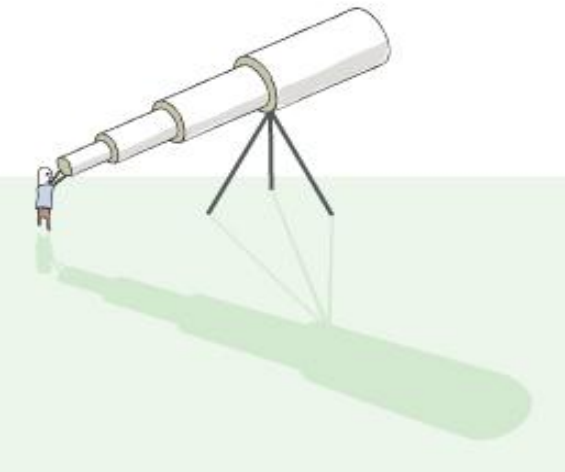

Impact Review of Financial Education for Young People

A Summary Report for the Money Advice Service

June 2012

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FOREWORD

Financial education has been one of the most significant areas of development in the education sector over the past decade. For the first time we have ascertained the value of the commitment of the financial services industry to it, next year we believe this will be in excess of £25m to more than fifty programmes, most targeted at people under the age of 18. This development has been an unprecedented example of partnership working between the private sector and schools.

We recognise the significant contribution financial education can make to help us achieve our objectives. Therefore we have commissioned this important new research to examine how it can become even more effective and for the first time to learn lessons from more mature areas of education such as sexual health and smoking where medium term outcomes are being improved.

Key insights from the research are that:

- attitudes to money are formed early and interventions within a broader family framework can influence desired long-term behaviour;
- community agencies have a vital role to play in shaping long-term behaviour; and
- measurement is crucial to demonstrate impact and refine delivery of educational interventions.

These lessons point to a strategic development agenda for financial education and also indicate the role the Money Advice Service needs to take to offer leadership and support improved effectiveness. We will now pursue our responsibility for financial education by taking the following immediate steps:

- developing a set of measurable and robust key performance indicators;
- establishing a good practice forum for practitioners and stakeholders to consider strategy; and
- working with the Personal Finance Education Group (pfeg) to increase the impact, extend the reach and, ensure the sustainability of the 'My Money Week' initiative targeted at schools.

We believe that every child deserves to be supported in the development of behaviours, attitudes and skills which will allow them to effectively manage their finances in order to fulfil their potential.

This is the ultimate ambition of the Money Advice Service and the publication of this research confirms financial education as a crucial element in fulfilling our societal mission.

Jonathan Douglas, Director of National Literacy Trust
Member of Money Advice Service Board

1 INTRODUCTION

The Money Advice Service is undertaking a strategic review of the educational interventions of the financial services industry, to inform and improve the provision of financial education for young people in the UK. The strategic review has two distinct objectives, to:

- map the range of education initiatives funded by the financial services industry to create a single view of the landscape; and
- research education and behaviour change to both identify global best-practice in the field of financial education and examine whether successful types of interventions in other fields can be applied to finance.

The project is supported by a range of organisations, including financial services institutions (such as The Royal Bank of Scotland Group, Barclays, Lloyds Banking Group and Prudential) and independent charities (such as the Personal Finance Education Group), who currently deliver financial education to young people.

In December 2011, the Money Advice Service commissioned Ci Research to undertake a comprehensive collection, analysis and interpretation of literature published in the English language and within the previous five years in order to provide:

1. An updated and detailed analysis of available research and evaluation relating to financial education provision to young people – building on research published by the Financial Services Authority in 2008[1].

2. A detailed analysis of available research and evaluation of health and social interventions targeted at young people in order to identify good practice and to inform future financial education.

2 REVIEW OF EVALUATION GUIDANCE

Existing guidance on how to effectively evaluate financial interventions is sparse which is why there is such a variable quality and depth of evaluation material in the field.

There is a clear opportunity for the Money Advice Service to adopt a leadership and guiding role in supporting the future development of a strong evidence base with regard to 'what works' in changing behaviours among young people.

[1] Evidence of impact: an overview of financial education evaluations (Consumer Research 68, Financial Services Authority, July 2008)

Evaluation guidance in the fields of health and youth offending is more detailed and robust. In part, this is due to a statutory responsibility on behalf of deliverers to ensure evaluations meet minimum standards.

In particular, within the field of financial interventions, there is a need for guidance to help ensure:

- evaluation is given sufficient budget and attention prior to implementation;
- key performance indicators (KPIs) are clearly relevant to the overall objectives of an intervention; and
- control groups are used (where possible) so impact can be measured.

3 REVIEW OF FINANCIAL EDUCATION AND INTERVENTIONS

Current opinion among academics and experts in the field regarding the extent to which financial interventions produce positive outcomes is varied. There is some strong support and arguments put forward suggesting that interventions are effective, while others hold completely the opposite view. Whatever the opinion, our review clearly highlights a lack of robust evidence, particularly in the UK, to state any case definitively, despite repeated and consistent calls for more rigorous evaluation in the field over the last decade. However, even considering these limitations in available evidence there is consistent agreement about 'what works'.

- Interventions tend to be more successful if tailored to the needs of specific groups or individuals, rather than a generalised 'catch-all'. Interventions should be based on sound research to understand these needs prior to design and implementation.

- Younger students are better engaged in the classroom should interventions be interactive, relevant and fun, rather than instructive. While this is the case, there is no reliable evidence as to whether this has any bearing on behaviour.

- Students are more likely to be engaged should the content of any intervention be placed in a personal context for the audience. It is necessary to demonstrate how poor or positive financial behaviour will impact on them at an individual level.

Difficulties in evidencing behaviour change within UK financial education interventions are rooted in KPIs being used that do not relate clearly to the overall objectives of delivery. In a sense, those delivering financial education in schools are constrained on how this is delivered and measured by the fact that it needs to relate to school curriculum, which in itself is knowledge and skills based.

4 REVIEW OF ALCOHOL EDUCATION AND INTERVENTIONS

The review of what works in terms of changing alcohol related behaviours among young people highlights a number of consistent messages in terms of developing financial education interventions.

- Perhaps most important amongst these are that interventions need to be linked to a wider strategy aimed at changing behaviours of a target group. This strategic approach has proven significantly more successful than a series of interventions designed, delivered and evaluated in isolation.

- School education can have a short to mid-term impact on behaviour, but this lessens in the long-term. While it is useful for delivering knowledge and attitudinal outcomes, there is no strong evidence that these have a future bearing on behaviour if seen in isolation.

- Social marketing interventions can influence behaviour, but must ensure clear targeting of audience and consensus from all involved on a clear set of goals. Recognising the drivers of 'bad' behaviour can identify a strong 'exchange' to promote 'good' behaviours.

- Targeted one-to-one engagement with those exhibiting 'bad' behaviours (e.g. through brief interventions or motivational interviewing) has the strongest quantitative evidence of impacting on behaviour. It is more direct and relate to real-life experiences for the young person. The audience is also more emotionally receptive, particularly if engaged in a setting or environment that has resulted from their 'poor' behaviour.

- Attitudes are often formed early (between the ages of 5 and 12) and, as a result, education and messages should be undertaken at this time. Parents are the key influencer on attitudes and behaviour at this point and so should actively be involved in intervention programmes. However, it is necessary to ensure that parents themselves recognise all of the implications of certain behaviour traits, to ensure the *right* messages are communicated.

Despite guidance produced on the subject by health authorities, robust evaluation continues to be an issue in the alcohol field, particularly in the UK. This shows that even well-funded and well-supported evaluations can fail to provide robust evidence if the correct processes and measures are not put in place from the outset.

5 REVIEW OF SMOKING EDUCATION AND INTERVENTIONS

Clear and recurrent themes are evident in literature produced around the evaluation of both smoking prevention and cessation interventions for young people.

- It is clear that smoking behaviour is influenced by a range of socio-demographic factors and some studies have shown that impact of intervention also varies accordingly. Linked to this is recognition that interventions should be developed to address the behaviour of young people in general *and* specific target audiences within this cohort to be effective.

- There is recognition that multiple social, psychological, biological and environmental factors contribute to youth smoking and need to be addressed in prevention and cessation programmes. The most effective programmes are those which:
  - target different facets of smoking behaviour; and
  - comprise multiple components and delivery strategies to produce a comprehensive approach to tackling smoking behaviour.

- There is evidence to suggest that programmes which are sustained and delivered across multiple components, including multiple channel initiatives, produce significant behavioural and attitudinal shifts in relation to smoking among young people.

- Perhaps the most visible conclusion which has been common to all reviews is an identification of need for greater research into interventions to accurately determine what works in producing positive smoking behaviour change among young people. The vast majority of reviews, assessments, trials and evaluations include an explicit call for a continued need for well-designed robust trials in order to determine what works before accurate recommendations can be made. More specifically, there is a lack of evidence to suggest which approaches and components of interventions are most useful and which are appropriate for specific demographic groups.

- There are a number of areas in which smoking prevention / cessation and financial education interventions share common features. In both instances, risky behaviours can be adopted by young people to provide short-term rewards, but have negative consequences in the long-term. For both, behaviours can be influenced by socio-demographic factors and in both instances young people are likely to be in the process of forming behaviours which will carry through into later life.

A challenge for financial education interventions will be to attempt to emulate the position which has been realised in smoking related health interventions, where behaviours of young people have shown steady positive improvement over recent years. It is likely that the reduction in smoking prevalence

has resulted from the combined and cumulative impact of a number of factors, including those which fall beyond the reach of specific interventions. These may include the impact of societal norms brought about through factors such as smoking restrictions, tobacco access control, increased pricing and greater recognition of risks. However, evaluations of interventions shown to have had specific impact that appear to have been most effective are those which have been:

- targeted to the needs of specific groups of young people; and
- multi-faceted and multi-component interventions to address the range of influencing factors on behaviour and sustained in intensity and duration.

Notably, despite improvements in smoking behaviour and a wealth of interventions and evaluation activity, conclusions around what specifically works in producing positive behaviour change in relation to smoking prevalence are relatively weak. Therefore, as in the field of smoking, further progress in determining what works in relation to increasing financial capability among young people will only be realised with robust evaluation which facilitates comprehensive assessment of approaches and comparison of impact.

6 REVIEW OF SEXUAL HEALTH EDUCATION AND INTERVENTIONS

The importance of Sexual Health has long been recognised internationally and in the UK as an area where education has the potential to improve outcomes for young people. This has been reflected in a number of governmental strategies and policies, including multiple interventions specifically aimed at children and young people. In addition, there have been a number of publications proposing guidance on sexual health interventions.

Although a number of indicators, such as teenage pregnancy rates in the UK, show relative improvement over time, several published reviews acknowledge significant challenges, including the diversity of the target audience as well as the sensitivity of the subject area. The success of individual interventions conducted in the UK is more difficult to determine, partly due to an insufficient number of robust evaluations.

Amongst the different types of sexual health interventions, school-based educational programmes have been shown to be effective in a number of countries (e.g. the Netherlands) where such programmes form part of the curriculum in primary and secondary schools. The recommended approach focuses on practical aspects as well as on values, attitudes, and communication and negotiation skills.

Evidence from several studies also suggests that education programs may need to begin much earlier than they do and investment in Early Years will mean lower pregnancy rates and other sexual health indicators among adolescents.

Social marketing has also been found as an effective tool in raising awareness of sexual health issues amongst young people. However, it is widely recognised that the sexual health agenda needs to be delivered in partnership with the media and health care system through encouraging open dialogue and providing confidential support. Creating open and honest discussion and building a culture that frames sexual behaviour amongst young people as a normal part of their development is seen by many authors as a necessary driver of positive behaviour change among individual young people.

7 REVIEW OF YOUTH OFFENDING AND ANTI-SOCIAL BEHAVIOUR INTERVENTIONS

The costs incurred by society and the individual of a young person embarking upon a life of crime and anti-social behaviour are exceptionally high. There has, therefore, been a wealth of research published around the many different approaches to prevention related behaviour change interventions. The specific approaches adopted by individual interventions vary, providing robust evidence of 'what works' and of equal importance what doesn't.

The quality of evaluations within this area is particularly strong, most notably that produced in the United States, for the following reasons:

- availability of meta-analysis approaches to evaluating evidence;
- adherence to scientific scales (e.g. Maryland) in conducting the evaluations; and
- regularity of control conditions allowing for differences in terms of impact on treatment and non-treatment groups to be understood.

Based on this robust approach to evaluation, certain categories of interventions within youth offending and anti-social behaviour can be seen to be positively influencing behaviour change. These are:

- Child Skills Training at an individual focused level.
- Behavioural Parent Training, Multi-systemic Therapy and Family Functional Therapy as examples of family focused interventions.
- School based approaches based on changing the wider learning environment and instructional programmes using cognitive behavioural methods.
- Community focused interventions – mentoring and after school recreation.

From this review it can be seen that interventions aimed at changing behaviours in relation to youth crime and anti-social behaviour should be designed with an evaluation framework in mind. Specifically the evidence highlights the importance of adopting a sufficiently rigorous approach that encompasses a control condition and collects data at post intervention 'follow up' stages. Criminal justice literature has therefore provided a platform from which successful interventions based on robust and reliable assessment and evaluation criteria can be applied to behaviour change programmes within the field of financial literacy.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 CONCLUSIONS

Our overall conclusion from this review is that the current financial education interventions designed and delivered to young people in the UK are held to be effective without a correspondingly robust evidence base.

There is a wealth of very powerful anecdotal and observed evidence of the high regard that these interventions are held in, largely supported by case study information. However, the review clearly highlights a lack of robust impact evidence, particularly in the UK. This is despite repeated and consistent calls for more vigorous evaluation in the field over the last decade; this is not seen as critical of the interventions themselves, rather it points to the potential need to develop a stronger evidence base.

In summary, current opinion among academics and experts regarding the extent to which financial education interventions produce positive outcomes is varied, ranging from “effective” to “no-impact” - this observation in itself is not a new finding and echoes the findings of earlier studies. This was recognised early by the stakeholders in the process who were involved in a co-creation workshop to determine the direction of the study, resulting in a shift in focus towards a set of practical recommendations on the steps required to:

- deliver a more robust evidence base to support the national policy towards financial education interventions that demonstrate behaviour change among young people; and
- recognise the innovation and independence of financial services bodies and third sector organisations delivering the interventions to avoid an overcomplicated process that fails to build upon the successes delivered to date.

Given this clear direction, the findings of our impact review of financial education for young people - including evidence related to behaviour change from other disciplines - enable us to draw a series of broad conclusions. These are, the need to:

- further establish the wider impact and importance of financial education among young people to society;
- learn from ‘what works’ in other behaviour change interventions from other disciplines to apply them to young people’s financial education; and
- apply the key lessons arising from the review.

These broad conclusions are discussed in turn in the following sections.

8.1.1 ESTABLISHING THE WIDER IMPACT OF FINANCIAL EDUCATION

Our review indicates that behaviour change within the disciplines related to alcohol, smoking, sexual health and youth offending is clearly being linked with significant social benefits such as:

- lives saved;
- improved quality of life;
- reductions in the transmission of sexually transmitted infections amongst young people;
- reductions in teenage pregnancies;
- increased smoking 'quit' attempts among young people; and
- reductions in repeating offending.

There is significantly less evidence of such linkages being made in the field of financial education. However, poor financial education and behaviour can also have a significant impact on the health and wellbeing of an individual and wider society, including:

- Mental health issues through stress linked to issues of alcoholism, drug-use, family breakdowns and, unfortunately, suicide in some cases.
- Inappropriate attitudes to gambling – taking significant risks with personal resources in many cases leading to more financial issues.
- Fostering criminal behaviour, this at its most simplistic level is linked to a range of factors related to poor financial capability.
- Behavioural and emotional issues including bullying and/or poor self-esteem – particularly among young people.

This suggests a need for a clearer articulation of the impact of financial education on individuals and wider society. Difficulties in evidencing behaviour change resulting from UK financial education interventions (and specifically financial education in schools) are rooted in a lack of suitable and agreed KPIs being used within evaluations. Knowledge and attitudinal outcomes are widely used, but these do not necessarily result in behaviour change.

8.1.2 WHAT WORKS: INTERVENTIONS IN OTHER BEHAVIOUR CHANGE DISCIPLINES

The review of what works in terms of changing behaviours in the fields of alcohol, smoking, sexual health and youth offending highlighted the following consistent messages that can inform the development of financial education interventions:

- Targeting those most in need - for example in areas of high deprivation - will result in greater impact and less wastage.

- Including financial interventions within a broader family / parental involvement / communication framework has the potential for a long-term impact on behaviour change.
- Information campaigns should not stand alone but be one element of a wider engagement strategy.
- School education can have a short to mid-term impact on behaviour change, but this lessens significantly in the long-term. While it is useful for knowledge and attitudinal outcomes, there is little evidence that knowledge outcomes have a direct bearing on behaviour.
- Social marketing programmes can influence behaviour, but must ensure clear targeting of audience and have a consensus from all involved on a clear set of goals. Recognising the drivers of 'bad' behaviours can identify a strong 'exchange' to promote 'good' behaviours.
- Targeted one-to-one engagement with those exhibiting 'bad' behaviours (e.g. through brief interventions) has the strongest quantitative evidence of impacting on behaviour. It is more direct and relates to real-life experiences for the young person. The audience is also more emotionally receptive, particularly if engaged in a setting or environment that has resulted from their 'poor' behaviour.
- Attitudes are often formed early (between the ages of 5 to 12) and, as a result, education and messages should commence at this life stage. Parents are the key influencer on attitudes and behaviour at this point and so should be actively involved in interventions. However, it is necessary to ensure that parents themselves recognise all of the implications of certain behavioural traits, to ensure the right messages are communicated.

8.1.3 KEY LESSONS FROM THE REVIEW

Recognising the previously discussed limitations it is possible to distil the findings into three key lessons:

1. **Focus on Specific Needs:** Interventions tend to be more successful if tailored to the needs of specific groups or individuals, rather than a generalised 'catch-all' approach. Interventions should be based on sound research to understand these needs prior to design and implementation.

2. **Creative Engagement:** Younger students are better engaged in the classroom if interventions are interactive, relevant and fun, rather than instructive. While this is the case, there is no reliable evidence as to whether this has any impact on behaviour change.

3. **Focus on Specific and Individual Context**: Students are more likely to be engaged should the content of any intervention be placed in a personal context. It is necessary to demonstrate how poor or positive financial behaviour will impact on them at an individual level.

These allow us to draw our conclusions into a set of practical recommendations, discussed in the following section.

8.2 RECOMMENDATIONS: TAKING A LIFE STAGE APPROACH

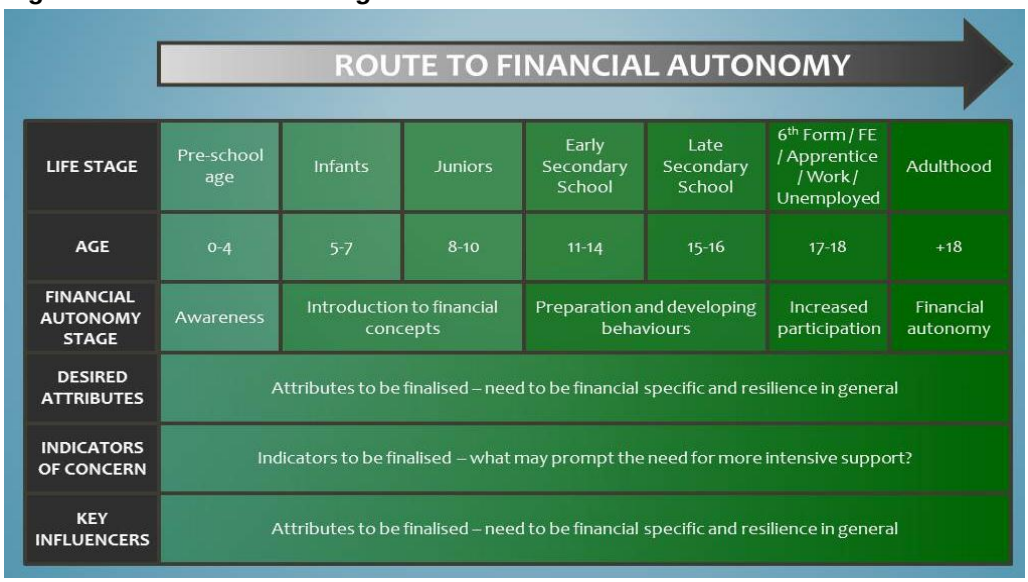
Evidence from our review suggests that any framework needs to engage young people at an early age. Our proposed framework views the potential causes, consequences and prevention of financial capability problems within a life course perspective – influences early in life can act as risk or protective factors at later stages. Ideally this means that financial interventions with young people should aim to begin as a child enters primary school, although work in the home can begin at an earlier age. Each young person should be able to navigate a route through the framework as they get older, depending on their particular characteristics and needs. As a young person enters adulthood there should be a natural progression into support available aimed at older age groups. The ultimate destination - under accepted normal circumstances - is financial autonomy. Figure 1, below, provides an outline of a life-stage approach which underpins such thought.

While this is the case, it is important that work is undertaken to more clearly define:

- the journey a young person takes;
- the skills, knowledge, attitudes and behaviours (both financial and more generic) young people should ideally be able to demonstrate at different life-stages – this can then be used to develop consistent project specific KPIs for future evaluation;
- any factors that may indicate where an individual / community may require more intensive support at different life-stages; and
- the likely touch-points for interventions to be delivered.

This may be aspirational, particularly if the 'ideal' scenario appears a long way off being achieved. The following model provides a simple and linear journey intended to be used only as a starting point for the Money Advice Service moving forwards. There is a need for this be developed and refined in close communication with stakeholders to ensure it has the best chance of success.

Figure 1: ***Indicative Life-stage Model***



Such a life stage model – by its very nature – will need to continuously evolve, as circumstances are constantly changing and new lessons are being learned. This is particularly the case in the world of financial education which will constantly need to take account of external factors, including economic cycles.

The main premise of the indicative life-stage model (Figure 1) is underpinned, as discussed previously, by the assumption that a young person enjoys a seamless transition to financial autonomy in adulthood, which is predicated on minimum financial literacy and more effectively in terms of financial capability defined as follows:

- **Financial Literacy[2]:** knowledge and understanding of financial concepts or products - is an important factor associated with making sound financial decisions.

- **Financial Capability[3]:** a broader concept which includes factors beyond knowledge such as attitudes, skills and behaviours associated with good financial decisions and/or outcomes**.**

With these wider definitions in mind the shortcomings of such an approach are the assumption that all young people:

- will be engaged effectively through financial education interventions;
- do not live in chaotic circumstances;
- enjoy residence in areas that are not deprived in which parent/carers are themselves financially literate and able to provide a role model; and
- Are not involved in other risk taking behaviours that will have a negative impact upon financial behaviour.

Further to these factors, our review of real-world case studies suggests the following specific needs:

- A continued need to deliver the current, well regarded programmes of financial education to ensure their contributions to the nations' overall state of individual financial literacy and ultimately competitiveness. These will require interventions within the education setting (including early years) that are delivered at a relatively low intensity in terms of specific one-to-one specialist interventions and high frequency in terms of the numbers of young people engaged.
- An identified need to engage young people in financial education through the involvement of parents/carers and their wider peer group – which is likely to require engagement with new partners not currently involved in delivery. Interventions of this nature can be categorised as medium frequency and medium intensity.

[2] Kotlikoff and Bernheim, 2001; Hogarth *et al.*, 2003; Lusardi and Mitchell, 2011; Cole *et al.*, 2011

[3] Atkinson *et al.*, 2007

- Recognition that there is a high risk of failure in the transition to financial autonomy amongst specific ‘at risk’ groups and that there is an apparent need for crisis prevention interventions. This will call for low frequency, high intensity interventions requiring specialist input, again suggesting the need to engage with new partners.

The implications of these findings are brought together in a good practice financial education communications model, shown in Figure 2 on the following page.

Figure 2: ***Good Practice Financial Education Communications Model***

	MAINSTREAM SERVICES AND INTERVENTIONS		
Route of Intervention	**SCHOOL BASED INTERVENTIONS**	**GROUP/COMMUNITY INTERVENTIONS**	**INDIVIDUAL INTERVENTIONS**
Frequency of Intervention	**HIGH FREQUENCY / LOW INTENSITY**	**MEDIUM FREQUENCY / MEDIUM INTENSITY**	**LOW FREQUENCY / HIGH INTENSITY**
STRENGTHS	▪ Delivered in mainstream educational settings – therefore will have maximum reach; ▪ Reinforces good behaviours and attitudes; ▪ Consistent for all young people; ▪ Aimed at developing knowledge, skills and attitudes – consistent with Early Years work.	▪ Targeted "whole" family/community interventions, ensuring effective engagement through families/carers and peers; ▪ Delivered in areas where "whole model" KPIs are performing poorly; ▪ Interventions that are based upon sound research and tailored to the specific needs and characteristic behaviours of the people being engaged; ▪ Messaging broadly consistent with school based delivery, moving towards targeted individual interventions.	▪ Delivered to young people exhibiting risky behaviours (e.g. theft, gambling, use of illicit lending, etc.); ▪ Brief interventions delivered to those in need; ▪ Intensive interventions delivered to those most at risk; ▪ Messages broadly consistent with school based delivery, but with more intensive support; ▪ Likely delivery – brief intervention and mentoring.
WEAKNESSES	▪ Is based upon population level interventions without specific reference to individual need; ▪ Favours those with a pre-disposition to financial capability.	▪ Requires specific targeting; ▪ Is based upon (deprived) population level interventions without specific reference to individual need.	▪ Requires specialist skills; ▪ Intensive support required, therefore, higher costs to deliver likely.
TARGET GROUP	▪ The majority of young people for the majority of the time.	▪ Young people through their "family", community and peer setting (however this is defined).	▪ Young people who are in financial crisis or exhibiting risk taking behaviour likely to lead to this state.
BEHAVIOURAL TARGET	▪ Knowledge and Skills.	▪ Knowledge and Skills.	▪ Behaviour Change (Heading off Risky Behaviours).
EXPECTED POSITIVE OUTCOMES (THROUGH INTERVENTION)	▪ Embedded financial literacy.	▪ Embedded financial literacy.	▪ Crisis Prevention.

	MAINSTREAM SERVICES AND INTERVENTIONS			
	Route of Intervention	**SCHOOL BASED INTERVENTIONS**	**GROUP/COMMUNITY INTERVENTIONS**	**INDIVIDUAL INTERVENTIONS**
	Frequency of Intervention	**HIGH FREQUENCY / LOW INTENSITY**	**MEDIUM FREQUENCY / MEDIUM INTENSITY**	**LOW FREQUENCY / HIGH INTENSITY**
	EXPECTED NEGATIVE OUTCOMES (THROUGH NON-INTERVENTION)	▪ Reductions in levels of financial literacy.	▪ Reductions in levels of financial literacy.	▪ Higher levels of personal financial crisis.
	KEY PERFORMANCE INDICATORS (KPIS) [EXAMPLES]	▪ Young people have a positive attitude to money; ▪ Amount of bad debt; ▪ Number of students quitting college/university due to financial reasons.	▪ Young people have a positive attitude to money; ▪ Amount of bad debt; ▪ Number of students quitting college/university due to financial reasons.	▪ Young people have a positive attitude to money; ▪ Amount of bad debt; ▪ Number of students quitting college/university due to financial reasons; ▪ Number of young people under twenty-five declared bankrupt.
EARLY YEARS	**INTERVENTION ROUTE**	▪ Parents/carers engaged through: ○ Early years provision; ○ Nursery provision.	▪ Parents/carers engaged through: ○ Early years provision; ○ Nursery provision; ○ Specialist community provision – including in health settings.	▪ Parents/carers engaged through identification of risk taking behaviours and through specialist partners.
	KPIS [EXAMPLES]	▪ Behaviour of parent/carers (including skills and knowledge); ▪ Attitude, knowledge and skills of young people.	▪ Behaviour of parents/carers (including skills and knowledge); ▪ Attitude, knowledge and skills of young people.	▪ Behaviour of parents/carers (including skills and knowledge); ▪ Attitude, knowledge and skills of young people.

We also recommend that the ‘Good Practice Financial Education Communications Model’ is supported by a voluntary good practice framework, which providers can use in designing, developing and delivering interventions to support the transition of young people to financially capable adults in the UK.

We also recommend that there exists a clear role for the Money Advice Service in acting in stewardship of these good practice metrics. This would be based around the existing cooperation within the industry to develop the framework to further refine the life-stage approach, the communications model and good practice framework. Once finalised, we would suggest that the Money Advice Service would be expected to discharge stewardship through, inter alia:

- Providing information, advice and guidance to intervention providers around good practice;
- Convening and supporting a good practice forum in which practitioners and stakeholders share and explore good practice in developing financial capability amongst young people;
- Providing a voluntary health check for interventions to support the adoption of good practice, without stifling innovation and originality; and
- Commissioning specific technical assistance from sector experts to support the industry in response to issues identified through health checks and the overall process of sharing good practice.

Needless to say, the role played by the Money Advice Service in this respect would need to be governed by clear agreements on non-disclosure of commercially sensitive information and bound by standard practice around data sharing.

Figure 3, on the following page, sets out the initial key domains of a proposed Good Practice Framework.

Figure 3: *Good Practice Framework: Financial Capability for Financial Service Delivery to Young People in the UK*

DOMAIN	NARRATIVE An intervention that recognises and incorporates good practice is:
DESIGN	▪ Informed by clear insight - including iterative observation of "what works".
TARGETING	▪ Clear on the age group being targeted – including consideration of the appropriateness of materials; ▪ Clear on the communication channels and intervention route being used; ▪ Clear on the cohort being targeted (community, school or at risk individuals).
BEHAVIOURAL CHANGE	▪ Underpinned by an understanding of intended behaviours to be changed; ▪ Underpinned by appropriate theory and operates within an appropriate planning concept such as MINDSPACE.
MESSAGING	▪ Consistent in its messaging with that being disseminated across the industry to achieve shared goals - referencing standards such as MINDSPACE and the Money Advice Service strategic goals for financial capability in young people.
INCLUDES EXISTING GOOD PRACTICE	▪ Inclusive of existing industry good practice such as the **pfeg** Quality Mark for financial education resources and materials and the MINDSPACE standard for communications.
EVALUATION	▪ Clear about an existing and defined situation that the intervention is seeking to address (a clear baseline measure has been set); ▪ Inclusive of clear, robust and meaningful evaluation processes.
OUTCOMES	▪ Clear on the expected outcomes – including a robust set of output measures and other appropriate KPIs; ▪ Clear on the timeframe of effective impact against the agreed life-stages approach.

However, a clear note of caution needs to be sounded in developing this concept further in that there is a level of assumed knowledge about the relevance and resonance of these approaches with the target group which will require testing with young people themselves to ensure maximum benefit. In other words, the proposed intervention (the framework and model) needs to be further informed by clear insight.

We would also make the further recommendations for the stewardship role for the Money Advice Service in developing the environment within which such a framework operates in setting a series of ***short term goals*** to support partners in developing this further, namely:

- **Establish a set of measurable and robust key performance indicators.** A suggested route - developed through solutions co-creation with key stakeholders – involves further developing a common definition of financial capability and exploring the possibility of incorporating the existing PISA financial literacy framework. This will allow comparison of the financial capability of 15-16 year olds in the UK, with the wider UK population base and by extension with other countries.[4]

[4] PISA (Programme for International Student Assessment) is an international study led by the OECD which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-

- **Establish and support a good practice forum for practitioners and stakeholders.** This is a logical extension of the relationships established through the stakeholder co-creation workshops which formed a core element of this study and will enable the further validation of our recommendations.
- **Work to Enhance Existing Programmes.** There are a wide range of financial education interventions in operation across the UK. It is recommended, in recognition of limited time and resources available to the Money Advice Service, that they form the base of complementary promotion of the suggested approach. One route to achieve this may be to work with **pfeg** to enhance the schools based intervention 'My Money Week', offering the potential for an overarching programme of work in schools – which is identified as one of the key communications channels in our model.

In the ***longer term*** suggested goals include:

- Facilitating the promotion of effective characteristics in delivering financial behavioural change by, for example, creating the proposed voluntary 'code of good practice' for industry funded programmes.

- Developing, sharing and promoting a solid understanding of the family and peer dynamics that impact on, and can be utilised to develop, positive behaviours, habits and the financial capability of young people.

- Establishing a brokerage capability for programmes of 'financial capability for young people'

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old students in participating countries. The financial framework was piloted in 13 countries in 2011 though not in UK.

9 APPENDIX 1 – UK FINANCIAL EDUCATION 'LANDSCAPE' REVIEW

9.1 INTRODUCTION

This appendix provides a complementary summation of the independent review of the current Corporate Social Responsibility (CSR) funded activity directed at financial education for young people. The review presents an overview of the returns provided by UK financial institutions in response to a short survey sent out by the Money Advice Service - in total, 14 institutions of varying size and type responded.

The remainder of this appendix is set out in the following manner:

- A discussion of the research caveats applied to the landscaping review;
- An indicative discussion of the CSR budgets and the percentage of this applied to financial education;
- A presentation of the current activity 'landscape' based on the reported information;
- An indicative discussion of the value of the programmes delivered, based upon reported information;
- The number of young people benefitting from the reported interventions;
- A discussion of the style of delivery reported as being employed in delivering the intervention; and
- Reported objectives and KPIs.

9.1.1 RESEARCH CAVEATS

In presenting the results of this review it is important to make explicit the following caveats regarding the scope of reporting:

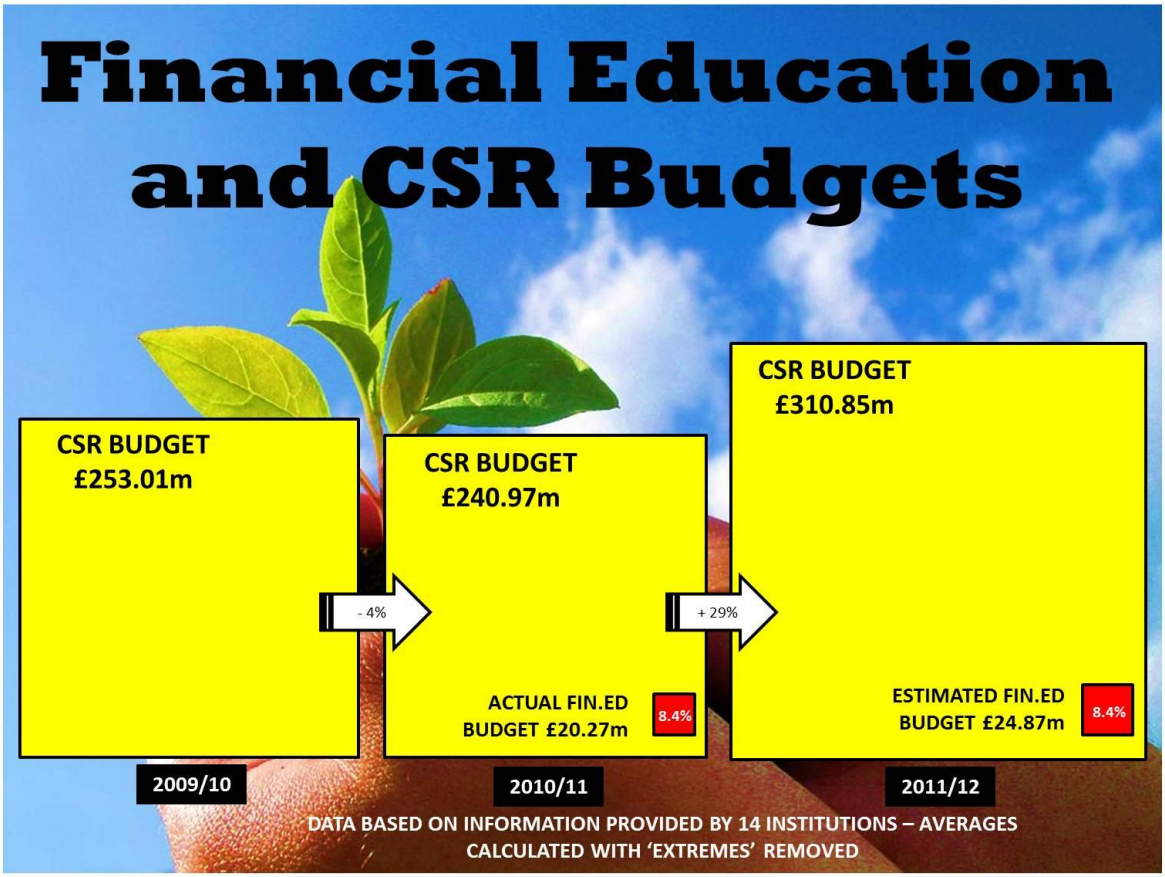
- It is necessary to note that the detail and quality of information provided by the institutions varied and was, in the most part, indicative rather than completely accurate. As such, we recommend that this section be treated as an ***indication*** of the current financial education intervention provision landscape;
- It should be clearly stated that this review is intended as a "mapping and gapping" landscape review designed to identify areas in which activity was not taking place to allow the Money Advice Service to act in their projected role of stewardship to identify and encourage future delivery based on needs and evidence. This is of course reliant on good will and cooperation from partners and stakeholders in the process;
- Reported responses are provided voluntarily and there was an understandable level of caution expressed by institutions regarding the purpose of the survey, including concerns that

this was to be used in developing a 'league table'. This has had a limiting effect on the ability of this review to be presented as a 'complete' picture; and

- Therefore, the outcomes of the review are not presented as a complete review – one of the intentions of this first iteration of the landscaping review is to provide confidence in it use and intention. It is fully expected that further activity is taking place and the Money Advice Service welcomes the opportunity to incorporate further information into the overall landscape review.

9.2 CSR BUDGETS

Institutions were asked to indicate their overall CSR budget for the years 2009/2010, 2010/2011 and 2011/2012 and the proportion of this allocated to financial education. Acknowledging the limitations of the data provided[5] it is evident that, on average, institutions increased their CSR budget significantly in 2011/2012 (to a total of £310.85m), after a slight contraction in 2010/2011. For 2011/2012 the overall financial education budget stood at £24.87m (approximately 8% of the overall CSR budget).



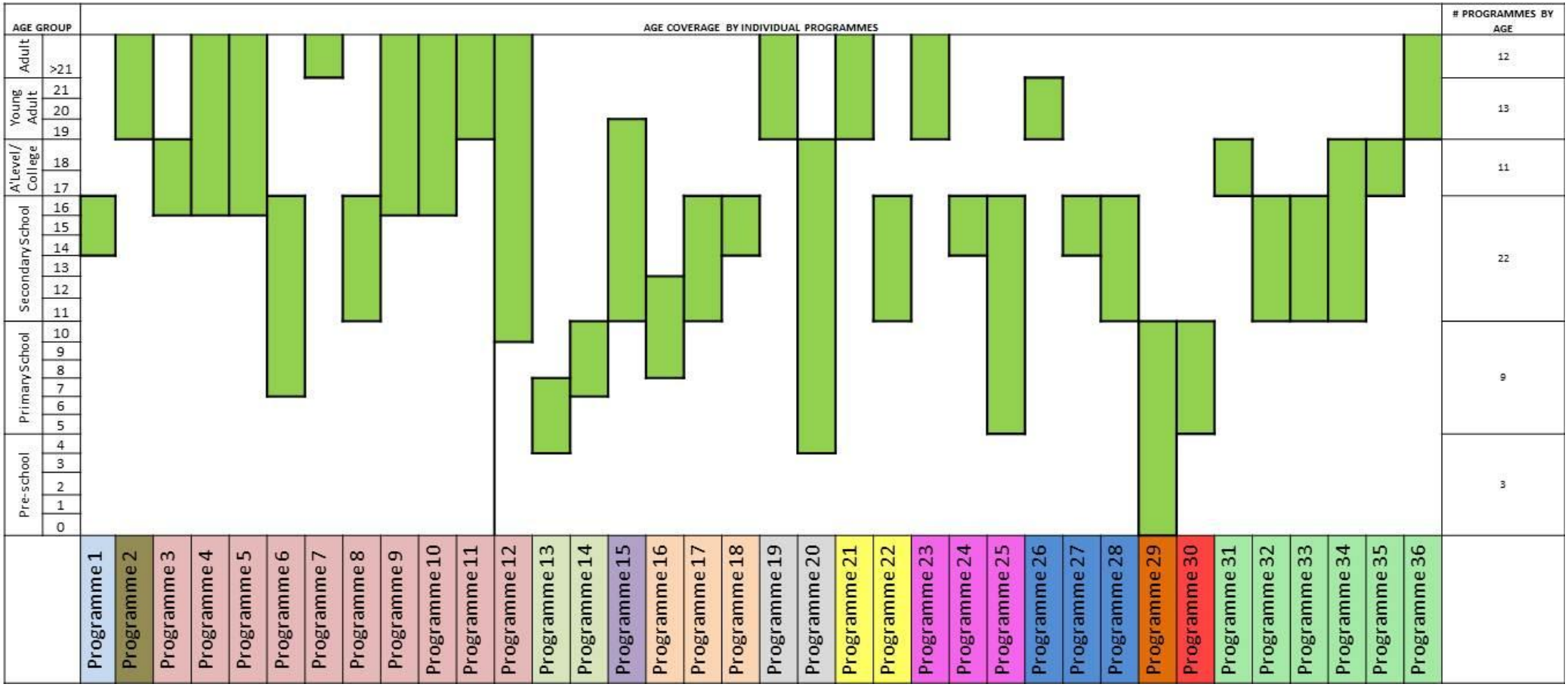
[5] Where returns from institutions provided no financial data we have extrapolated averages based on the responses given. The largest institutions (with significantly higher budgets) were removed from the average so as not to skew the data.

9.3 PROGRAMME LANDSCAPE

In total, the institutions responding provided details on 36 different programmes. The chart overleaf indicates, based on the information provided, the age groups of the 'end-beneficiary' that these programmes targeted. As can be seen, the bulk of interventions targeted secondary school age children, with comparatively little at those of primary or pre-school age.

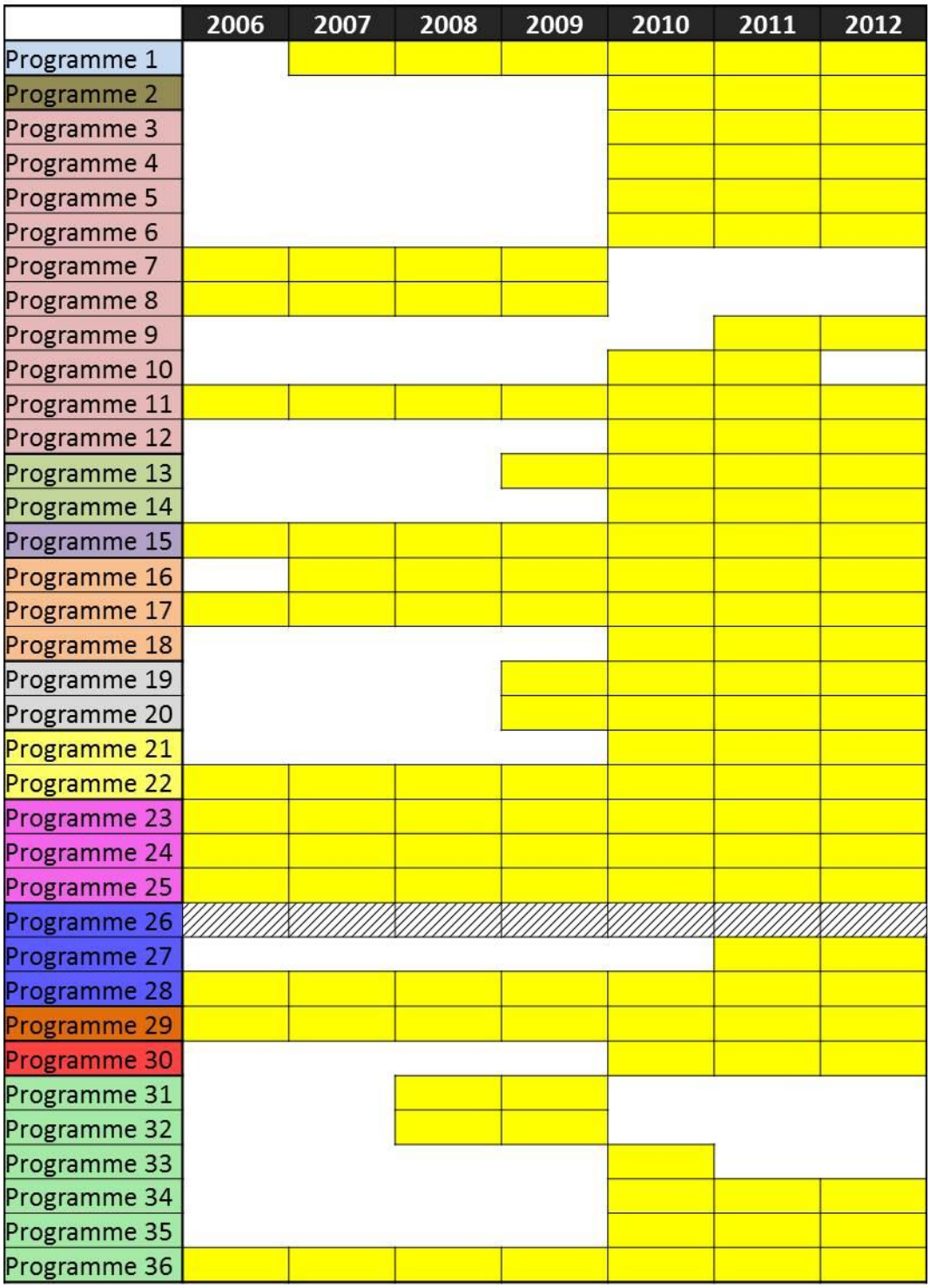
There was some targeted work taking place with A' Level / College age young people, although much of it was combined with support for older or younger age groups. Similarly, there was little targeted focus on young adults (those aged 19-21), with the majority of support being tied in with that for older adults.

AGE COVERAGE OF PROGRAMMES DELIVERED 2006-2012



N.B: Different coloured programmes above indicate individual financial institutions.

The following diagram demonstrates the time periods that the programmes of institutions have covered. Positively, it was clear that 2010 saw a notably increased focus on the delivery of financial education related programmes. In addition, programmes tended to last for a number of years, with several running throughout the years 2006-2012.



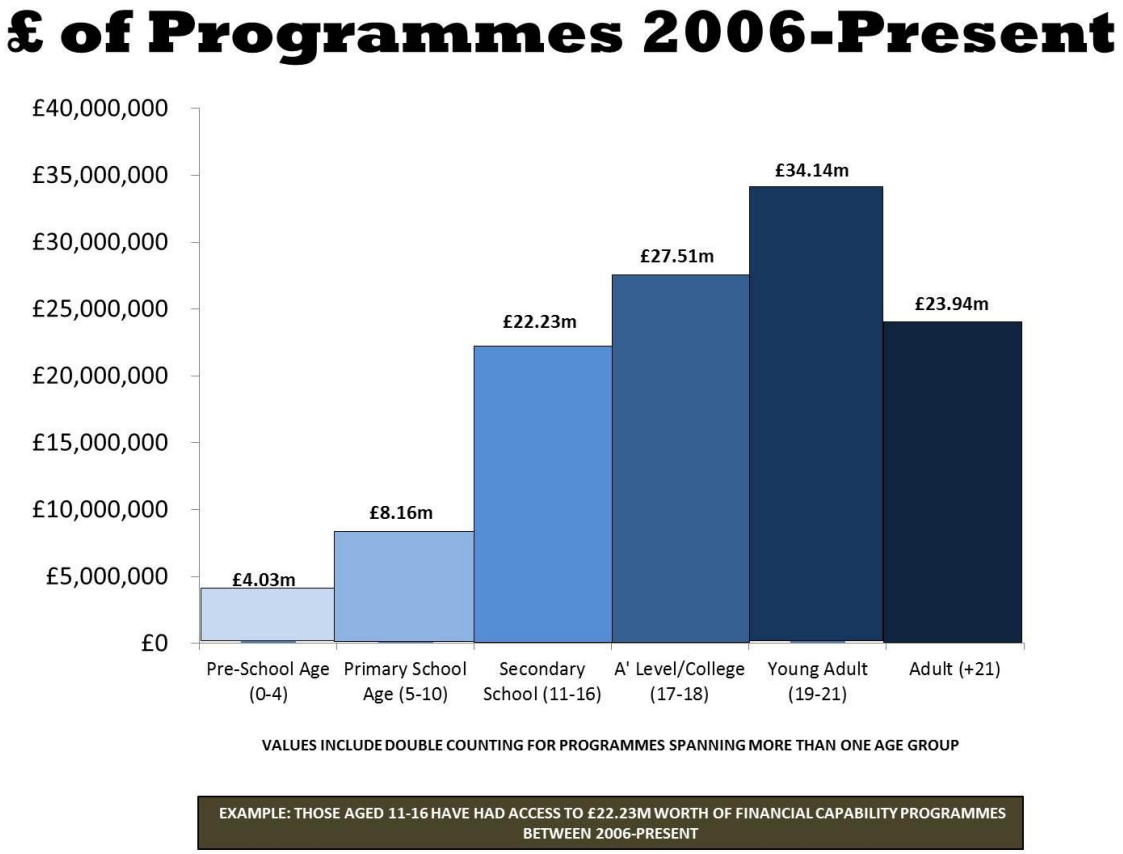
N.B: Different coloured programmes above indicate individual financial institutions

9.3.1 PROGRAMME VALUE

In addition, institutions provided data for specific financial education programmes being delivered between 2006 and the present. The following diagram illustrates the total value of programmes that were available to each age-group inclusive of the years 2006-2012. As with previous financial information, we recommend this be treated as an indication of spend only, rather than a definitive amount.[6]

It is also important to note that there will be an element of double counting as programmes tended to provide support for more than one age-group. Therefore, the figures below indicate the *overall value of programmes for which beneficiaries of each age group would have access to.*

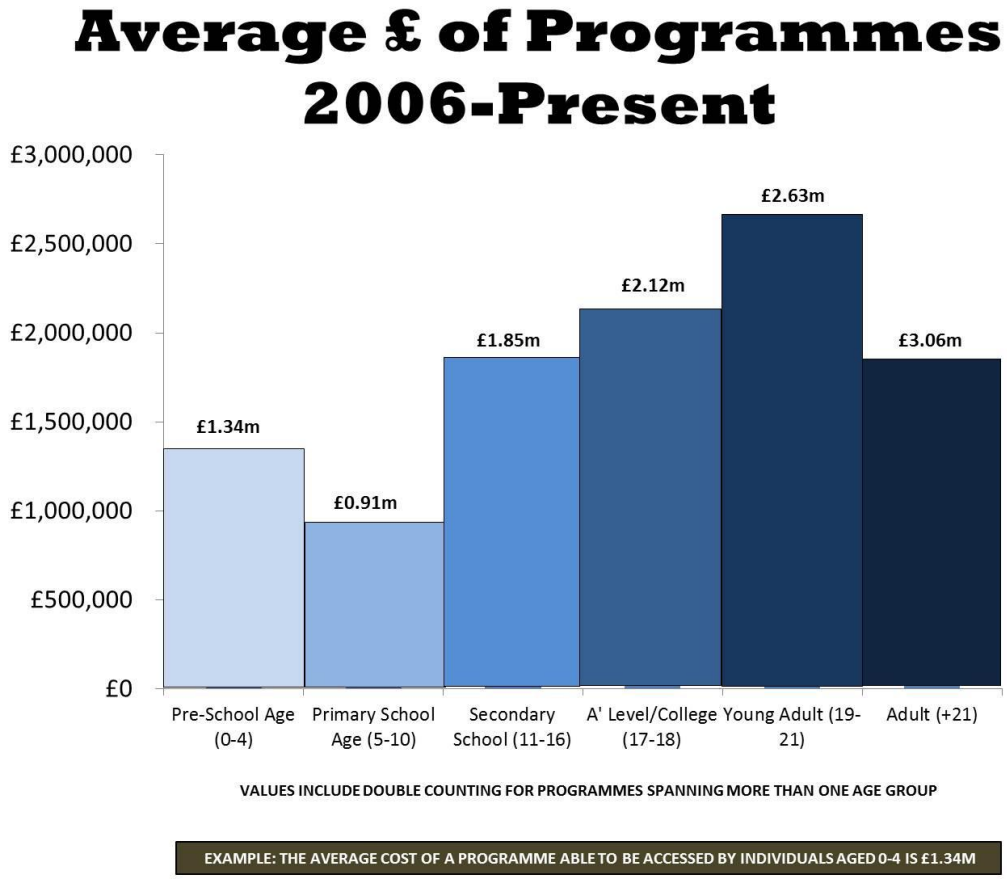
As can be seen, comparatively little was being spent on programmes providing support for pre-school age (£4.03m) and primary school age children (£8.16m) in comparison to those of secondary school age (£22.23m). While it was previously identified that there were relatively few programmes focusing solely on college age or university age young people, these age groups did have access to a high overall value of programmes (£27.51m and £34.14m respectively).



[6] This is due to some of the data provided being estimates, while other data was missing (notably with programmes targeting secondary school age children) and therefore not included within the analysis.

While comparatively little was seemingly being spent overall on the pre-school and primary school age groups, it was also evident that the average value of programmes they had access to was comparatively low (£1.34m and £0.91m respectively). The average value of programme rose relatively consistently up to young adults (£2.63m on average).

This potentially suggests that the interventions aimed at these age groups were attempting to engage higher numbers of beneficiaries and / or deliver a more intensive programme of support.



9.3.2 BENEFICIARIES ENGAGED

Institutions also provided an indication as to the total number of beneficiaries supported through their financial programmes. In total, data was provided for 25 of the 36 programmes. Overall, 3,939,485 beneficiaries received support, with an average of 157,579 per programme.

It has not been possible to interrogate the data by age group as the majority of programmes targeted beneficiaries across a number of age categories and there was no indication as to how totals engaged were split by age.

9.3.3 DELIVERY STYLE

The information provided by institutions with regards to where programmes were delivered and who delivered the support has been summarised below in the following diagram. As indicated in the full review of financial interventions, the majority of interventions aimed at school age children were being delivered by educational staff within a school / classroom environment – mainly in group sessions. Despite the literature review highlighting the importance of parental influence on these youngest age groups there was minimal evidence of delivery involving parents.

Approaching college age and young adulthood, delivery moved to community settings and tended to be delivered by staff within those community settings (youth workers etc.). Delivery that was taking place in an educational setting was now being delivered by staff from the institution funding the programme, more so than by educational staff. It was interesting to note that while programmes appeared to acknowledge the influence of the 'teacher' waning among these age groups, there was little to no increase in peer-to-peer activity.

Pre-school age	Primary-school age
Tends to be: o **Mainly education setting based**; o Some home / community delivery; o **Delivery taking place as groups**; o Minimal individual support.	Tends to be: o **Education setting based**; o Some community delivery; o No home delivery; o **Delivery taking place as groups**; o Minimal individual support; o Minimal online delivery.
Tends to be: o **Delivered by educational staff**; o Some parent / community setting staff delivery.	Tends to be: o **Delivered by educational staff**; o Some institution staff / community setting staff delivery; o Minimal parent delivery.

Secondary-school age	A' Level / College age
Tends to be: o **Education setting based**; o Minimal home / community delivery; o Minimal online delivery; o Minimal event / road-show delivery o **Delivery taking place as groups**; o Minimal individual support.	Tends to be: o **Education setting / community setting based**; o Minimal event delivery; o No home delivery; o **Delivery taking place as groups**; o Some individual support;
Tends to be: o **Delivered by educational staff and institution staff**; o Minimal parent / community setting staff / peer delivery.	Tends to be: o **Delivered by institution staff / community setting staff**; o Some educational setting staff delivery; o Minimal peer / parent delivery.

Young adult age	Adult
Tends to be: o **Community setting based**; o Minimal educational setting delivery; o **Delivery taking place as groups or through individual support**.	Tends to be: o **Community setting based**; o **Delivery taking place as groups or through individual support**.
Tends to be: o **Delivered by community setting staff and institution staff**; o Minimal parent / peer delivery.	Tends to be: o **Delivered by institution staff / community setting staff**; o Minimal peer delivery.

9.3.4 OBJECTIVES AND KEY PERFORMANCE INDICATORS

The intelligence provided by institutions with regards to the objectives and success measures in place for their financial programmes varied widely and, in many instances, was missing completely. It was also noticeable that there was no evidence of common objectives or KPIs across the programmes referenced, even when comparing programmes from the same institution.

Key performance indicators[7] tended to focus on:

- Numbers participating / engaged (56% of programmes);
- Knowledge and skills (40% of programmes);
- Attitudes (20% of programmes);
- Confidence (20% of programmes);
- Short-term behaviour change (16% of programmes); and
- Long-term behaviour change (4% of programmes).

This supports the identified need for the Money Advice Service to provide advice and guidance to institutions in order to standardise how programmes are being evaluated and performance / impact measured.

[7] For the purpose of this analysis we have focused on objectives and KPIs relating specifically to beneficiaries.