

Checking our financial capability measures with experts

Background

We have completed a number of evaluations over the years trying to build an understanding of our clients' financial capability and what our impact has been in this area. There is a broader gap in research evidence on what kinds of services work to improve people's financial capability so we want to build sector knowledge and evidence in this area to better understand the needs of our clients and make sure we have the right services for people.

We have found measuring clients' financial capability improvement to be nuanced and challenging, so we recognised the need to do further, more in-depth work. Following a year of rigorous background research and development, we have put together a set of draft outcomes measures that track clients financial capability in a way that takes into account the complex contextual factors they are facing, while giving consistency to how we measure across different services and pilots, allowing us to determine what works.

Consulting with experts

External experts

As part of the development of our financial capability outcomes measures, we have consistent contact with external stakeholders to make sure our work is rooted in current practice and thinking. Impact Team Manager Tamsin Shuker is a member of the UK Financial Capability Strategy Research and Evaluation Group and Impact Evaluation Analyst Satdeep Grewal, who has been leading on this research project, meets regularly with the Financial Capability Evaluation team at the Money Advice Service to align our work. Professor Sharon Collard, Chair in Personal Finance Capability at The Open University Business School, is providing detailed input on the configuration of the measures.

In January, we brought together a panel of experts to peer review our draft financial capability outcomes measures and will be reconvening this group once we have collated some baseline data. This is in order to make sure the measures are valid and accord with expert knowledge and experience of measuring financial capability, whether the measures work, if there are any gaps in the areas they cover or evidence used to develop them, whether there would be confident in the findings resulting from such measures and if those findings

would be credible and useful. Overall the outcomes measures were received positively by the panel who said:

- The domains covered and questions used all make sense, are appropriate, meaningful and valid.
- The findings collated using the tool would be very useful and credible as long as they are reported in a manner that takes into account all the contextual factors at play during the interventions and assessment of clients.
- The Money Advice service approved of the measures and approach we have taken.

The main feedback points were to consider issues with measuring attitudes and mindset in relation to money management, borrowing and debt, and looking at knowledge versus behaviour. The granularity of the domains being measured and the measurement scales themselves were suggested as areas for further exploration. These suggestions will be piloted and tested with clients and frontline staff in local Citizens Advice.

Expert panel

Citizens Advice

Hugh Stickland, Chief Economist & Satdeep Grewal, Impact Evaluation Analyst

Law for Life

Lisa Wintersteiger, Chief Executive

Money Advice Trust

Claire King, Head of Insight and Engagement

Personal Finance Research Centre, University of Bristol

Andrea Finney, Senior Research Fellow

The Innovation Unit

Chloe Grahame, Researcher and Project Co-ordinator

The Money Advice Service

Lizzy Jordan, Research and Evaluation

Understanding Society, University of Essex

Raj Patel, Impact Fellow & Nicole Martin, Senior Research Officer

Citizens advice experts

We have consulted on an ongoing basis with internal subject specialists from our Financial Capability Projects team, our Impact Team, as well as clients and frontline staff.

Client testing

We are currently in the process of working with around 20 clients from a wide range of backgrounds who have come from local Citizens Advice in the north and south of England. Together we are testing the outcomes measures to gain feedback on the wording, definitions, question and answer options, to ensure they make sense, are being interpreted as intended and are meaningful. This testing is ongoing and is helping us pitch the outcomes measures to the right level and ensure their validity.

So far clients have found the questions easy to understand and straightforward to respond to. Some clients have found doing the survey in itself an insightful and helpful process. There is some variation in relation to the way that certain financial terms are interpreted and issues in understanding of financial terms for those with ESOL needs. Further testing is taking place to address these issues.

It's quite a good survey because it gives a visualisation of things going on in my head! Such as realising I understand the rules of the game but don't do it! I found it quite helpful.

- Client

Frontline staff feedback

We are piloting the measures with local Citizens Advice in Preston, Barking and Enfield, who are using the measures to gather evidence across a range of service settings, including one-to-one advice and workshops. We will use feedback from these pilot sites to further refine the outcomes measures by strengthening their relevance, usefulness, appropriateness and credibility. To date frontline staff are already seeing the value of using such a tool and how it can help assess need and track progress of client financial capability. We are now looking at piloting the measures with a wider group of local citizens advice.

Behaviour and knowledge were similar questions but was a good way of finding out need, e.g., if there is no knowledge or just a lack of motivation or time.

- Staff member

We will continue to test and refine these outcomes measures and their associated tools by consulting on an ongoing basis with both internal and external experts.