

Quids in: The impact of financial skills training for social housing tenants

Key research findings
September 2012



Foreword

Citizens Advice

As a leading provider of community-based financial education to adults, reaching a quarter of a million people each year, Citizens Advice has always invested in evaluation, with 18 independent evaluation reports on its work in the last 10 years. We were therefore delighted, with the generous support of Santander, to be able to develop an in-depth research project on the benefits of financial education for social housing tenants in partnership with the University of Bristol and the Chartered Institute of Housing. Our local partners, Bedworth, Rugby and Nuneaton CAB and Orbit Heart of England Housing, helped shape the project and worked tirelessly to deliver financial education to tenants.

This unique piece of research integrated the design of education materials with the design of the evaluation, and interviewed a comparison group who were not receiving training at the baseline and after six to eight weeks. It is impressive to see that participants who changed their behaviour as a result of the training spent on average £10 less per week and saved £11 more per week compared to the comparison group, as well as benefiting in confidence and in other actions planned or taken. We hope that these results, and the best practice that came out of the project delivery, will encourage housing providers to work together in partnership with the Citizens Advice service nationally and locally for the benefit of tenants, at a time when tenant finances are coming under increasing pressure with welfare reforms and the economic downturn.



**Gillian Guy, Chief Executive,
Citizens Advice**

Santander

Financial education is an important element of Santander's Corporate Social Responsibility programme. Through the Santander Foundation we fund projects aimed at helping disadvantaged people improve their financial awareness and understanding and we partner with leading national charities to fund programmes which provide advice and guidance for young people and support financial capability in the secondary and further education sectors.

We are a longstanding supporter of Citizens Advice financial capability work and are pleased to have been able to fund this important piece of research which not only demonstrates the positive impact and benefits that financial education can deliver, but that also helps educators understand the most effective methods of engagement and delivery. This is particularly relevant during the current economic climate when many people are finding themselves in need of quality information on how to manage their finances.

We believe that the government, financial services sector and financial education charities need to work together to ensure that everyone, and in particular people living on low incomes, can access the financial services and products that they need, as well as information to help them understand the basics of money management.



**Jaime Graham, Director,
Santander**

Orbit Group and Chartered Institute of Housing

Orbit and the Chartered Institute of Housing welcome this research which comes at a crucial time for both tenants and housing providers. Helping tenants increase their skills and confidence in managing their money has always been important. However in the light of the current economic downturn and the proposed changes to the welfare system, it is vital that all our residents have the skills and confidence to manage their finances.

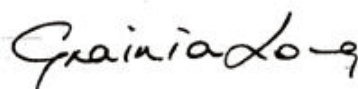
These key findings highlight learning relevant to all social landlords:

- Financial skills training can change behaviour – participants become better at budgeting, choosing financial products, saving and making their money go further and these changes persist over time.
- Developing financial skills not only boosts financial well-being but also confidence and general peace of mind.
- Tenants who do get into financial difficulty know where to get help, seek out support sooner and are better equipped to cope.
- Engaging tenants in financial skills training is challenging for social landlords and requires a firm commitment from the organisation to provide support, resources and clear messages.

These key findings and the supporting research documents contain practical advice for others on the many lessons learnt. We also hope it will be the inspiration for future programmes which will support tenants in building a positive financial future.



**Paul Tennant, Chief Executive,
Orbit Group**



**Grainia Long, Chief Executive,
Chartered Institute of Housing**



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Financial skills training is preventative – it is about giving people the skills, confidence and knowledge they need to handle their personal finances throughout their lifetime.

Project overview

Between June 2011 and March 2012, Bedworth, Rugby and Nuneaton CAB (BRANCAB) delivered short financial skills training sessions free-of-charge to tenants of Orbit Heart of England Housing Association (OHE) living in Rugby and Stratford.

Participation in the training was voluntary and it was not targeted specifically at tenants in rent arrears or at any particular group of tenants (such as lone parents). The aim of the training was to enable tenants to maximise their available income, help them access and use appropriate financial products and in turn avoid financial difficulties.

An independent evaluation was designed to demonstrate whether or not any benefits gained by tenant learners could be attributed to the training. This was achieved by carrying out before-and-after surveys with both tenant learners and a comparison group of tenants who lived in areas where the training was not available.

Getting tenants involved – the challenges

Tenant engagement was the single biggest challenge for three reasons:

- The target audience was defined by geography (Rugby and Stratford) rather than being a particular community or interest group.
- OHE's housing stock is dispersed with very few existing groups or hubs where tenants meet.
- The expectation that tenants can be wary of authority, may not have positive perceptions of their landlord and may lack confidence about money matters.

A wide range of marketing activities were tried. The most effective approach involved two concurrent streams of activity – targeted marketing followed rapidly by one-to-one contact to 'close the deal'.

The tenants who took part

A total of 150 people took part in the financial skills training over 9 months, of this group:

- 70 per cent were women
- 38 per cent were aged 25-45 and 39% 45 or over
- 66 per cent lived in households with no earned income
- 52 per cent lived in households with income less than £200 per week.

The original target of 300 was halved as soon as it became apparent that slow take up and preference for one-to-one training was stretching delivery capacity.

Getting tenants involved – what worked

Based on the experience of this project, a layered approach which combines a range of promotional and outreach activities seems to work best in terms of creating interest, momentum and commitment by tenants to participate in financial skills training.

Project set up	Project delivery	Project review
<p>Buy in</p> <ul style="list-style-type: none"> • Repeated cascade of project messages. • Integrate with strategic priorities/action planning across the organisation. • Encourage all workers to attend sample sessions “seeing is believing”. • Bring together workers from all partners for joint briefings and delivery planning. • Design leaflets and tenant engagement messages with professional support. 	<p>Targeted marketing</p> <ul style="list-style-type: none"> • Regular short sessions of cold calling by Housing Association staff using scripts – set realistic targets – complete in teams. • Build into regular routine visits for all tenant facing staff. • Piggy back existing events/meetings/social gatherings – anywhere tenants will meet in trusted settings. <p>One-to-one follow up</p> <ul style="list-style-type: none"> • Follow up warm leads in person within two to three days of receiving – aim for maximum two weeks from first contact through to delivery completing. • Identify tenant anxieties/barriers and address individually – “how do I get involved?” is as important as “why should I get involved?” • Get professional support/training to develop doorstep/phone skills. • Deliver training flexibly – in home/out of working hours. • Maximise word of mouth referrals by tenant learners using incentives. 	<p>Refresh</p> <ul style="list-style-type: none"> • Refresh internal message – using tenant learner case studies, impact stories and quotes. • Celebrate the achievements collectively – tenant learners and delivery partners. • Refresh targets – keep realistic and deliverable in short timescales. • Involve experienced workers in training new ones. • Cultivate tenant advocates to promote training.

“Cold-calling is an effective way of engaging tenants who have no common bond other than where they live and their landlord. For every 100 tenants cold-called, between six and ten went on to take part in the training.”

About the financial skills training

The majority of training was delivered one-to-one in either two short sessions (45 minutes each) or one longer session (one to two hours). All the training was delivered by experienced CAB trainers able to quickly accommodate the different needs and priorities of learners. Materials were selected from a bank of resources and learning outcomes. All tenants who took part in the training were given a financial skills toolkit to take away with them, comprising an electronic calculator and a folder containing copies of the materials used in the training such as calculation and budget sheets. A toolkit of these resources is available on:

www.financialskillsforlife.org.uk

Learning outcomes from training

At the project planning stage learning outcomes were clearly identified. By the end of training tenants would be able to:

Describe their attitudes to money and identify their strengths/weaknesses.	Identify sources of more affordable credit.
Identify the difference between needs and wants when it comes to spending.	Use APR and AER to make informed choices when borrowing and saving.
Identify priority bills and the consequences of not paying these.	Describe some of the benefits of budgeting.
Identify ways to make money go further.	Convert figures from one time frame to another to put in a budget sheet.
Keep track of spending using a spending diary.	Complete a budget sheet.
Describe some of the benefits of having a bank account.	Describe how and where they might save.
Describe the main types of bank accounts that are available.	Identify further sources of information and help on money matters.

“ I seem to be saving quite a bit with the help that I had. ”

Tenants' views on training

Tenant learners were overwhelmingly positive about the CAB financial skills training. Ninety nine per cent were satisfied with the training and the great majority, 94 per cent, said they would recommend the training to a friend, neighbour or relative. Of particular value to tenants were:

- Information sheets, used by 74 per cent of learners.
- Worksheets e.g. budget planner, meal planner, used by 63 per cent.
- Electronic calculator, used by 61 per cent.

Feedback from tenants

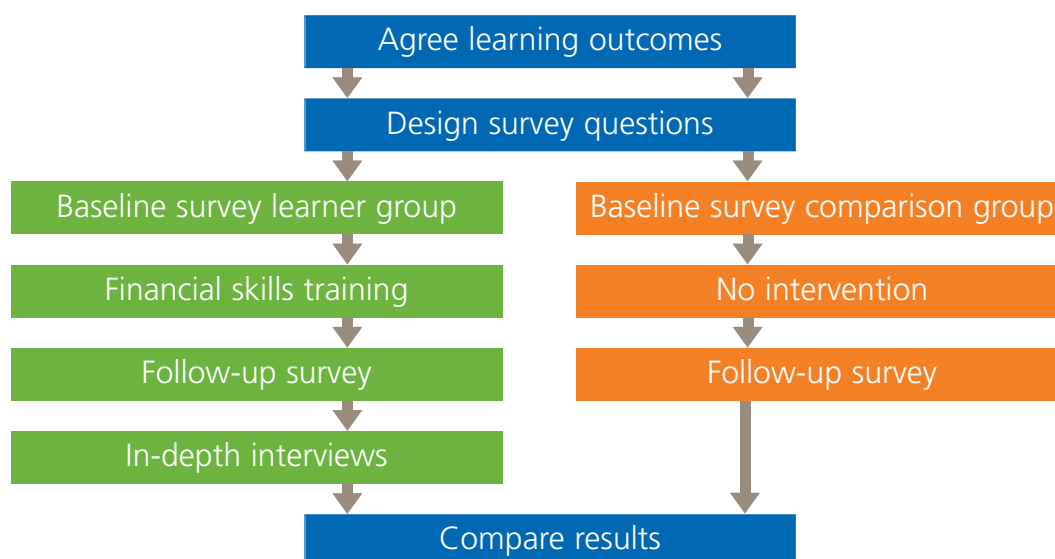
- The training was supportive: *"not a lot of nagging... you shouldn't do this"*.
- The session was relaxed and informal: *"it was just like chatting to your friend", "very kind, a friend not a person in a suit, very laid back"*.
- The training covered topics in detail: *"I thought he was going to come round and give me a load of leaflets and leave in five minutes", "very thorough"*.
- The workshop offered practical advice: *"I got a lot more out of it than I expected"*.



Assessing the impact

Understanding behaviour changes and what works to bring about these changes is integral to making the case for future investment in financial skills training. By developing the training in close alignment with the evaluation design, establishing a comparison group, and conducting before-and-after surveys, this research maximised the potential for identifying impact.

Model adopted:



Using this approach, the evaluators could assess what happened to tenants who did not take part in the training, and conclude with reasonable certainty that any changes observed among the tenant learners were caused by the training and not some other factor.

Improving financial skills

Table 1: Money management scores: changes since baseline

		Mean score at baseline	Mean score at follow-up	Mean difference (follow up – baseline)	Sample size
Making ends meet	Learners*	3.5	4.5	1.1	113
	Comparison group*	3.9	4.2	0.3	129
Keeping track	Learners*	3.0	4.0	1.1	113
	Comparison group	3.4	3.7	0.3	129

Source: Baseline and follow-up surveys of tenant learners and comparison group.

*indicates statistically significant change between baseline and follow up ($p < .05$).

The maximum score possible on each measure is 6.0. The scores are rounded to one decimal place.

Changing financial behaviours

The survey data indicated very positive behaviour changes among tenant learners:

- **Taking action** – 76 per cent had taken some action in relation to money matters in the time since the baseline survey, compared with only 43 per cent of the comparison group.¹ Tenant learners had nearly seven times higher odds of taking some kind of action compared with the comparison group. Where tenant learners had taken action, this was in all cases a direct result of CAB financial skills training.
- **Managing money** – 78 per cent of tenant learners had changed how they managed their money since the training, compared with 36 per cent of the comparison group. These changes resulted in positive financial benefits for tenants, most commonly through a reduction in outgoings.
- **Financial gains** – Tenant learners had six times higher odds of achieving financial benefits than the comparison group. They were on average **£10 a week better off** as a result of their actions.² Qualitative interviews with tenant learners showed that these behaviour changes had persisted several months after CAB financial skills training.
- **Saving behaviour** – 20 per cent of tenant learners had changed their saving behaviour in some way since CAB financial skills training, almost twice as many as the comparison group (11 per cent). Notably, 12 per cent of tenant learners had started to save, compared with seven per cent of the comparison group. And 10 per cent of learners had increased the amount they saved, compared with only one per cent of the comparison group.
- **Savings accrued** – On average, tenant learners who changed their saving behaviour were saving an extra £11 per week.² In the qualitative interviews, tenant learners talked about saving up for a family holiday, for car insurance, or towards a car to improve chances of finding work.
- **Choosing bank accounts** – 13 per cent of tenant learners had either opened or switched bank account or opened a credit union account, compared with three per cent of the comparison group.
- **Access to credit unions** – 18 per cent of tenant learners planned to open a credit union account. None of the comparison group had any such plans. Apart from the potential to access more affordable credit from a credit union, none of the survey findings in relation to borrowing or debt showed any statistically significant changes.

¹ Unless otherwise stated, we have only reported statistically significant differences between the tenant learners and the comparison group. A statistically significant result is one that is not likely to have occurred by chance.

² The average reported here is the median amount, which is the middle value. Note that this figure is based on a small sample size.

Influencing financial confidence

Increased confidence

As well as behaviour changes, tenant learners were far more financially confident as a result of the training. Six to eight weeks after the baseline, 71 per cent reported some positive change in financial confidence, compared with just 13 per cent of the comparison group. These changes were particularly pronounced in relation to money management skills and financial control.

Further analysis showed that participation in CAB financial skills training was a highly significant predictor of improved financial confidence. As a result, tenant learners had 23 times higher odds of reporting some improvement in their financial confidence compared with tenants in the comparison group.

Sharing learning

Tenant learners were asked in the follow-up survey if they had shared information from CAB financial skills training with anyone else. Nearly six in ten (58 per cent) had done so.

Increased use of information and advice

In the follow-up survey, tenants were asked if they had used any sources of information or guidance on money matters in the last six to eight weeks (other than the CAB toolkit in the case of tenant learners). Nearly four times as many tenant learners said they had, compared with tenants in the comparison group (30 per cent of tenant learners, compared with 8 per cent of the comparison group). And most of them said this was a direct result of CAB financial skills training.

By far the most common source of information used by tenant learners was the internet, including sites such as **www.moneysavingexpert.co.uk** and price comparison sites. The qualitative interviews showed that tenant learners had used price comparison sites to compare the cost of insurance and utility prices.



The impact of CAB financial skills training

Case Study 1: Making your money go further

Supporting tenants to consider their spending in detail is a crucial part of financial skills training. This case study illustrates how one tenant benefited and was able to start saving and feel more secure about her personal finances.

Janet's story

Janet is in her late 40s and lives with her husband and children. They are just about keeping up with the bills, but before the CAB financial skills training she was concerned about their finances and often had what she called "skint weeks".

Because of her limited mobility, Janet was offered a one-to-one training session in her own home. The CAB trainer was there for around two hours.

Janet found the session very helpful and positive, and credits it with significantly changing the way she thinks about money matters. The training gave her the impetus to start managing her money more effectively, by keeping a detailed spreadsheet of the household's incomings and outgoings.

Janet found the tips on shopping particularly useful. Since the training several months ago, she has changed the stores where she shops, buys fewer branded goods, buys in bulk and plans family meals. As a result of these changes, she is able to save around £20 a week into a high interest savings account (which she opened following the training) and feels far more secure about her finances than before. She has passed on the tips she learned from the training to several members of her family, including one who went on to attend the CAB financial skills training as well.

Source: Qualitative interviews with tenant learners. Names and personal details have been changed.

“ *If we can get the shopping cheaper, it gives me more money to spend on my kids when they need things.* ”

Case study 2: Dealing with bills

Understanding priority bills and making sure these are paid first is another key element in financial skills training. This case study illustrates how, with the right information and support, tenants can quickly feel more in charge of their money and better able to meet their financial commitments.

Anne's story

Anne works part-time as a shop assistant. She recently reduced her working hours to care for her husband. This created financial difficulties for them, which prompted Anne to seek help from the CAB. In turn, the CAB adviser told her about the financial skills training.

Anne attended a training session with about 10 other people. The group setting was OK, but she was too embarrassed to ask questions about her own situation in front of other people. She found the advice and information helpful, "it all made sense". She has found it hard to put some of the advice into practice, however, because their main problem is lack of money.

Even so, Anne has made some changes to the way she manages her money as a result of the training. Primarily she has changed the way she pays her bills, to ensure that her priority bills (rent, Council Tax) are paid first as soon as her earnings are paid into her account. This has left her feeling more "relaxed" about managing her money. She has also put some of the money saving tips into practice. While she still isn't able to save any money, she feels that their finances are less of "a juggling act". Anne would like the training to be run on a drop-in basis, like a "support group", where she would feel more comfortable asking questions.

Source: Qualitative interviews with tenant learners. Names and personal details have been changed.

“ *Its nice to look at my bank account at the end of the month and see a few quid in there.* ”

Social landlords – the case for investing in financial capability

Group or one-to-one learning?

Analysis showed that the method of delivering the training (workshops or one-to-one) did not affect the likelihood of tenants taking action on how they manage their money after the training. However, the research did indicate that tenant learners who received training on a one-to-one basis were more likely to have achieved financial benefits than those who took part in a workshop. It is evident that however sessions were delivered, the CAB financial skills training resulted in tenant learners making changes in their lives that improved not only their financial situation but also their quality of life.

Costs of training

A rough estimate of the costs of the training indicates that, at £132 per tenant learner (or £125 per training session), it was more expensive than the average CAB financial skills training programme. This is undoubtedly because the majority of the training was delivered one-to-one with tenants, rather than in workshops as had been planned. There is scope for these costs to be reduced by building on the learning, particularly in relation to tenant engagement as detailed in the full report.

Financial skills and rent arrears

The financial skills training was not specifically targeted at tenants who experienced rent arrears. However, using OHE's rent account data, it was possible to compare rent arrears in July 2011, when the CAB financial skills training started, with May 2012 (around two months after the CAB financial skills training had finished). Despite an apparent improvement in rent arrears over time for tenant learners, the change was not statistically significant and within the context of this research could not be attributed to the CAB financial skills training.

Even so, the positive changes made by tenant learners following the training, and the financial benefits they enjoyed as a result, can help to make their household finances more sustainable going forward. This in turn makes it more likely that they will be able to meet their rent payments or repay rent arrears, provided that their incomes do not fall or their rent or other major outgoings increase.

Making the case

On balance, therefore, there does seem to be a case for social landlords to become involved in financial skills training for their tenants. The lessons from the project can help landlords identify an approach that suits their needs and the needs of their tenants.

Santander Social Housing Research project

This document is a summary of the full project report. The full research report and supporting data tables can be downloaded from:

Citizens Advice: www.financialskillsforlife.org.uk

University of Bristol's Personal Finance Research Centre:
www.bristol.ac.uk/geography/research/pfrc/

Chartered Institute of Housing: www.cih.org

Examples of the resources used in the financial skills sessions are available on www.financialskillsforlife.org.uk

Acknowledgements

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Citizens Advice is grateful to everyone involved for their enthusiasm, commitment and interest in this groundbreaking project.

The Citizens Advice service

Citizens Advice Bureaux deliver advice services from over 3,500 community locations in England and Wales, run by 360 individual charities. Each individual bureau is a vital part of the local community it serves, helping people resolve their money, legal and other problems by providing information and advice and by influencing policymakers:

www.citizensadvice.org.uk

The advice we provide is free, independent, confidential, and impartial, and is available to everyone. Information and advice can also be accessed on our website: **www.adviceguide.org.uk**

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