The main focus of our educational work has been on adults on low incomes, and there are 250,000 people who have benefited in the last year. Some have never really had a grip on their money, while others have been thrown off track by changed circumstances. We have helped people such as carers or lone parents who are struggling to manage the increased pressure on their family income.

Bureaux typically deliver programmes to parents, young people and social housing tenants. They also work with groups such as people with learning difficulties, migrants, ex-offenders, people who have experienced domestic violence and ex-service personnel.

Bureau work covers practical topics from budgeting to opening a bank account and getting started with saving. Bureaux use a range of approaches. These include delivering small group training sessions with service users in a range of other organisations and equipping the frontline workers in those agencies to cascade information and support to their service users.

Helping parents to stay in control

Becoming and being a parent is challenging. Especially if you don't have lots of people around to support you and are on a low income. Lone parents form a high proportion of CAB debt advice clients; many of them assisted by the Horizons programme sponsored by Barclaycard.

Citizens Advice Bureaux work with a range of community partners, including Sure Start children's centres, to engage with parents and help them stay in control of their day to day finances. They also help parents make informed decisions on how to go about achieving the life they want for themselves and their families.

- Well over half of bureaux delivering financial capability services provide face-to-face training directly to parents and families.
- Over 60 percent also deliver training to the front-line staff of other agencies that target their services at families and/or lone parents.

CASE STUDY:

Managing a family budget

Bindhu* was struggling to manage her family budget as a lone parent on benefits and had borrowed money from five different doorstep lenders. She was regularly meeting their demands, but was at risk of losing her home as her rent arrears were building up. After the training she had a better understanding of how to manage her budget and deal with her debts.

“I would never use a doorstep lender again,” she said. “I had no idea that credit unions existed. The best thing for me was realising that I could do something about my situation.”

*name has been changed

“The parents attending our sessions are often renting the basics like fridges and washing machines. Once they understand more about how credit works this can give them the financial confidence to choose a cheaper option.”

Louise Edwards, Powys CAB



Library photos posed by models © John Birdsall/Press Association

“ One of our trainees was being held back by a lack of know-how. He wanted to get back into work, but didn't understand what this would do to his housing benefit or that he might be able to claim working tax credit. He is now drawing up a financial statement and seems more confident about his future.”

Kathy Peach, Basildon CAB

Young People and Money

is a national programme from the Financial Services Authority (FSA) that delivers training sessions on financial capability to frontline workers who work with young people not in education, employment or training. Citizens Advice worked with the FSA to develop the training materials. Well over 100 bureaux have already taken part in more than 400 sessions since the national programme started in 2008.

Engaging young people

Young people, especially those aged 16–24, have to navigate lots of change in their lives. Even young people who have good access to information and support can find the transition to or towards independence a tricky time. Young people in difficult circumstances, such as those leaving care, can find it especially hard to gain the money skills to establish and sustain the lives they want.

Citizens Advice Bureaux work with a range of statutory and community sector partners, adding value to existing services aimed at vulnerable young people. These include youth training providers, hostels, youth offending teams and children's homes.

Around half of Citizens Advice Bureaux delivering financial capability:

- provide face-to-face training directly to young people (aged 16–24 approx)
- deliver training to the frontline staff of other agencies that work with young people.

Nearly a third of Citizens Advice Bureaux also link with schools (including sixth forms). They support teachers to deliver financial capability and deliver sessions directly to pupils.

CASE STUDY:

Preparing for the world of work

Stockton Citizens Advice Bureau is working alongside Stockton Borough Council to deliver financial capability sessions to 18–24 year olds who are entering employment after a long spell on benefits as part of a supported employment scheme.

“ We know that the transition from benefits into employment can be difficult for some people. We feel that it is essential to financially prepare young people for work, and hopefully into sustainable employment. Our newly trained MoneyActive volunteers are adding value to the programme by covering the basics such as opening current accounts to pay wages in, and budgeting to take control of in work finances.”

Angela Corner, Financial Inclusion Co-ordinator Stockton CAB

Supporting tenants

Many bureaux also reach people for whom housing and the skills to live independently are key to helping them lead successful community lives – such as pre-release prisoners and people with mental health problems.

- Over half of all Citizens Advice Bureaux delivering financial capability services provide face-to-face training to people who are homeless, vulnerably housed or the tenants of social landlords.
- Nearly two thirds deliver training to the frontline staff of social landlords, such as housing associations and local authorities.

Citizens Advice Bureaux work with a wide range of people who are, or have been, housed in vulnerable situations. They target their services at people who are managing their first tenancy or struggling to pay their rent and work with social landlords, local authorities and a range of specialist agencies such as women's refuges. They offer their tenants a service that is independent, impartial and based on experience of delivering money advice services to people in similar situations. They also provide training to their staff on the choices and issues that tenants are likely to be grappling with and improve their ability to make timely and effective referrals for debt and housing advice.

CASE STUDY:

Training leads to early intervention

South Derbyshire Citizens Advice Bureau delivered financial capability training sessions to staff based in the housing department of South Derbyshire District Council.

Council staff were used to dealing with tenants in arrears, but found it challenging to distinguish who was unable to pay from who was simply refusing to pay.

The bureau delivered sessions on money advice and housing benefit, setting out to the staff how to identify if someone might need referring for debt advice, what benefits may be available for them and what questions they need to ask. This took the form of quizzes, case scenarios and other exercises.

The bureau have reported that since delivering the training, the council has started referring clients who are getting into arrears at a much earlier point. Previously it had been customary for the bureau to receive details only days before an eviction. This has been beneficial for the council, bureau and importantly, tenants.

Community collaborations

“As a result of the training, I’m a lot more knowledgeable about opening bank accounts and the national minimum wage. I’ll be able to give much better practical advice to the migrants I work with.”

Frontline worker participant,

“I was able to reassure her about what could be done about a letter from a loan company and encourage her to either go for debt advice or make an offer of payment herself.”

Pauline, Housing Support Worker

Citizens Advice Bureaux use their position as trusted providers of money advice, information and policy influence to link in with a wide range of local agencies. They respond to their needs by providing tailored training in financial capability to their service users and frontline workers.

Over 40 percent of bureaux delivering financial capability training now work with local authority staff or service users – from Sure Start children’s centres to local housing departments. Public bodies and their partners increasingly recognise that working with bureaux to deliver financial capability benefits their clients and meets their policy and performance agendas.

Citizens Advice Bureaux also provide training to a wide range of community level partners from faith groups to mental health user groups. The training means their service users can access specialist help when they need it and take control of their money, especially when they are at their most vulnerable as they navigate their way through key life changes and challenges.

CASE STUDY:

Adding value

Chesterfield Citizens Advice Bureau has been delivering financial capability services since 2005 with support from the Big Lottery Fund. It has worked with a range of community partners, including community finance organisations to reach people living within socially deprived areas.

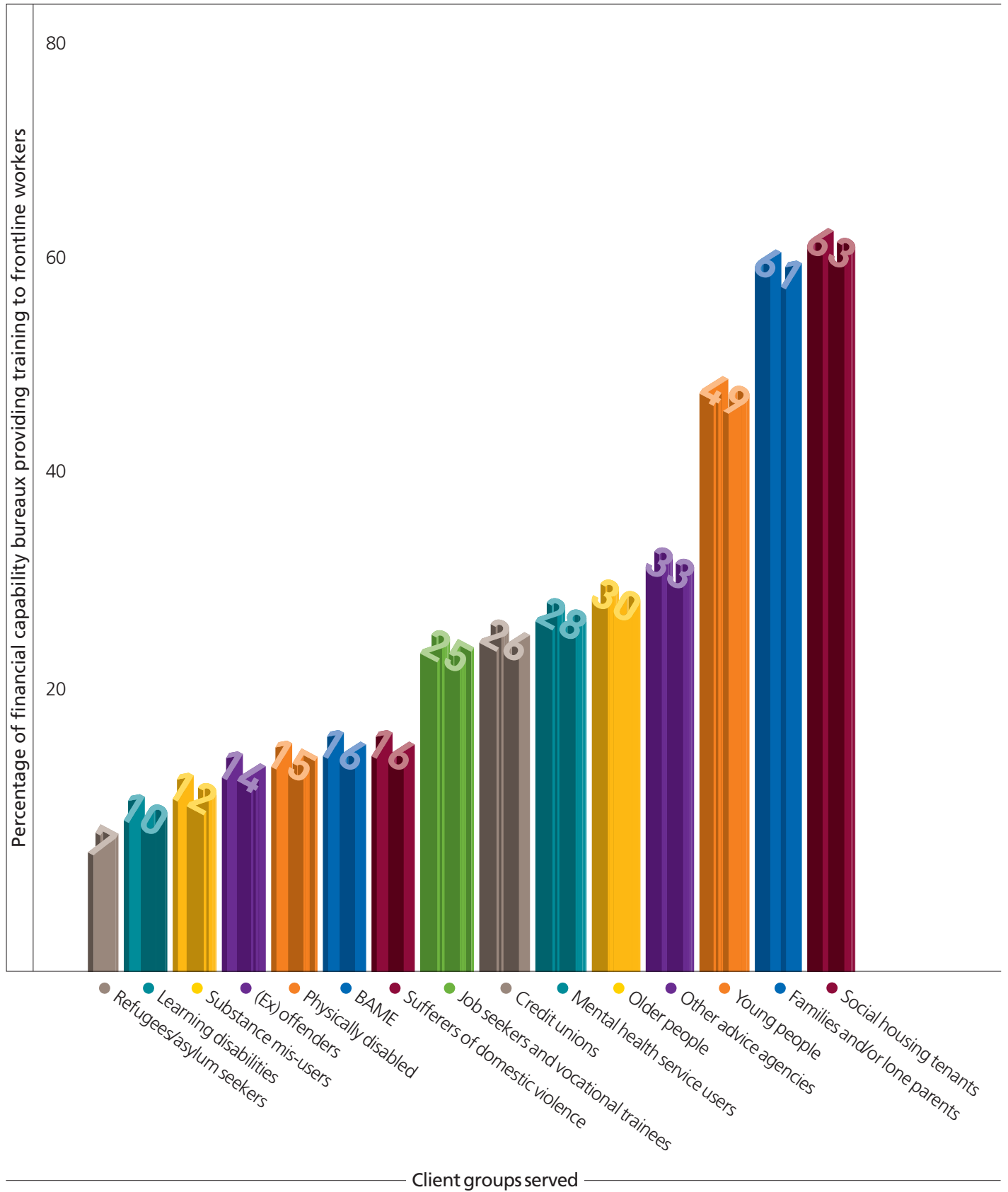
“We receive excellent levels of support from other agencies and it’s important that they see the value of our service as we rely on them to refer their clients. We provide people with one-to-one support to help them budget, access banking services, credit unions and cheaper utilities. The project has exceeded our expectations and targets.”

Terry Deveney, Financial Exclusion Project Worker, Chesterfield CAB

The bureau has also supported the BBC with their ‘Raw Money’ campaign by responding to callers problems during two live phone-ins on the breakfast show of BBC Radio Sheffield.

“We were really pleased to support this initiative. The BBC engaged listeners by using Coronation Street actors to stage a money related drama before the phone-in. The panel, including myself, added value by offering advice and money tips that reached many thousands of people.”

Bureau partnerships that deliver frontline worker training: 2008/09



Central support

“ I have now delivered training to youth groups; over 100 attendees to date. Before going on the course I would not have been able to do this, in terms of planning objectives, learning aims and planning the sessions effectively.”

Training course participant,
‘Train the trainer’ programme
for financial skills tutors.

We want Citizens Advice Bureaux and their partners to be able to improve the financial skills and confidence of as many people as possible. We also want them to be equipped to deliver high-quality programmes and to feel confident that they are making a real impact.

Bureaux and their partners benefit from the support and grants provided through our central team of twelve dedicated Citizens Advice staff. In 2008/09 our total income, secured thanks to investment from a range of business partners, government departments and charitable foundations, was over £2.5 million. Most of this was distributed to Citizens Advice Bureaux or other forum members to help them promote financial capability in their communities.

We also provide a one-stop-shop of services, including development support, training services and staffing guidance.

Development support

- advice and information on how to get involved – including a starter pack for deliverers, ‘taster’ training materials and tool kits
- networking opportunities to share best practice – through financial capability forums, events and on-line networking tools.

Training services

- training and e-learning courses to help staff and volunteers become financial skills trainers
- training materials to use when working with clients and frontline workers
- a new range of self-assessment and quality tools that help financial skills tutors deliver their training to a consistent and good standard.

Staffing guidance

- tools and advice on how to effectively recruit, induct and retain new financial capability staff and volunteers
- competences – providing a clear framework to support and develop new financial skills tutors.

Making an impact

We continue to be determined to assess the impact of our programmes and ensure that Citizens Advice Bureaux and their partners have the tools to find out what difference their work makes.

We have commissioned eight independent evaluations of financial education initiatives by bureaux and forum members over the last seven years. We have also created tools to measure the impact our training has on participants and ensure these are used when running grant schemes.

We have established that our programmes improve people's confidence and skills. They also result in changes to behaviour and improved financial security. Recent examples are:

- Nine out of ten participants in our Save Xmas campaign said they knew significantly more about different ways to save as a result of the training. Two in five also went on to change the way they went about their short term saving.¹
- Nearly half of the consumers who took part in our Energy Best Deal training decided to look into getting a better deal on their energy. Of these, nearly 50 percent switched supplier or tariff.²
- An evaluation of some 6,000 participants reached by 10 bureaux initiatives over three years concluded that participants were better equipped to head off debt problems and access government help. Training also helped them keep to their budgeting plans, increase their savings and avoid excessive borrowing.³

“ When I got home [after the training], I got on the phone to my supplier. They have told me they're going to change my meter and put me on a lower tariff – I just have to send details of my disability.”

Participant, Energy Best Deal project

Citizens Advice is leading a substantial multi-agency project supported by the **East of England Development Agency** and the **European Social Fund**. It is providing financial capability training and job search support for people out of work.



West Devon CAB with budgeting skills trainees at Children's Centre @ Citizens Advice

1. Ipsos MORI: Evaluation of the Save Xmas awareness campaign, October 2008
2. Centre for Sustainable Energy: Energy Best Deal – Evaluation of the national roll-out, June 2009
3. ECOTEC: Evaluation of the Citizens Advice National Financial Capability Project, June 2006

Conclusion

Citizens Advice Bureaux see first-hand the damage that money problems and a lack of financial understanding can cause to individuals, families and whole communities.

Over the last seven years we have worked hard to bring about a step change in the number of bureaux working with others to improve financial skills in their communities. With the support of a wide range of collaborators, from national investors to local delivery partners, we have improved the financial confidence of some of the most vulnerable people in our society.

But there is still a long way to go.

We hope this publication gives you a sense of what the Citizens Advice service can deliver. We have a real and growing appetite for delivering initiatives that empower people to take control of their money. We hope you will contact us to see how we can work together.

Library photos posed by models © John Birdsall/Press Association





Hambleton CAB financial skills trainees at North Yorkshire YMCA (Richmond) © Citizens Advice

“ Citizens Advice has been a valued partner for us. They have an excellent understanding of the issues and barriers faced by different client groups and good connections with community networks. They are able to provide us with a strategic and practical view on economic participation issues in the region and help connect CAB clients to mainstream services.”

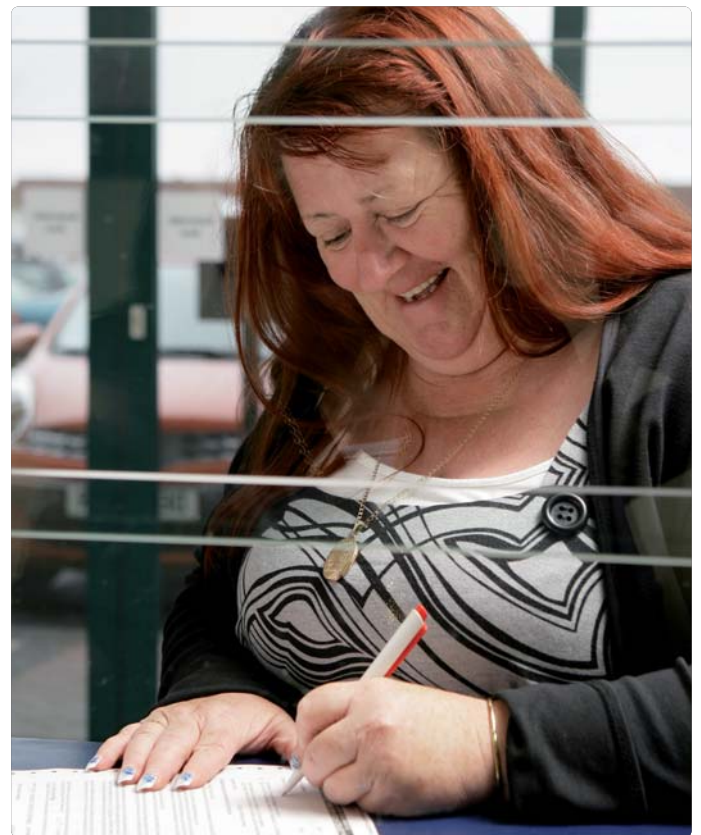
Katerina Lagoudaki,
Senior Executive, Economic Participation
East of England Development Agency



Young people being trained by Hendon CAB at Whitefield School.
Citizens Advice © Justin Piperger

“ Before I met CAB I would borrow money off anyone that was offering it. That’s how I got into lots of debt... I hadn’t read the small print. I’d never do that again.”

Young parent participant,
Horizons project



Customer at Riverside Credit Union © Citizens Advice/ABCUL

“ Our work in schools is like one of those ‘2 for 1’ offers. As of the parents recently told me, ‘You are helping me teach my children the value of money’.”

CAB Financial capability forum member,
North West

Our partners

Key partner



We have worked with Prudential over the last seven years to encourage and enable all Citizens Advice Bureaux in England and Wales to get involved in providing financial education in their communities. As key partner in the Financial Skills for Life programme, Prudential has underpinned our work through substantial long-standing investment and helped us to engage with a wide range of industry and government investors.

In the last year we are grateful for the particularly significant support we have received from the following funders:



Citi Foundation



Our principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

Our aims

To provide the advice people need for the problems they face.
To improve the policies and practices that affect people's lives.

Our Financial Skills for Life programme exists to help give people the skills to take control of their money and avoid financial crisis.

www.financialskillsforlife.org.uk

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- more information about our programmes and partnerships
- up to date information about local forum meetings
- more free downloadable guides, tools and reports – including a new financial capability starter pack
- more real life case studies and good practice examples.

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