

Money Minded End of Project Report May 2017

Project Background

The project was funded by Wessex Water and was developed to address a particular challenge where people most at risk of experiencing financial difficulties are least likely to take early action to address their problems.

The failure to take early action to address financial difficulties among priority groups increases the likelihood that they experience financial worries, debt and other difficulties.

Three priority groups were identified as follows:

- Families with young children living on low income
- Young people living independently
- Mental health service users

The project proposal identified several factors that prevent early action to address financial difficulties among the priority groups:

- Little awareness of the resources and services available to help them manage their financial affairs and avoid financial difficulties
- A lack of confidence about seeking assistance and a mistrust of outside help
- Limited know-how in relation to budgeting, planning and managing their financial affairs and savings
- Low self-esteem which can lead to difficulties with planning and taking steps to build a better future for themselves

Project Aims

People at risk of financial difficulties will have improved their financial capability through developing the confidence and know-how they need to make changes in their lives and take early action to manage their personal finances effectively.

Objectives:

1. Through engaging with the project clients will develop more confidence about setting goals and will be able to set themselves a realistic personal financial management action plan
2. Participating in project activities will enable clients to gain new knowledge in relation to managing their financial affairs.
3. Participating in project activities will enable clients to explain key financial terms and conditions and describe the relevance of these terms to their own circumstances.
4. Through engaging with the project clients will have improved their financial capability skills and be able to apply their new skills by using tools and resources (budgeting, shopping diaries, price comparison sites etc) to take responsible action in order to manage their financial affairs effectively

Project Summary Findings (full details pages 6 – 11)

Women were more likely than men to report feeling low levels of confidence in relation to their money skills and to reporting having no involvement in managing their money (where partners take full responsibility for their money). Evidence suggests that women, particularly MHSUs, would benefit from developing both day to day money management skills and money confidence because this will reduce their risk of facing financial difficulties if their circumstances change (partners no longer take full responsibility for the finances).

Clients who reported accurate knowledge of how much money they had did not necessarily report feeling confident about their money management skills or provide evidence of exercising control over their money. This suggests that the day to day money skills a person has (I know how much money I have and I shop around) is not necessarily an indicator of the degree to which they feel financially capable due to a lack of confidence. Therefore financial capability programmes will be most effective where they develop practical skills alongside a more confident mindset.

A number of the clients who reported that they did not know how much money they had also reported that they were very good at keeping to a budget. This warrants further exploration for underlying factors. Case analysis suggests that these clients might stick to repetitive, familiar, spending patterns regardless of how much money they have (or don't have). Benefits to these clients may come from developing improved financial capability where they are more able to make savings by switching spending preferences. Conversely clients may be going without food and heat when they do in fact have enough money to spend and can therefore afford an increased provision

78% of clients who reported not using any shopping around or price comparisons benefited from the programme and were able to report positive actions at the end of their programme. This finding reinforces the importance of placing an emphasis on helping clients to develop the knowledge and confidence to shop around and to compare deals and prices.

Women were over represented in the category of people who reported very low confidence levels at the start and end of their programme. 68% of people who reported low confidence in making money related decisions were women.

Conclusion

The evidence gathered from the project affirms the initial project proposal where factors such as confidence and limited know-how do leave certain groups at a greater risk of experiencing financial difficulties. Further exploration of the gender difference among women who are mental health service users is warranted where there are additional vulnerabilities due to partners taking full responsibility for their money.

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Project Evaluation Method and Approach

The project adopted an inter-personal engagement methodology where clients were offered opportunities to participate in money coaching on a one to one or small group basis.

Semi-structured interview questions were developed utilizing the Money Advice Service (MAS) Evaluation Framework in order to evaluate the impact of the project. The project evaluation focused on the following 3 elements:

Element 1 – Behaviour (Keeping track of money and sticking to a budget)

Element 2 – Mindset (Feeling in control of money and feeling confident about money skills)

Element 3 – Financial Wellbeing (living within means)

Evaluation Framework

Behaviour	Managing Well Day to Day	Which of these best describes how accurately you know how much money you have at present, excluding any savings? We're not interested in how much money you have, just how accurately you know how much money you have to spend. CHOOSE ONE ONLY 1. I know within a pound or two 2. I know within £10 3. I know within £50 4. I know within £100 5. I know within £500 6. I have no idea at all
Keeping Track of Income and Spending		
Behaviour	Managing Well Day to Day	And, how often do you keep to the budget you set? CHOOSE ONE ONLY 1. Always 2. Most of the time 3. Sometimes 4. Hardly ever 5. Never 6. Do not budget
Creating and Sticking To A Budget		
Financial Wellbeing	Living Within Means	How often these days do you run out of money before the end of the week or month or need to use a loan, credit card or overdraft to get by? CHOOSE ONE ONLY 1. Always, 2. Most of the time, 3. Sometimes, 4. Hardly ever, 5. Never

Evaluation Framework continued

Mindset		How much do you agree or disagree with each of the following statements?
Feeling In Control of Their Financial Situation		<p>- I am very organised when it comes to managing my money day to day - I feel in control of my finances*</p> <ol style="list-style-type: none"> 1. Strongly agree 2. Tend to agree 3. Neither agree nor disagree 4. Tend to disagree 5. Strongly disagree 6. Don't know

Behaviour		Which of the following things, if any, do you <i>currently</i> do to make your money go further?
Shopping Around For The Best Deals		<p>CHOOSE ALL THAT APPLY</p> <ol style="list-style-type: none"> 1. Shop around for food and groceries 2. Look out for special offers or reduced items 3. Plan meals in advance 4. Make a shopping list 5. Avoid treats and non-essential items 6. Use money saving tips 7. Turn lights/power off at home when they are not in use 8. Check the charges on essential bills such as electricity or phone to see if there is a cheaper tariff or supplier available 9. None of these

Mindset		How confident do you feel making decisions about financial products and services?
People Have Confidence		<p>Please answer on a scale of 0 to 10, where 0 is 'not at all confident and 10 is 'very confident 0...10 scale Don't know</p>

Analysis and Measurement

Red	Amber	Green
Low Score	Moderate Score	High Score

Between April 2016 and end March 2017 the evaluation framework was used to assess the project outcomes for those clients that engaged in the project.

Target Number of Participants: 76

Actual Number: 72

Number Participants That Completed An Evaluation: 62

Gender of the participants that completed evaluation; Male 33, Unrecorded 1, Female 28

Men represented 53% of evaluated participants and women represented 45%

13% of clients that completed evaluations reported starting their programme in the “red” category across all 6 areas.

Participating clients were engaged in the project through the following groups:

Group 1 – Yeovil Foyer (Young People)

Group 2 – South Somerset Mind Community Group

Group 3 – Yeovil Job Club

Group 4 – Chard Watch Project (Mental Health Group)

Group 5 - Citizens Advice South Somerset Drop in Service

Group 6 - Active Plus (Veterans Rehabilitation Group)

Group 7 - Somerset Partnership NHS Trust Rowan Ward (Mental Health)

Group 8 - Martock Job Club

Group 9 - Crewkerne Housing Association Community Group

Group 10 - Yeovil4Families

Group 11 - Milford PTFA

Group 12 - Get Set Wincanton (Parent & Child Support Group)

Clients were engaged in an individual learning journey participating in group sessions and/or in one to one coaching sessions.

Range and Nature of Client of Engagement

	1:1 Coaching	Coaching & Groups Sessions	Coaching & Group Sessions
	2+ Sessions	2 – 3 Sessions	4 Sessions
Number Participants	44	14	14
%	61%	19.5%	19.5%
Number MHSU	27	13	13
Number YF	15	1	
Number YPLI	2		1
86% of participants Completed Evaluations (62 clients)			
	YPLI	YF	MHSU
Evaluations Completed	3	11	48

Key: MHSU (Mental Health Service User), Y F (Young Family),
YPLI (Young Person Living Independent)

Analysis Question 1- Behaviour

How accurately you know how much money you have at present?				Incomplete Programme
	I know within £100 I know within £500 I have no idea at all	I know within £50	I know within £1 I know within £10	
	Start	End		
50% participants started with an accurate knowledge of how much money they had	28	28	*Key Finding Below (1)	
	3	3		
	5	5		
	2	2		
	0	0		
38% of participants (24 people) started with very little knowledge of how much money they had	15	15	62% of the “Red Starters” improved the accuracy of their knowledge about the amount of money they had	
	5	5		
	4	4	*Key Finding Below (2)	

Key Findings And Points of Significance

Key Finding 1

57% of participants (15 people) who were “Green Starters & Finishers” reported very low confidence in making decisions about managing their money (Question 6). This finding suggests that accurate knowledge of how much money a person has is not necessarily an indicator of the degree of their financial capability due to a lack of confidence. Respondents talked of living on very low sums of money and as such having relatively little difficulty of knowing how much they have at any one time.

Key Recommendation: A focus on day to day money management skills (I know how much money I have) without added interventions that build confidence is not sufficient to assist clients to make positive changes (decisions) in the ways in which they manage their money.

Key Finding 2

100% of the participants who were “Red Starters and Finishers” were women and were mental health service users. Deeper exploration of their cases identifies that they reported being reliant on others (husbands, partners) to look after their money. Any change in their circumstance where the partner is no longer able to assist them with managing their money may result in these clients experiencing significant challenges.

Key Recommendation: Interventions that are targeted at women MHSU who don't have any involvement in managing their own money is likely to significantly reduce the risk of experiencing financial difficulties that these women face should their circumstances change

Analysis Question 2 - Behaviour

How often do you keep to the budget you set? CHOOSE ONE ONLY 1. Always 2. Most of the time 3. Sometimes 4. Hardly ever 5. Never 6. Do not budget				Incomplete Programme
	Hardly ever Never Do not budget	Sometimes	Always Most of the time	
	Start	End		
40% of participants were very able to keep to a set budget	24	24	*Key Finding 3	
	1	1		
	10	10	76% of people who started the programme “sometimes” able to keep to a budget reported improvement	
	1	1		
	0	0		
	2	2		
39% of participants (24 people) started the programme without being able to keep to a budget	6	6	75% of participants that started the programme unable to keep to a budget reported improvement *Key Finding 4	
	12	12		
	2	2	80% of those who didn't complete their programme started in the “red” category (not budgeting or never keeping to a budget)	
	4	4		

Key Findings and Points of Significance

Key Finding 3

29% of the clients (7 people) who reported in question 1 that they did not know how much money they had reported in question 2 that they were very good at keeping to a budget. This warrants further exploration for underlying factors. Case analysis suggests that these clients might stick to repetitive, familiar, spending patterns regardless of how much money they have (or don't have). Benefits to these clients may come from being able to make savings by switching spending preferences. Conversely clients may be going without food and heat when they do in fact have enough money to spend and can therefore afford an increased provision.

Key Finding 4

19% (6 individuals) of the people who reported in question 1 that they know how much money they have reported in question 2 that they don't budget or never keep to a budget. All individuals were MHSUs and these findings support existing research where factors such as mental wellbeing or mental ill-health may adversely affect a person's ability to keep their behaviour in check.

Recommendation: Interventions targeted at MHSU which work on developing positive motivations in relation to regulating spending behaviour may considerably reduce the risk of people experiencing poor mental health falling into debt.

Analysis Question 3 - Financial Wellbeing

Living Within Means				
How often these days do you run out of money before the end of the week or month or need to use a loan, credit card or overdraft to get by? CHOOSE ONE ONLY 1. Always, 2. Most of the time, 3. Sometimes, 4. Hardly ever, 5. Never				Incomplete Programme
	Always, Most of the time	Sometimes	Hardly ever Never	
	Start	End		
	27	27		
	2	2		
	9	9		
	3	3		
	0	0		
	1	1		
19 people	3	3	*Key Finding 5	
	8	8		
	5	5		
	3	3		
	1	1		

Key Finding 5

62% of clients (15 people) who were “red” starters in question one {little or no accurate knowledge about how much money they had} reported that they always or mostly ran out of money.

41% of clients (13 people) who were “green” starters in question one (accurate knowledge about the money they had) reported not being able to live within their means where they mostly or sometimes ran out of money. Further exploration identifies that these clients are living on very low income and may not have sufficient money to cover their essential expenses.

Recommendation: Interventions for clients who don’t keep track of their money will be of value in assisting clients to plan to live within their means.

Question 4 – Mindset

People Feel In Control Of Their Financial Situation				
I am very organised when it comes to managing my money day to day				Incomplete Programme
	Tend to disagree Strongly disagree Don't know	Neither agree nor disagree	Strongly agree Tend to agree	
1. Strongly agree 2. Tend to agree 3. Neither agree nor disagree 4. Tend to disagree 5. Strongly disagree 6. Don't know				
	Start	End		
	26	26	*Key Finding 6	
	1	1		
	1	1		
53% of clients (33 people) began their programme reporting that they don't feel in control of their finances	17	17		
	6	6		
	5	5		
	4	4		
	1	1		

Key Finding 6

This aspect of the evaluation demonstrates a fairly equal split in clients at the start of their programme where 41% of clients reported feeling confident and in control of their finances.

Question 5 – Behaviour

Shopping Around For The Best Deal				
Which of the following things, if any, do you <i>currently</i> do to make your money go further? CHOOSE ALL THAT APPLY 1. Shop around for food and groceries 2. Look out for special offers or reduced items 3. Plan meals in advance 4. Make a shopping list 5. Avoid treats and non-essential items 6. Use money saving tips 7. Turn lights/power off at home when they are not in use 8. Check the charges on essential bills such as electricity or phone to see if there is a cheaper tariff or supplier available 9. None of these				Incomplete Programme
	None of these		Shop around for food and groceries Look out for special offers or reduced items Plan meals in advance Make a shopping list Avoid treats and non-essential items Use money saving tips Turn lights/power off at home when they are not in use Check the charges on essential bills such as electricity or phone to see if there is a cheaper tariff or supplier available	
	Start	End		
69% of clients reported multiple ways in which they shop for best prices and value for money	43	43	*Key Finding 7	
29% of clients did not use any methods to shop with consideration of price comparison or value for money	12	12		
	3	3		
	3	3		
	1	1		

78% of clients who reported being a “red” starter and not using any shopping around or price comparisons benefited from the programme and were able to report positive actions at the end of their programme.

Question 6 – Mindset

How confident do you feel making decisions about financial products and services? Please answer on a scale of 0 to 10, where 0 is 'not at all confident and 10 is 'very confident 0...10 scale Don't know				Incomplete Programme
	0 - 4	5	10 – 6	
	Start	End		
48% of clients (30 people) reported starting the programme not at all confident in making financial decisions	5	5	*Key Finding 8	
	5	5		
	16	16		
	4	4		
	1	1		

Key Finding 8

Women were over represented in the category of people who reported very low confidence levels at the start and end of their programme. 68% of people who reported low confidence in making money related decisions were women.

Case Studies

Female MHSU who reported “red” categories at the start of the programme in all 6 areas. The client reported significant benefits across all areas. The client was assisted to learn to read her utility statements and other financial statements online and to begin to use direct debit facilities and other different payment methods. The client was able to open a new bank account offering a handset to use enabling the client to access online banking in a way that she felt secure and trusted. The client changed her behaviour developing a routine to check her account daily and direct debits to overcome forgetting to pay bills and forgetting to save money. The client reported feeling much less anxious because “money is one less thing that is troubling me”.

Male MHSU used the programme to learn how to use a spending diary and this helped him to get greater clarity over his spending patterns so that he could change his habits. The client created a household budget and despite having literacy and numeracy support needs the client was able to use one to one coaching sessions to improve his understanding of financial matters. For example how to read an energy bill and how to monitor his usage and charges.