

An introduction to Financial Capability



What is 'financial capability'?

Within Citizens Advice, our financial capability work involves basic financial education to help people make better budgeting, borrowing, saving and banking decisions.

'Financial capability' is sometimes used with a broader meaning. For example, the Financial Services Authority's Financial Capability Strategy includes a number of initiatives. One of these is the roll-out of a new generic financial advice service, now called 'Money Guidance', to give in-depth information and guidance to individuals on a range of money-related matters. Further details can be found on CABlink.

This sheet focuses on the basic financial education work of bureaux and the central support team. There are two main Citizens Advice programmes, delivering to frontline workers and clients, often in group sessions: the broadly-based 'Financial Skills for Life' work and the more focused 'Horizons' initiative for lone parents. These are primarily funded by the private sector.

Goals

Our mission is: "To help people develop their own skills and confidence to avoid financial crisis." While bureaux work with all ages, and do a lot of work in schools, we particularly focus on reaching low income adults.

Our objective, recently confirmed by Citizens Advice Trustees, is that - whilst not a membership audit requirement - "By 2010 all bureaux will be involved in the delivery of financial education in their communities."

Delivery by bureaux

Our summer 2008 survey shows that 185 bureaux - 43% of all bureaux in England and Wales - have delivered some level of financial education in the past year. About 100 more are interested in getting started. Funding is the main barrier to involvement.

Bureaux work with a wide range of local partner agencies to reach learners and deliver effective programmes. These include organisations from the health, housing, social,

Does it make a difference?

There have been at least eight independent evaluations of bureaux' and forums' work; all positive.

A substantial one in 2006 concluded that participants in bureaux' sessions:

- were better equipped to head off potential debt problems
- showed a greater understanding of budgeting, borrowing and saving strategies.

Forums

In 2007 we established 14 regional financial capability forums covering all of England and Wales. Mainly led by bureaux, the forums meet quarterly.

Their objective is to build regional capacity for financial capability work by encouraging bureaux new to this area of work and by fostering understanding and cooperation with other regional delivery and funding partners.

They have already attracted 1,000+ participants from around 150 bureaux and 300 other organisations.

community, training and education, regeneration and corporate sectors. Many bureaux provide financial skills training to front-line workers in other agencies, so they can better support their clients. Some bureaux have dedicated full-time financial education workers; most are part-time, both paid staff and volunteers, typically drawing on bureau debt advice experience.

A bureau is considered to be delivering a local financial education service if, as a minimum, it provides information and occasional one-hour training sessions to clients or frontline workers on a responsive basis.

What does Citizens Advice do?

The central office team based in Nottingham and London provides grants, training and guidance to bureaux and forums; builds links with delivery and funding partners; and contributes to the development of an emerging national financial capability policy.

Our present central income for financial education work is £1.2m pa, almost all secured by the team as project funding from the financial sector and central government departments and agencies. About 70% goes as direct grants to bureaux for specific projects and to fund the regional forums.

How does Citizens Advice help bureaux get involved?

We have produced a range of training materials for bureaux to use when delivering sessions to a range of client and frontline worker groups. They cover topics like choosing credit, budgeting, saving and managing debt. We also run free training courses to help bureau workers become trainers.

We provide grants to bureaux under a variety of schemes. These range from small (£150-250) grants for delivering one-off sessions for which training materials are provided, to substantial (£20,000+ pa) long-term project funding.

We - and regional forums - also provide advice and assistance to bureaux on topics like information resources and partnership opportunities.

Contact

To find out more:

- Visit our website at www.financialskillsforlife.org.uk.
- Bureaux can check out the information and resources in the [CABlink Money pages](#).
- Contact Beth Bell in the Financial Capability team:
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