

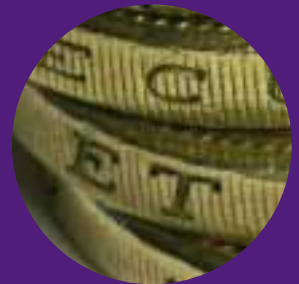


PRUDENTIAL

citizens
advice
bureau

Capital gains

Building confidence through financial skills for life



Summer 2005



Citizens Advice

The Citizens Advice service helps people resolve their money, legal and other problems by providing information and advice, and by influencing policymakers.

The Citizens Advice service is the largest provider of free money advice in the UK. Most Citizens Advice Bureaux provide specialist level money advice services, helping people resolve a range of money and debt issues. Last year, Citizens Advice Bureaux dealt with over one million new debt problems on behalf of clients.

Prudential Financial Capability Initiative

Prudential's focus on financial capability began four years ago with two principle aims: building the long-term capacity of community organisations to provide financial education; and placing financial education firmly on the public policy agenda. It has established programmes with a range of partners, including the NIACE (National Institute for Adult Continuing Education), Pfeg (Personal Finance Education Group), Citizens Advice and the Organisation for Economic Co-operation and Development (OECD).

Project/contact	Key client groups (learners reached)	Methods of delivery	Local partners
Bracknell CAB Anne Harding 01344 428107	Employed and financially-excluded people, (765 since June 2003)	Groups with some one-to-one.	Bracknell Forest Council Homestart Reading University.
Bradford CAB Tariq Bashir, Razina Bostan 01274 390170	Refugees and asylum seekers (70 since March 2004)	Groups with some one-to-one.	Refugee Council Bradford Action for Refugees Red Cross.
DAWN (Debt Advice Within Northumberland) Liz Chadwick 01665 714387	Mental health service users (642 since April 2003)	Groups.	3Ns Mental Health Trust PCT User Voice group.
Islington CAB Maureen Smith 020 7561 7450	The over-50s and families (288 since October 2003)	Groups.	Islington Credit Union Alsen community centre Islington Council.
Fenland CAB Beverley Grainger 01945 587707	Pre-release prisoners (526 since November 2003)	Groups.	Prison and probation services Foundation Training Company.
North Liverpool CAB Peter Tyson 0151 287 1300	Young adults and families (931 since April 2003)	Groups.	Oakmere Training Merseyside Accommodation Project Sure Start.
Cyngor ar Bopeth Powys CAB Jayne Wynn 01686 628963	People in rural, deprived areas (530 since November 2003)	One-to-one, groups and second-tier training.	Citizens Advocacy Community First Sure Start.
Walsall CAB 01922 700600 Project closed January 2005	Basic skills learners (60 since January 2003)	Intensive training with small groups.	Learning and Skills Council Solihull College.
Wigan and Leigh CAB Nigel Ash 01942 709709	Young adults and parents (214 since March 2003)	Groups with some one-to-one.	Coops Foyer Family resource centres.

Working together

Prudential has been funding the Citizens Advice **Financial Skills for Life** project for three years. It is a community-based programme which has been piloting nine face-to-face personal finance education projects to a number of audiences, from young adults just starting out through to people in retirement. The programme has also been providing support to 65 Citizens Advice Bureaux, helping them to deliver high quality financial skills programmes.

Many people have poor financial skills and this often leads them to make ill-informed decisions on their money matters. Research shows that just over a quarter of adults said that they didn't think they were good at managing money and one third said that they would prefer not to think about planning their finances at all.¹

Citizens Advice has found that the negative effects of a lack of financial awareness can be compounded by limited or poor quality consumer information and inadequate advice. People can miss out on the growing range of financial products available and fail to

make the best use of Government initiatives like tax and pensions credits. But building the necessary confidence in financial services is an uphill task.

The past few years have seen Government, the Financial Services Authority (FSA), the financial services industry, voluntary bodies and consumer organisations coming together to find ways of helping people to become more confident financial consumers. Real investment to improve financial capability is finally starting - to the tune of £35-40 million a year.²

We are learning what engages people, how to deliver effective financial skills training and seeing what a difference financial education can make to the financially excluded.

As members of the FSA's Financial Capability Steering Group, Citizens Advice and Prudential are contributing to the development of financial literacy policy, based on grass-roots experience. Here we celebrate the success and share the lessons of Financial Skills for Life and look to the future and our continuing relationship.



David Harker

David Harker
Chief Executive,
Citizens Advice



Sir David Clementi

Sir David Clementi
Chairman,
Prudential plc

Support group



At the heart of the project are Kate Taylor and Beth Bell. They support

the nine bureaux who run the pilot projects, as well as other bureaux involved in financial skills work.

"We've worked with all the bureaux to help them establish successful projects, working with them on things like their detailed project planning and training and marketing materials," says Kate. The team has also produced best practice training materials that bureaux can use 'off the shelf' to deliver sessions.

About 65 bureaux do financial skills work and supporting them to set up successful projects and deliver effective training was one of the team's key objectives. "We've learnt a huge amount in the last three years about what works and what doesn't and are now in a position to build on this hard work and start sharing key lessons with stakeholders," says Kate.

¹ NOP Consumer research: FSA, May 2004.

² Financial Services Authority: Building Financial Capability in the UK, May 2004.

Young at heart

Increased financial capability is beneficial to young and old alike.

Peter Tyson was a money adviser at North Liverpool CAB before becoming a financial skills trainer for the Financial Skills for Life project in 2003. "We began to realise the extent of the problem, when more and more young people came into the bureau with issues clearly linked to their financial illiteracy. Sometimes we'd get a young person who'd actually become homeless as a direct result of their inability to handle their money," says Peter. "We really wanted to get involved in more preventative work."

The project, which delivers financial skills workshops on subjects like debt, credit and budgeting to small groups of young adults, covers the north side of Liverpool where many people get by on low incomes. Originally targeting young people moving from benefits into work, the project has broadened to include training young families and the 'community parents' who work



Making sense

with them. Peter and his colleague Siw Jones realised early on that tapping into groups with whom they already worked was the best way to go. "Most young adults are never going to turn up to a financial skills session off their own back," says Peter. So they have built on existing relationships with partner agencies, like New Deal providers, Women's Aid, East Liverpool Probation Service, Merseyside Accommodation Project and Sure Start to deliver sessions to their clients.

Quality

Oakmere Training provides a wide range of training for youngsters on Merseyside. "We have been using the CAB for the last 12 months as part of our Entry to Employment (E2E) programme," says Jan Imundi, a quality auditor for Oakmere. E2E is a work-based learning programme which aims to remove barriers to work. "Through the encouragement given by Peter, the learners found it easier to think about how they budget their spending. The sessions have also helped learners with their communication skills which has had a knock-on effect with other programmes such as Key Skills," concludes Jan.

Peter uses a variety of techniques to keep his audience interested. "Endless case studies are tedious, so we mix up the activities and get them actively involved," says

"Illustrating real-life scenarios brings it alive for them"

Peter. In the credit workshop, the group will look, for example, at the cost of a TV bought for cash (say, £562) and compare that to how much they'd pay if they bought it from a hire purchase store (over 156 instalments, a total of £1246.44). Then they look at how much it would cost to borrow the money from a bank or a credit union. "Illustrating real-life scenarios brings it alive for them."

Older and wiser

Islington CAB was already delivering learning-based initiatives to its clients through a contract with the Learning and Skills Council, when it started financial skills workshops for the over 50s and their families. Funded by Prudential, the bureau attracted some match funding from Islington Council. "Our experiences targeting advice at the over 50s showed us that clients had very little financial confidence," says Maureen Smith, Financial Literacy Tutor. "We try to give people the self-assurance to deal with their money in an informed and constructive manner. Courses also include use of IT, an area in which these clients can be less confident."

The first month of the project was spent compiling an in-depth syllabus, using a number of sources, like the NIACE www.moneymatterstome.com website, which is also funded by Prudential. "The course includes modules on debt and credit, financial planning, bankruptcy and county court claims, as well as banking and credit unions," says Maureen. The over 50s client group turned out to be as concerned about their families' lack of financial skills - and therefore their ability to plan for a secure financial future - as they were about their own particular issues.

Credit where it's due

One of the project's big successes has been its partnership with the Islington Credit Union. "Developing financial skills is very much a part of what we set out to do," says Ed Sweetman of Islington Credit Union. "Our contributions to the CAB sessions are always very well received." Many learners come forward after the sessions for more information about how to start savings accounts. "People are always interested to know that there are alternatives to borrowing from doorstep lenders at high rates of interest," says Ed.

LESSONS LEARNT

"Work out a syllabus that meets the clients' actual needs, not your perception of their needs."

Islington CAB



Generation game

Another satisfied customer

Goan Claudine D'Souza, 64, was born and brought up in Kenya before coming to the UK and working for many years as a manager in British Telecom. She'd never had any dealings with her local CAB before responding to an advertisement in the local paper about a six-week financial literacy course being run by the Islington CAB over 50s project. "I wasn't in debt or anything but felt there were one or two areas of my financial know-how that needed brushing up," said Claudine.

"It was a real eye-opener. We learnt about things I really hadn't given a second thought to, like debt and savings, and the implications of the choices we make." Claudine particularly enjoyed the section on savings - "We talked through how to put money by, little by little, and develop a real safety net to fall back on." She was impressed with the tutor's style of operation. "Maureen was very well-versed

in her subject and didn't just read from notes. She used real-life case studies from CAB advice work to illustrate what she was saying and her style was very natural. One or two of us enjoyed it so much we came back to do some of the sessions a second time."

"It was a real eye-opener. We learnt about things I really hadn't given a second thought to."



Out on a limb

Developing financial capability can help bring people in from the cold.

People can suffer social exclusion when they face a series of problems such as poor skills, low incomes, bad housing and family breakdown. Increasing people's confidence in their ability to make wiser financial choices can help people vulnerable to getting into debt, crime or mental illness to break the cycle of social exclusion.

Give and take

Fenland CAB runs financial skills programmes for pre-release prisoners at five prisons in East Anglia, as well as for ex-offenders on probation.

Tutor Martin Cox worked as an adviser at the CAB, based in Whitemoor maximum-security men's prison, before taking on the project. The courses, delivered in partnership with the Foundation Training Company, are made up of four modules - banking, budgeting, debt and credit and benefits. "For many of the men I tutor, the idea of budgeting is totally alien. Their poor money management skills can even increase the risk of further crime as it's easy to become despondent if you find it tricky to budget on a low income. They often have little positive money management experience, so our programme is about preparing them for the reality of life on the outside" says Martin.



Preparing for life on the outside

The course covers issues the men will face on release, like service charges in hostels, paying rent in advance, applying for social fund grants and basic banking.

"It's easy to become despondent if you find it tricky to budget on a low income."

"The main thrust of what we do is resettlement and we want the men to leave us with a notion that they can be contributors to society," says Jim Davison, the Foundation Training Company manager at Littlehey prison. "The CAB courses are a tremendous bonus to what we offer. They provide the very practical skills and support needed by the men, some of whom are thinking about some of these issues for the first time and all of whom

have the same needs as the rest of us when it comes to finding housing, work and so on."

Fundamental

The Prudential funding enhances the wider basic skills work that Walsall CAB provides under their contract with the Learning and Skills Council. Many people are disadvantaged and become very socially isolated because of their low levels of literacy and numeracy.

"We were seeing people with poor experiences of learning who are very sensitive about their lack of skills," says David Foxall, Financial Literacy Co-ordinator. Bureau advisers refer clients who they can see are struggling. The team at Walsall CAB also offer training to young people referred to them by Jobcentre Plus, who are on the New Deal, the Government's strategy to get people into work. "When they first come, their self-esteem is often very low," says David. The tutors tailor a personal plan of things they'd like to achieve individually. Once they've built up their social, group, maths and English skills, they are ready to move onto the financial skills work.

Shared goal

"The FSA is delighted to see the work Citizens Advice are doing in partnership with Prudential on the Financial Skills for Life project. Each takes account of the needs of the financially excluded, an issue I know is central to Citizens Advice. These initiatives will help enormously with the broader National Strategy for Financial Capability which is about providing consumers with the education, information and advice they need to make their financial decisions with confidence. It is excellent to see so many individuals and organisations working together to achieve our shared goal."

Anna Bradley, Director, Retail Themes,
Financial Services Authority

Communities First, the Welsh Assembly's flagship programme to address social exclusion and to develop peer support groups in the area. "These communities can be very closeknit. People will talk to their friends and neighbours at the toddler group or a church coffee morning about their money worries, whereas they wouldn't come to a workshop to help them develop their skills. We're working on building up some more informal, word-of-mouth networks to provide support through these community groups," says Jayne.

Country miles

The financial skills project at Cyngor ar Bopeth Powys CAB delivers training to people living in isolated rural locations, where lack of access to services can result in social exclusion. The population of Powys in Wales is less than 130,000 yet the county covers approximately a quarter of Wales. "Issues in a largely rural area can differ to those in a more urban environment," says Jayne Wynn, Financial Literacy Trainer. "As accessing services can mean arranging a day trip to the nearest town, people often just never get around to it."

The challenge of reaching a sparse population has prompted Jayne to come up with imaginative ways of increasing people's financial know-how. "We put together a series of two-minute radio packages about various money matters that were broadcast on the local independent radio station" says Jayne. "That way, we were able to reach 60,000

people that we wouldn't be able to get to otherwise."

Urban deprivation

The project is also reaching out to people living in places like the Oldford Estate in Welshpool, labelled as a place of 'urban deprivation in a rural setting'. Jayne is working with

LESSONS LEARNT

"Come up with a range of ways to reach people living in isolated areas, like using local radio." Cyngor ar Bopeth Powys CAB



Training in Powys

Safety net

Financial skills stop people falling through the net.

Research by Debt Advice Within Northumberland (DAWN), a CAB money advice project, along with local mental health agencies in Northumberland, has shown the negative impact that money worries and debt problems can have on mental health. One counsellor described debt as “like a prison, defining how they [mental health service users] have to live”. The research found that debt was an added stress, causing anxiety and depression, and compounding emotional

and physical ill-health. “It often appears as part of a pattern of stress precipitating admission,” said one psychologist.⁴

DAWN’s financial literacy project, targeted at mental health service users, is unique in that it recruits volunteers with experience of mental illness themselves and trains them to deliver financial assertiveness sessions to mental health service users. “This means that the workshops are run by people who really know what they are talking about when it comes to the particular issues faced by people with mental health needs,” says Liz Chadwick, DAWN manager. “This peer-led approach seems to result in much more participative sessions.”

Peer leaders

Working with User Voice, an organisation that works with service users, it took about four months to train the original group of volunteers. In April 2003, with the support of the bureau, those volunteers started delivering training to mental health service users through the regional mental health trust.

The trainers developed activities with a series of real-life scenarios for participants to work through, like preparing for a family wedding. “We’d talk about things like buying a wedding present, and if you can’t afford a big present, what your options might be and so on.

The learners enjoy working through the decisions involved in real-life situations.” The workshops cover credit/debt awareness, banking services, saving and credit unions, getting advice and choosing everyday financial products and services.

Capacity building

The project also works to raise awareness of the impact of financial problems on mental health among local health care workers and encourages better joint working between the advice and health sectors. For example, workers at the Women’s Health Advice Centre (WHAC), which offers a service helping women affected by a wide range of physical, emotional and social issues, have done the DAWN financial skills training. This means that CAB advisers can send clients to WHAC for ‘buddy’ mentoring if they think someone is vulnerable to mental health problems and needs support to manage their finances.



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Welcome support

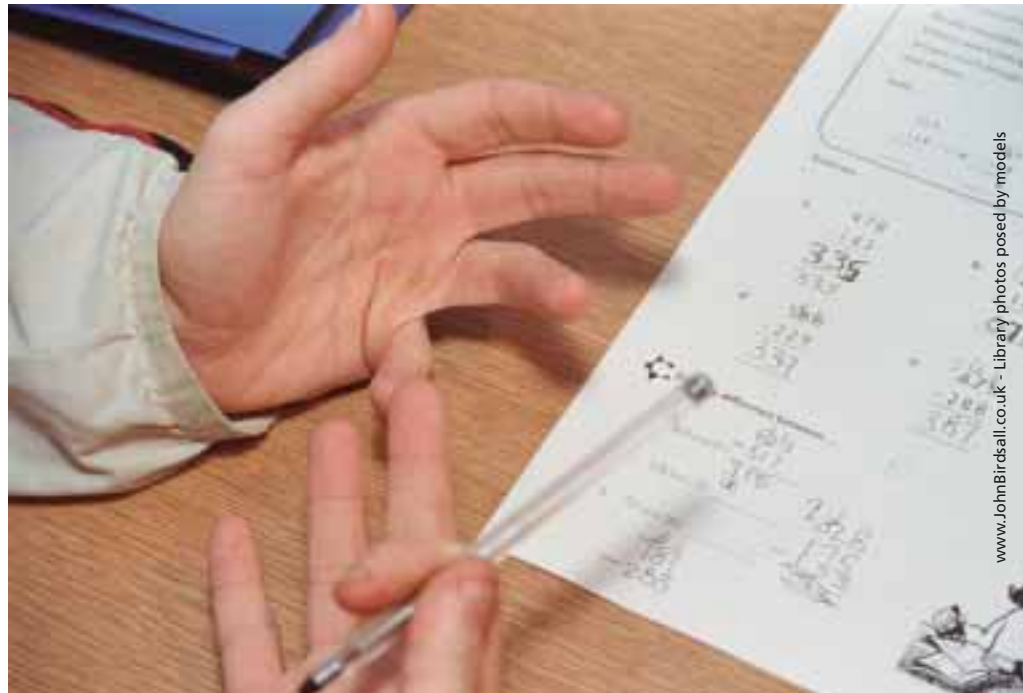
⁴ Supporting people with debt and mental health problems, Sharpe and Bostock, 2002.

Coming in from the cold

Bradford CAB had already been working with refugees and asylum seekers for a number of years, when it joined forces with Bradford Action for Refugees, to help people fleeing the conflict in countries that made up the former Yugoslavia, in 1992. "Many people from Bosnia and Kosovo were arriving in the city, often traumatised and with nothing but the clothes they stood up in," says Razina Bostan of Bradford CAB. The financial skills project teaches new arrivals the basics like how the banking system works, how to get a gas supply and general budgeting. Many people are struggling to settle, as well as trying to overcome a number of hurdles, such as language problems, poor housing and sometimes a less-than-welcoming community. "They need to know how the various systems work," says Razina. "We also have to be aware of the varying cultural attitudes relevant to the way we deliver the training, like Islamic attitudes to borrowing money, paying interest and so on."

"The project is unique. It has hit all the right areas."

The bureau worked with other agencies from the earliest stages to ensure that they were complementing - and not duplicating - their work. Kathryn Bogdanovic of the Refugee Council was involved from the start. "We worked with the CAB to put a package together. We looked at the issues, helped to identify the needs of newcomers and were



Session in progress

also engaged in the recruitment side of things." The project is unique in that it caters very specifically to the needs of this client group. "It has hit all the right areas and I don't think this targeted work is being done by anyone else, certainly not in Bradford."

The project is increasingly trying to make contact with asylum seekers before the initial support comes to an end and before they have to leave their National Asylum Support Service accommodation. "It is at that point that refugees can sink into destitution without continued support from the various agencies." Sometimes the need for advice and the need for financial awareness training are intertwined. "We find that our learners often have immediate advice needs too, so the workshops act as a bridge to CAB services," adds Razina.

Tariq Bashir, a financial skills tutor for the project, delivers

financial skills workshops in a number of settings, as well as one-to-one tutoring when an interpreter is needed. "We are increasingly taking the workshops out to locations around Bradford, rather than expecting people to travel into the city centre," he says. "Asylum seekers have so much to contend with that, if we go to them, we are more likely to reach them."

LESSONS LEARNT

"Be aware of differing cultural attitudes to debt and the payment of interest."

Bradford CAB

New beginnings

"We would like to try to train volunteers - settled refugees - to help deliver the financial skills workshops to new arrivals. They would have the benefit of experience to draw on, as well as the language skills and cultural awareness," says Tariq.

Take your partners

Building strong local partnerships is the key to success.

Most financial skills project co-ordinators have found that recruiting learners 'cold' is a thankless task. "It's hard to convince a 16-year-old that financial skills are relevant," says Nigel Ash from Wigan CAB. "Sticking up a poster and hoping they turn up just didn't work for us."

Nigel has built up a range of partnerships with local agencies and delivers financial

skills training to their clients. They include sessions at WAVE, a halfway house for women who have suffered domestic violence; workshops at three Family Resource Centres and money management courses for individuals at Tunstall House, a clubhouse for people with enduring mental health problems.

"We've also done 'second-tier' training with staff at the Cavendish family resource centre and the asylum seeker team, which should enable them to support their residents more effectively,

especially when it comes to issues like doorstep-lending," says Nigel. People don't always know exactly how much they owe to lenders and the key word is choice. "Their over-riding concern is that they won't be able to get any more money from anywhere, if they don't borrow from this lender. When they get the knock on the door, we want them to remember that they do have a choice, even if it is limited."

LESSONS LEARNT

"Link with other agencies - it's hard to attract learners cold."

Wigan CAB



Tansy Abbott (pictured above with daughter Hannah), was 17 when, because of family problems, she spent some time living in Foyer accommodation. "I learnt a lot," says Tansy. "We did basic stuff like budgeting, looking at bills and prioritising debts. It was really about avoiding debt, which I am glad to say, I've done. We met in small groups, once a week - nothing formal. I found it really useful." As well as looking after daughter Hannah, Tansy now has a full time job with an IT company.

Safe house

The project's relationship with Coops Foyer, which provides supported housing for 16-25 year-olds and helps them tackle their problems by developing their life skills, has been one of it's most successful partnerships. Nigel runs small workshops for 6-8 people, taking them through relevant subjects, like the choices they'll have to make when they move into private rented or council accommodation, as well as covering the usual topics like debt and budgeting. "We use videos and the internet, visiting supermarket comparison websites to compare high street prices, which the learners love. We avoid boring them with too many facts!" says

Nigel, who has delivered nearly sixty two-hour training sessions to Foyer residents.

“The financial skills workshops that Nigel provides are part of our E2E programme,” says Carolyn Siddall, Training Manager at Coops Foyer. “Feedback from our residents, who often haven’t had very good role models when it comes to managing money, has been very positive.”

“We’re always looking at new ways to deliver services with partners.”

Bright future

So what does the future hold for Wigan? “Our experience of delivering programmes with Prudential funding has helped us secure further resources.

For example, we’re now working with the Department for Work and Pensions to provide training around opening post office and basic bank accounts now that benefit books are being phased out,” says Nigel. “We’d also like to build on our work with the Training Network Group, providing more ‘basic skills’ type training and we have applied for Community Legal Service money to continue our work at the Family Resource Centres.”

On-site

Bracknell CAB hadn’t done any financial literacy work before Financial Skills for Life, but advisers were seeing £1 million worth of debt cases come through the door each year.

The bureau wanted to take a more preventative approach to the problem, as well as ‘fire-

fighting’. Anne Harding took up the financial literacy coordinator post at Bracknell CAB in February 2003. The bureau wanted to focus on local partnerships, running courses on partners’ premises, increasing their clients’ knowledge of things like the right to cancel a credit agreement and judging priority and non-priority debts.

Anne has established connections with a huge range of local agencies as well as providing training as part of the

Department of Education and Skills’ Lifelong Learning programme. “I think my teaching experience has left me very adaptable when it comes to training a broad range of learner groups,” says Anne. Starting from scratch, it took several months to research and find partners, visiting them and working out what they could do for each other. “It was very much like setting up a business,” she says. Things have mushroomed and she is fully-booked for three months ahead.

Sessions at work

Anne has also developed links with local employers, to get them hooked into the idea of offering their workers financial skills training. She has developed a good relationship with Bracknell Forest Council and offers their employees regular sessions



Investing in the future

on savings, pensions, avoiding debt and basic financial planning. “The sessions are usually well-attended and it’s been ideal to work with Bracknell Forest. They advertise the sessions for us - I think they see them as a way to add value to the other services they provide to their staff as a responsible employer,” says Anne. “We are also looking at holding a conference with interested parties locally to talk about forming a local credit union - so we’re always looking at new ways to deliver services.”

Last word



Ivan Lewis MP, Economic Secretary to the Treasury, lends his support to Financial Skills for Life

Financial capability is rightly seen as a passport to full participation in society. But a recent MORI poll found that 79 per cent of people could not correctly identify the term 'APR', and 30 per cent did not know how to describe a standing order. Figures like this reveal the extent of the knowledge gap that exists among consumers.

The Government is fully committed to financial

education and extends its support to the nine projects falling under the Financial Skills for Life banner. This initiative complements the Government's work reducing financial exclusion and encouraging saving and financial capability.

Since 1999, over 16 million people have opened Individual Saving Accounts, with increased take-up among both low-income groups and young people. A second Saving Gateway pilot is designed as a starting point for individuals who would otherwise have difficulty getting on to the savings ladder. The pilot involves Government matching individuals' savings, and testing the support of a range of community financial education bodies.

Plus, Child Trust Fund accounts aim to provide assets for all children, promote positive attitudes to saving, and increase levels of financial capability.

A £120 million Financial Inclusion Fund will be used, among other things, to support improvements in the face-to-face money advice sector. Meanwhile, Government and the banks have declared a historic shared goal of halving the 2.8 million adults in households without a bank account.

Addressing the needs of the financially excluded is one of the overarching aims of the Financial Service Authority's financial capability strategy. It aims to give people the education, information and advice they need to make financial decisions with confidence.

With these policies, along with the work of bodies like Citizens Advice and the support of the private sector, the Government will be able to build greater financial knowledge and inclusion for the future.

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Myddelton House,
115-123 Pentonville Road,
London N1 9LZ
Telephone: 020 7833 2181
Fax: 020 7833 4371
www.citizensadvice.org.uk
www.adviceguide.org.uk
Volunteer recruitment hotline: 08451 264 264

Citizens Advice Cymru 01745 586 400

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Researched and written by Miranda Kemp.
Designed by Matt Bellamy.

For information on Financial Skills for Life:

Kate Taylor, National Financial Literacy Development Officer,
Citizens Advice, 0115 941 8315,
kate.taylor@citizensadvice.org.uk.

Liza Vizard, Group Head
of Corporate Responsibility,
Prudential, 020 7548 3706.

More details on these projects
are available at
www.citizensadvice.org.uk

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