



The Money Mentors Programme

An evaluation report by Toynbee Hall

January 2015

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Acknowledgements

We would like to thank the Threadneedle Foundation which commissioned Toynbee Hall to undertake this research, and The Big Lottery Fund which funded the Money Mentors programme for three years. We would also like to thank the following researchers for whose efforts and support we are extremely grateful:

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Executive Summary

Between June 2012 and December 2014, Toynbee Hall, working with the Financially Inclusive Tower Hamlets Partnership, trained 318 Money Mentors. The programme offers financial education for Tower Hamlets residents that aims to increase financial resilience and inclusion, thus alleviating the impact of poverty in a severely deprived borough.

Participation in the programme, which consists of 60 hours spread over 12 weeks, is voluntary, and culminates in an OCN Entry Level 3 qualification. The programme also provides 1-1 financial guidance as required.

The main purpose of this research was to evaluate the impact of the Money Mentors programme on participants' household finances. The evaluation aimed to establish whether participants were able to build more financially resilient households and improve overall financial well-being, and whether they were able to share their knowledge and skills effectively. The research sought to calculate an initial Social Return on Investment ratio. The final aim was to explore the Money Mentors delivery model to determine what worked well and where improvement could help sustain the impact and extend its reach.

Methodology

A number of outcomes were measured using a mixed-method approach:

- 1) Increased financial resilience
- 2) Increased well-being
- 3) Increased digital inclusion
- 4) Reduction in stress in relationships with family and friends
- 5) Regular volunteering

Quantitative data was collected through pre- and post-questionnaires using Toynbee Hall's MAP Tool, a new impact assessment tool for financial health interventions. The analysis for this report includes a total of 284 MAP Tool questionnaires from 5 cohorts of learners.

Qualitative data was collected through 10 interviews with learners and a focus group with staff, as well as case studies collected through the programme.

An SROI analysis was conducted using New Economics Foundation methodology. We have limited the analysis to the 5 key outcomes for which we had robust data. The SROI ratio is thus a highly conservative calculation, which can be expanded upon in future evaluations.

Who are Money Mentors?

Whilst participants came from across the community, Money Mentors were mostly Bangladeshi and African women aged 30-50 who were unemployed or working part-time.

Impact

There were a range of impacts for Money Mentors, ranging from increased financial well-being and resilience through greater use of financial products and digital activity, to wider well-being and socio-economic inclusion benefits:

- Most participants already had access to a bank account. 6 of the 8 unbanked participants subsequently opened accounts.
- Fewer than 17% of participants were setting and sticking to a budget before the course. 48% of them experienced a positive change in their budgeting skills and by the end no learners were in the 'never budgets' category.
- Regular saving increased from 10% to 49%.
- The 'always struggle' category decreased from 40% to 2%, and those reporting that they were 'very good' at managing their money increased by nearly 40%.
- Participants were more likely to shop around, and more likely to use the internet for online banking, shopping, and comparing products or services.
- Money Mentors had increased awareness of where they could seek advice, including from voluntary organisations and social landlords.
- Overall, 65% of respondents experienced a positive change in confidence in their financial future. This confidence came not just from gaining financial skills, but also from building their financial communication skills.
- Well-being increased across the group; 'finding it difficult' dropped from 32% to 3%.
- Feeling isolated was the aspect of well-being most improved, with 54% of respondents reporting an improvement compared to the other well-being outcomes.
- 15 people who worried about putting food on the table 'all the time' experienced the greatest positive change. Nine stopped worrying about food completely. Their anxiety had also decreased significantly.

Executive Summary

- Participants' general well-being and life satisfaction also improved after the course. 25% of participants experiencing a reduction in their levels of anxiety.
- Men experienced far greater levels of change in their well-being. 50% of male participants had worried 'all the time' about money compared to 40% of female participants. This decreased to only 6% of men, compared to 16% of women.
- Men were often the primary bill payers while the women in the households were mostly responsible for doing the shopping. As a result of having more responsibility, men were much more willing to take away the practical elements of the course. But men were difficult to recruit because they were overly confident about their money management, and they also dropped out more frequently than women.
- 43% of participants felt that their relationships with family and friends had improved.
- Participants used their new knowledge, communication skills and increased confidence to tackle undermining financial behaviours within their families, thus reducing their outgoings and increasing the household's financial resilience.
- Respondents felt that gaining new skills and knowledge about money management and increased confidence to talk about money had empowered them to help their community. They now felt that they had something useful to share.
- Money Mentors each experienced benefits unique to their personal circumstances, with participants recording benefits from across the full range of possible outcomes.

SROI

Our analysis produces an SROI ratio of 1:3.07 over a 3 year period. Full details are found in the report. Thus for each £1 invested, there is a social return of approximately £3.

Good Practice Learning

The evaluation highlighted several key aspects of programme design and implementation which led to high retention, graduation and behavioural change rates:

- Identifying and design for learners' current needs and learning preferences
- Trainers with excellent interpersonal skills, committed to the success for every learner on an individual named basis rather than a focus on "targets"

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- A highly agile approach to course design and roll-out
 - A personal approach to learner recruitment, using face to face conversations, trusted intermediary organisations, and developing a network of advocates
 - A wrap-around approach to meeting learner's needs, providing additional 1-1 support to address financial issues before, during and after the course
 - A long-term approach to the provider-learner relationship, continuing to provide on-going training, coaching and support past the end of the course
 - Offering a formal qualification which provides learners with an employability skill for their CV, and increases learners' pride and confidence
 - Developing a graduate network which creates a learning community of support

Potential for Scaling Up

Money Mentors has a significant impact on the financial capability, behaviour, confidence and well-being of participants, regardless of academic history or income level. However it has particular significance for those living on low incomes or with significant financial responsibility for their household finances. The programme's success lies partly in its approach to building intensive relationships between trainers and learners, and between learners, which has resource implications for scaling.

These findings would appear to make Money Mentors particularly relevant for Universal Credit recipients, who will be responsible for managing their finances on a monthly basis.

In conclusion, the programme's commitment to creating a supportive and needs-led learning environment took each learner on a personal journey where they learned new financial and communication skills, had new experiences which embedded their learning, and developed a strong network that encouraged them to put their new skills into practice. These elements of the programme enabled long lasting impacts for participants and their communities.

Chapter 1. Introduction

The London Borough of Tower Hamlets consistently scores highly on a wide range of poverty indicators; it has the second highest level of income inequality in London (London's Poverty Profile, 2006)¹, some of the UK's most financially excluded wards (Financial Inclusion Taskforce, 2009)², and the highest rate of child poverty in the UK at 49%³.

In 2010, further data from Toynbee Hall's pan-London debt advice service Capitalise, and from focus groups and interviews with potential beneficiaries, showed that local residents were also struggling with high levels of financial exclusion and low levels of financial capability. Financial exclusion occurs when people do not have fair and equal access to essential financial services, such as a bank account, savings account, affordable credit or insurance, or when they lack financial capability, such as the knowledge, skills, confidence or motivation to access and use the financial services available to them.

Financial exclusion and low financial capability exacerbate poverty in that people pay more for essential goods and services. Without a bank account or other appropriate financial services, the cost of purchasing services and goods increases due to higher fees and charges, an inability to smooth expenditure, and higher interest payments on credit. Research demonstrates that the additional cost, or "poverty premium", of financial exclusion to a family on low income in procuring basic goods and services in the UK is on average £1239.47 per year⁴, and £1014 per year in Tower Hamlets⁵. The poverty premium can force people into unmanageable debt, expose them to a risk of violence from loan sharks and undermines health through reduced disposable income for essentials such as food, heating and other health-related expenditure, and an increase in worrying about money. Financial exclusion also contributes to social exclusion through having less money to spend on activities such as school outings, cultural and sporting activities and lifelong education, or struggling to find an employer who does not require employees to have a bank account.

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¹ Trust for London and the New Policy Institute: London's Poverty Profile - Income inequalities by wards within London boroughs
<http://www.londonspovetryprofile.org.uk/indicators/topics/inequality/income-inequalities-within-london-boroughs/> Last accessed 09/01/2015

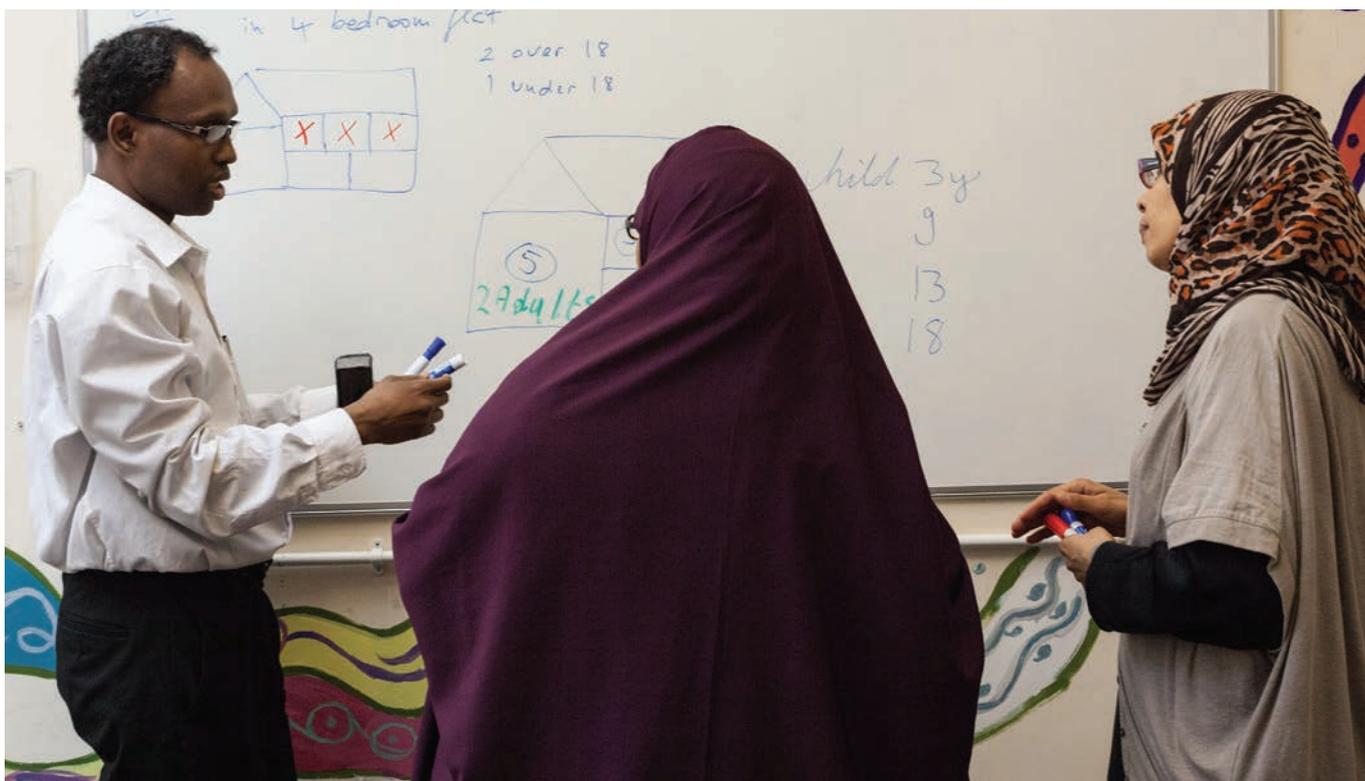
² Financial Inclusion Taskforce

³ End Child Poverty 2013

⁴ Save the Children, 2010, The UK Poverty Rip Off: Briefing:

http://www.savethechildren.org.uk/sites/default/files/docs/UK_Poverty_Rip_Off_Brief_1.pdf

⁵ http://www.toynbeehall.org.uk/data/files/Reports/The_Poverty_Premium_Report.pdf



To tackle financial exclusion and reduce the burden of the poverty premium on residents in the borough, Toynbee Hall launched the Financially Inclusive Tower Hamlets (FITH) project in 2010. The project is jointly led by Toynbee Hall, the London Borough of Tower Hamlets and other local organisations, with funding primarily from the Big Lottery Fund. It is a collaborative, grass-roots approach to tackling the effects of financial exclusion on Tower Hamlets residents, bringing together more than 50 local organisations to increase financial inclusion and capability for the residents of Tower Hamlets.

FITH partners include voluntary sector organisations such as the Bromley by Bow Centre, Limehouse Project, and Quaker Social Action, The London Borough of Tower Hamlets, the social housing sector, locally active financial institutions such as London Community Credit Union, Lloyd's Banking Group and Barclays, key agencies such as Job Centre Plus and the local Health and Welfare services, and interested companies with headquarters in the borough, such as Allen & Overy LLP.

The FITH partnership aims to create a more financially inclusive environment by identifying and addressing systemic barriers to good financial health. It simultaneously seeks to skill up local residents to be able to navigate the financial environment more successfully, delivering money management and financial education services for the Tower Hamlets community through its Money Mentors programme and through the provision of 1-1 money guidance and support.

Chapter 2. Evaluation aims and methodology

The main purpose of this research was to evaluate the impact of the Money Mentors programme on participants' household finances. The evaluation aims to establish whether participants were able to build more financially resilient households and improve overall financial well-being. It also aimed to understand whether participants were able to share their knowledge and skills with relatives, friends, and colleagues. The research also sought to calculate an initial Social Return on Investment ratio, to assess the extent to which the Money Mentors programme contributed to wider social impact. The final aim was to explore the Money Mentors delivery model to determine what worked well and what improvements were needed in order to sustain the impacts and extend its reach.

A number of outcomes for participants were identified that were measured using a mixed-method approach.

a) MAP Tool Outcomes Measurement

Outcomes were measured using Toynbee Hall's MAP Tool. The MAP Tool is a financial wellbeing measurement tool which supports organisations delivering financial inclusion initiatives to assess the financial health of people they support as well as demonstrate the impact of their services. Participants of Money Mentors completed a pre-questionnaire at the beginning of the course, followed up by a second questionnaire 10-15 weeks later. At the time of this evaluation, the Money Mentors programme consisted of 5 cohorts, with 318 participants. Use of the MAP Tool was introduced at cohort 3, therefore this evaluation includes questionnaires from respondents in cohorts 3, 4, and 5 only. The analysis for this report includes a total of 284 MAP Tool questionnaires (174 pre and 110 post questionnaires).

b) Interviews and Focus Group

In-depth interviews were conducted with 10 individuals who completed the Money Mentors course and a focus group was conducted with the Financially Inclusive Tower Hamlets Money Mentors team, which included 3 Money Mentor trainers and the programme coordinator at Toynbee Hall. The purpose of the in-depth interviews was to explore what changes participants had made to the way they managed their finances and the impact of these changes on their financial well-being. The focus group with the team explored the delivery model in detail and gave Money Mentor trainers the opportunity to reflect on the programme's impact and their own learning about effective delivery. All names of interview respondents have been changed.

c) SROI Analysis

The research uses NEF's Social Return on Investment (SROI) methodology to conduct a basic SROI analysis. SROI measures the wider impact on the community of a set of interventions, and indicates how much value is created for every pound invested, expressed as a ratio.

The six stages of an SROI investigation consist of:

- Establishing scope and identifying key stakeholders
- Mapping outcomes
- Evidencing and valuing outcomes
- Establishing impact
- Calculating SROI
- Reporting, using and embedding.

Our working hypothesis, or theory of change, was that Money Mentors created beneficial outcomes for course participants, their families, and the people with whom they shared their new financial skills and knowledge as Mentors (expressed in this evaluation as “the wider community”).

The evidence from interviews and other anecdotal evidence from feedback throughout the programme was that there would be benefits for the local authority through the avoidance of debt, and for the government through increased employability and thus reduced benefit dependence. However, given the limited resources available for this evaluation, we restricted the SROI to an initial five key outcomes for which we had existing reliable data from the MAP Tool questionnaires; three for Money Mentors themselves, one for their families and one for the wider community. These outcomes were identified from the initial aims of the programme, the findings of Toynbee Hall's Poverty Premium in Tower Hamlets research findings, and the findings from interviews with the Money Mentors.

Future evaluations will be able to add to this list of outcomes as appropriate, including expanding the SROI to include benefits for government. The implication of restricting this initial SROI to 5 key outcomes is that we have therefore **underestimated** the SROI value.

Having identified outcomes for which we had evidence, we then attached values to those outcomes. More detail for the SROI evaluation can be found in Annex A.

Chapter 3. About the programme

The Money Mentors programme is aimed at individuals and households who are financially excluded, or at risk of becoming financially excluded, and who live, work or study in the London Borough of Tower Hamlets. Part of the Financially Inclusive Tower Hamlets programme, it aims to improve the community's level of capability to manage money well and use financial services effectively by creating a network of trained Money Mentors across the community who can confidently share knowledge and skills in good money management with relatives, neighbours, friends and colleagues, and through providing access to face-to-face, personalised financial capability support.

The Money Mentors programme provides 60 hours of high quality financial education, training participants in all aspects of money management and mentoring.

The Money Mentors programme provides 60 hours of high quality financial education, training participants in all aspects of money management and mentoring. Graduate Money Mentors receive a formal qualification, an Open College Network Entry Level 3 award, and go on to provide their communities with a key, knowledgeable and trusted local person that people can talk to about money management, and accessing and using appropriate financial products and money advice.

Money Mentors is a user-led approach where members of the community were involved in the design of the programme to ensure that it would make the most difference to them according to the challenges they faced. Through a series of informal group discussions and 1-1 interviews, Toynbee Hall gathered views from local residents about:

- The financial challenges faced by residents
- What people wanted to be able to do differently
- How they wanted to learn new skills
- Their preferred learning format, environment and accessibility
- Additional benefits they wanted from taking part in learning programmes.

Using the community's feedback, Toynbee Hall designed a flexible, modular course which covered the issues raised and could be delivered in different packages of time to suit different needs within the community. For example, the course can be delivered over 12 term-time mornings for parents, or in 2 weeks for those who wish to undertake a shorter course to fit in with other commitments.

Money Mentors is a nationally recognised qualification comprising of the following units, which cover the needs raised by the community:

- Personal budgeting and money management
- Using the internet to get the best deals
- Understanding financial products
- Information sharing

The course is delivered at Entry level three on the national qualifications framework and provides participants with 6 credits at this level. This level ensures that the course is accessible to all members of our community whatever their current academic levels.

Following graduation the programme then supports the graduates by providing updated information and further training and volunteering opportunities to the graduate network. Graduates are also supported to refer people to FITH's money guidance service where they are unable to provide people with the support they require.

By the time of this report the programme had trained 318 Money Mentors who then went on to share their knowledge with at least one other person, and a further 700 Tower Hamlets residents received 1-1 support. A total of 350 will graduate by March 2015.

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Money Mentors Trainers were responsible for recruiting and training 350 Community Money Mentors and to date the programme is on track to exceed its 3 year target.

3.1 Programme Structure and Recruitment

Money Mentors Trainers were responsible for recruiting and training 350 Community Money Mentors and to date the programme is on track to exceed its 3 year target. Dropout rates were unexpectedly low, with only 25 in total across cohorts 1-5. Each participant was registered with the Open College Network at the start of the course. A dropout is defined as someone who had been registered with OCN but did not complete the course.

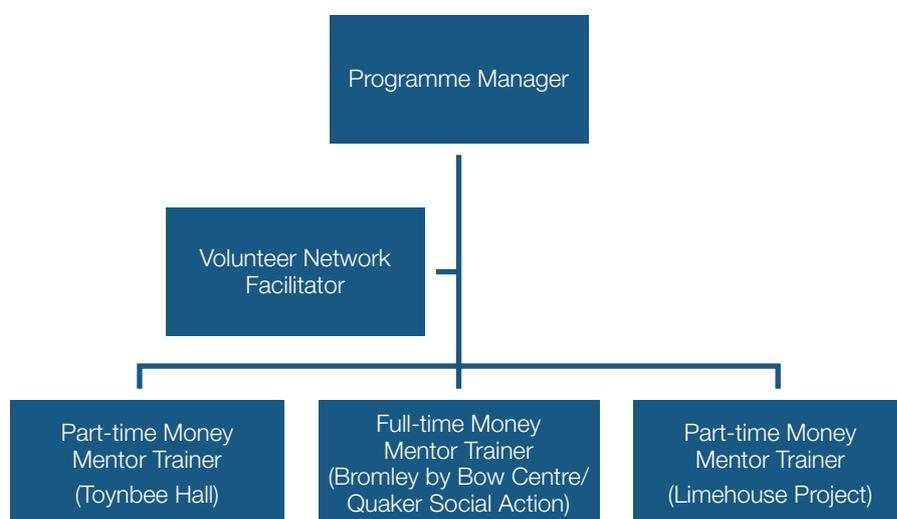


Figure 1: Team Structure

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The three Money Mentors Trainers were based at Toynbee Hall, Bromley-by-Bow, and Limehouse project. They were based at separate locations throughout the borough in order to leverage local partnerships and networks with local residents and ensure they could recruit widely across the borough. Each trainer had their own strategies for recruitment and faced unique challenges. A focus group with all three trainers and the programme coordinator identified three essential components of successful recruitment:

- Meet prospective learners face to face
- Target organisations and groups that meet regularly
- Build a network of advocates

Meet prospective learners face to face

The programme used a variety of promotion methods including adverts in local papers and leaflets in GP surgeries and community centres. But trainers found that meeting people face to face was more likely to guarantee that they would turn up for the course on the day.

Trainers used a combination of 1-1 interviews and money quizzes to engage with people at local community centres, to break down any misconceptions they might have about the course. The trainers found that perceptions of the course from a flyer or leaflet was that it was going to include a lot of maths and would be too difficult for them. Others felt that it was pointless to talk about money because, as one learner put it, 'you either have it or you don't'.

Meeting people face to face allowed the trainers to break down people's misconceptions about what the course would be like. They would show them the course syllabus and explain how the course would focus on practical skills, money saving tips, and budgeting tools. One trainer used a quiz to see how good people thought they were with money and would use it to point out how the course could help them improve. Throughout the recruitment process the trainers found that the modules on budgeting and using the internet were the biggest 'sellers' and they promoted these modules strategically to encourage take up. Essentially, face to face conversations allowed the trainers to show people how the course would be relevant to them and help them achieve their goals. The trainers therefore did not make extended use of traditional financial education recruitment methods of posters and leaflets.

Target organisations and groups that had regular attendance and participation

Trainers sought to capitalise on other groups that were already running at their base location and at other organisations nearby to secure take up. Groups and workshops could be related to money, for example employment ready courses, but they could also be groups that met regularly for social purposes, such as sewing groups. They were also able to utilise the drop-in centres to promote the course and meet people face to face. Where there was no easy access to service users through drop-in centres, trainers had to promote through a wider range of services, such as schools and GP surgeries. This made recruitment more of a challenge as many of the service users had no connection to the centre and no connection to each other. In these circumstances it was often difficult to recruit more than 8 people to a course, but once the course started that no longer mattered, as the group began to form relationships with each other.

Build a network of advocates

Building partnerships with other organisations helped to create a larger network of service users. For these partnerships to be effective it was essential to have an 'advocate'. Based on the trainers' experiences, an advocate had to be someone from the organisation who was a community development worker (or similar support worker role) within the organisation who knew service users by name and already had close relationships and rapport with them. They also had to be genuinely enthusiastic about the programme and believe that the programme would benefit their service users. Once the relationship had been established it was common for the community partner to contact service users directly and encourage them to take part. This approach worked because the service users had already established a trusting relationship with the support worker.

In the focus group the trainers acknowledged that relationships with support workers were crucial and it was well worth investing the time and effort necessary to building these relationships at the very beginning. Having an advocate would improve recruitment and would help to sustain long term partnerships. The trainers also explained that sometimes partners were unenthusiastic and were difficult to engage. Reflecting on this they recognised that one of the biggest learnings for them was knowing when a partnership wasn't going to have positive results and knowing when to move on.



At the beginning I was very worried. How was I going to get them to come to a 60 hour course? During my very first group we went on a 3 week break for Christmas and I didn't think any of them would come back. Every single one came back. I was shocked. One of them had even had a baby during that time and even she came back”.

Practical money management skills were developed through the use of case studies, which depersonalised the nature of money and removed the stigma and fear of talking about money.

3.2 What worked well

Money Mentors Trainers were initially surprised by the level of retention. As one trainer, Shirina, put it, *‘At the beginning I was very worried. How was I going to get them to come to a 60 hour course? During my very first group we went on a 3 week break for Christmas and I didn't think any of them would come back. Every single one came back. I was shocked. One of them had even had a baby during that time and even she came back’.*

In the focus group the Money Mentors team discussed their approach to training, what worked well and the challenges they faced. Three fundamental principles emerged which best describe the programme's delivery model:

- Practical and universal course design
- Needs-based approach
- Develop rapport and build personal relationships

Practical and universal course design

The Money Mentors course was developed at Entry Level 3. Developing the course at this level provided a basic framework that was simple and easy for learners with basic literacy and numeracy skills to understand. The trainers felt that the design of the course transcended intellectual and language ability by focusing on soft skills such as problem solving, interpersonal, and peer mentoring skills; skills that could be relevant to anyone no matter their background. Practical money management skills were developed through the use of case studies, which depersonalised the nature of money and removed the stigma and fear of talking about money. The course also introduced participants to the psychology of money, for example how supermarkets are designed to entice shoppers to spend more money. These concepts were of interest to learners at all levels.

Needs-based approach

The inclusiveness of the course materials meant the framework for delivery stayed relatively the same and created a good foundation for assessing each group in order to challenge learners at the right level. Trainers responded to learners' needs by taking a flexible approach to training. Trainers would use a range of facilitation techniques such as pairing high level students with low level learners, and using a variety of activities, resources, and case studies to encourage extended learning for learners at higher levels of ability. It was a significant challenge for the trainers to deliver to such a wide range of capabilities, but they felt that they were better trainers as a result.

Taking a needs-based approach meant that the trainers often added content to the course when a skill or knowledge gap was identified. For one particular group, the trainer recognised at the start that the group needed support with more basic writing skills. The sessions were adapted appropriately to ensure that these skills were developed and the need met. In another instance, a group of learners identified that many of the jobs available in the local area required customer service training, which was not included in the course. One learner interviewed for this evaluation explained that, because the participants had control over the contents and delivery of the course, she felt as though the group was delivering the course to themselves and she found this very inspiring.

Trainers also had to be ready to respond to a range of personal needs and barriers. If child care issues were creating barriers to attending, they would hire a crèche. If the schedule of the course did not suit the group, they would change it. As a team they were all committed to making the programme as inclusive as possible and this created a philosophy of 'never say no'. Trainers had to be resilient and find practical solutions that met the needs of the group to ensure the programme left a long lasting impact.

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“

People need that interaction and personal friendship, because money is very personal. For 10 weeks I am their best friend, I know their children's names, I know everything about them”.

Develop rapport and personal relationships

Finally, the third principle of the delivery model was building strong relationships with participants and fostering friendships between group members. Since money is a personal and emotional subject, which many people are not comfortable discussing, it was essential to establish trust and rapport with learners to encourage them to open up and share their experiences. Shirina articulated this in the focus group when she said, 'People need that interaction and personal friendship, because money is very personal. For 10 weeks I am their best friend, I know their children's names, I know everything about them'. It was this level of personal involvement that enabled the trainers to take the learners on a personal journey. It was important to the trainers that their learners felt they could relate to them. In interviews respondents said that their trainers were friendly, enthusiastic, and supportive. One respondent felt that her trainer was a role model.

Relationships between members in the group were just as important for creating change in participants' lives. Participants had developed meaningful relationships with their peers in the group. The interviews revealed that all but one participant had managed to stay in touch with at least one person following the course, or they regularly bumped into people on the street. For one respondent she had developed several friendships with people from her group whom she frequently invited around for dinner. Many of

Chapter 3. About the programme

them continued to share money saving tips with each other and encouraged one another to keep saving. They had developed what Sara, a learner, described as ‘beautiful friendships’.

3.3 The Resource implications for intensive support

The programme’s delivery model and ethos of inclusiveness did pose many challenges for the delivery team. Commitment to inclusiveness meant that trainers had to respond to a range of personal needs and barriers and essentially become problem solvers for a range of disparate needs – from adapting delivery for a group who were blind or partially sighted to first teaching a group of learners how to hold a pencil. As a result the programme was very intensive and often required a great deal of personal investment from trainers. They often went beyond the call of duty and worked tirelessly to adapt to the needs of each new group of learners. This meant that there was a limit to the number of courses trainers could run during each cycle and long breaks were required between cycles to recoup their energy. This suggests that it would be challenging to increase the number of learners reached without consideration of the resources required to do so.

In order for financial education initiatives to have the greatest impact on households, stakeholders should aim to achieve outcomes that lead to long-term behavioural change. Stakeholders must recognise that to do so will require a high level of personal investment in individual learning, which can be resource-intensive and physically, intellectually and emotionally exhausting for trainers. Expectations regarding targets and reach must be realistic and achievable so as not to sacrifice the long-term approach to the provider-learner relationship and commitment to individual needs.

In conclusion, despite its taboo nature, money transcended many things. The programme’s commitment to creating a friendly, supportive, and peer-led learning environment took each learner through a personal journey where they learned new skills, had new experiences, and developed a strong network that encouraged and inspired them to put their new skills into practice. These elements of the programme enabled long lasting impacts for participants.



A combination of OCN registration data⁶ and MAP Tool questionnaires helped to build a profile of those reached by the Money Mentors programme.

61% of Money Mentors were registered unemployed

42% are between the ages of 30-39

81% are female

35% are of Bangladeshi origin

22% were in part-time employment

24% were between 40-49

26% were African

A full breakdown of demographics can be found in Appendix A

Only 10% of Money Mentors were regular savers

There was a high level of access to banking products across those surveyed, with only 16 respondents without access to a bank account; 8 of which had no access at all and the remaining 8 had access through someone else's bank account. The reason most commonly stated for not having a bank account was because they felt they had too little money or because they had always used someone else's account. 71% of those with bank accounts had current accounts. Half of these accounts had an overdraft facility. The majority of respondents (60%) never used their overdraft, 26% used it sometimes, and 14% stated that they used it all the time. Only 10% of Money Mentors were regular savers with a further 33% saving from time to time, mostly in savings accounts or keeping cash at home.

⁶ Accreditation body which awards certification



The pre-questionnaire provides a baseline for understanding how well respondents were managing their money before starting the programme. The FSA's Baseline Survey of Financial Capability⁷ identified two components of managing money: making ends meet, and keeping track. In keeping with the FSA Baseline, to set a baseline the evaluation assessed how well respondents were managing their money before taking the course using the following questions from the survey (1) How well are they managing their finances (2) do they set themselves a weekly or monthly budget on how much they should spend, and if so (3) how often they keep to the budget they set. Our analysis found that:

- 40% of respondents said that they were 'always struggling' to manage their finances,
- 33% said they were 'OK' at managing
- Less than a third of Money Mentors said that they set themselves a weekly or monthly budget before they started the course
- Of those that budgeted before, the majority (52%) either 'never' or 'hardly ever' stuck to that budget
- The remaining two-thirds were not setting themselves a budget at all
- Less than one sixth of learners were therefore setting and sticking to a budget before the course.

⁷ Atkinson, McKay, Kempson and Collard, (2006), FSA, *The baseline survey of financial capability in the UK*

Chapter 5. Outcomes and Impacts

5.1 Improved Financial skills

The number of respondents with no access to a bank account at all (even through someone else) prior to the course was small, only 8, with a further 8 who only had access through someone else's account. Analysis of the post-questionnaire shows that, of those 8 who were unbanked, all but 2 moved into banking. There was very little change in the type of overdraft facility that respondents used, but 5 out of the 13 who did not know what type of overdraft they had (or if they had one at all) were able to say so after the course, indicating improved awareness of their own financial product.

Type of Overdraft	Before Frequency	After Frequency
Free Overdraft	30	32
Costly Overdraft	13	17
Overdraft, but unsure of cost	1	0
No Overdraft	31	33
Don't know	13	9
Total	88	91

Table 5a: Type of overdraft (Number of Respondents per type).

At the beginning of Money Mentors, 40% of respondents reported themselves as 'always struggling' to manage their finances, with a further 17% reporting that they 'sometimes struggled'. Following the course, the 'always struggle' category decreased to only 2% and the number of respondents reporting that they were 'very good' at managing their money after the course increased by nearly 40%.



Figure 5a: When it comes to managing your finances, would you say you...'

Of those who said they were 'always struggling' in the pre-questionnaire (29), 12 moved to 'very good', whilst 11 moved from "always struggling" or "sometimes struggling" to 'OK' in the post-questionnaire. Overall, respondents moved out of feeling that they were struggling to feeling that they were now good at managing their money, with an average improvement between 2 levels.

48% of Money Mentors experienced a positive change in their budgeting skills, either moving from 'no' to 'yes' (do you set yourself a weekly or monthly budget?) or by improving how often they kept to their budget. There was also a complete exodus from the 'never budgets' category. Changes to budgeting behaviour were statistically significant⁸ and represented a highly positive outcome for the programme.

48% of Money Mentors experienced a positive change in their budgeting skills

Case study

Before Money Mentors, Sara* had lots of different bank accounts, and would take out loans and overdrafts from the bank. She was generally not on good terms with the bank. Since Money Mentors she has managed to close these accounts and open a new Islamic account which does not charge interest. She feels her awareness of banking services has grown and now she tries to spend just what she has. If she cannot afford something she will either not get it or save for it instead.

⁸ 'Significance' in this report refers to a p value of < 0.05.

Do you often keep to the budget you set?

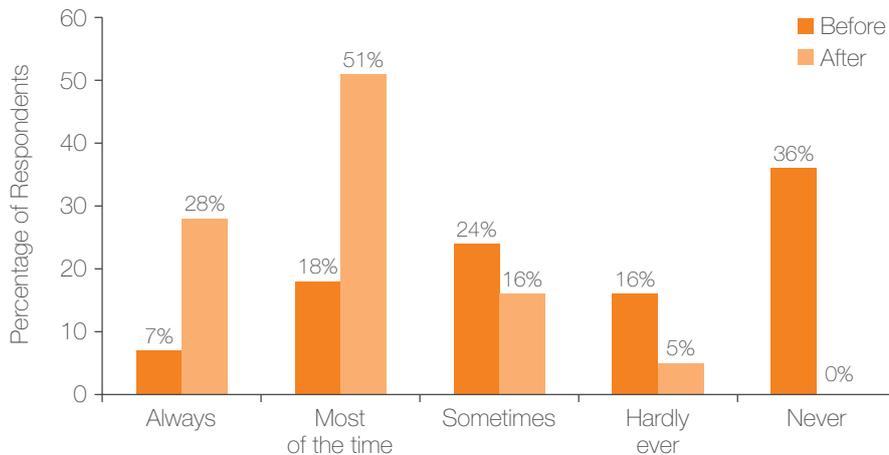


Figure 5b: 'Do you often keep to the budget you set?'

5.2 Behaviour change

Figures from the survey suggested that use of overdrafts changed only slightly between pre- and post-questionnaires. Interviews, however, revealed that there had been an increase in awareness and understanding of financial products and services. This enabled respondents to make better choices about how they managed their money. Several respondents we interviewed decided to take action to control their accounts better in order to stay in credit. Martha was a participant who had lived on her overdraft for quite some time. Following the course she had managed to pay this off and was no longer in debt. She realised that the reason she kept going into her overdraft was because the date set up for the Direct Debit payment meant that she did not have enough money when the bill was due and thus had to use her overdraft. She rectified this by altering the payment date.

The questionnaire also asked a series of questions about respondents' shopping habits. Respondents were asked to what extent they agreed with statements about their shopping behaviour. The statements looked at habits such as:

- Comparing different products before making a decision (e.g. mobile phone contracts and energy tariffs)
- Regularly checking to make sure they are getting the best deal
- Whether they found it difficult to understand all the technical terms or jargon used about money and in contracts
- Whether they always read the small print

Each response choice (definitely agree; somewhat agree; don't agree at all) is given a score between 0 and 2. The scores from

Chapter 5. Outcomes and Impacts

all four questions are then tallied to give the respondent an overall score between 0 and 8. A score of 8 would represent very good shopping habits.

The average score on shopping habits for participants before Money Mentors was 3.4. 44% of respondents had a score between 0 and 2, and only 16% had a score between 6 and 8. After Money Mentors the average score went up to 5.6, with two-thirds scoring between 6 and 8, and only 5% scoring between 0 and 2. A significance test was run on the before and after scores to understand the chance of this change happening by chance. The changes were found to be statistically significant, meaning that these changes were attributable to the Money Mentors course.

The survey also showed that there was an increase in respondents using the internet for online banking, shopping, and comparing products or services. Interviews were used to explore in more detail other ways in which respondents were making changes to how they managed their money. Two of the respondents interviewed had taken action to change the way they paid their bills. Surprisingly, they both changed from pay monthly contracts to pre-payment methods; one changing to a pay-as-you-go mobile contract and one changing to a prepaid gas and electric meter. They switched to pre-payment methods because it proved to be far less costly for them. Despite technically costing more per unit, switching to prepayment allowed them to stay in control of how much they were spending; avoiding bank charges meant it cost them less in the long run.

One respondent, Thomas, had very limited borrowing options due to being in a lot of debt with the bank. He explained that before Money Mentors his only option would have been to go to a loan shark. Now he would go to a credit union instead.

In the survey analysis, graduate Money Mentors were more likely to identify banks, payday loan companies, and credit cards as options for accessing cash for an unexpected expense. Those that we interviewed however still preferred to borrow money from friends or family as they felt it was the safest and least costly option for borrowing. Or they would use their savings, although they acknowledged that they might go to a bank or credit union as a last resort. Asha explained that she used to rely on credit cards before starting Money Mentors, but now she felt quite confident about her planning and that she was in control of her finances. Her aspiration was that she would not need to borrow because she would have enough savings to cover any unexpected costs. This was echoed by 6 other respondents we interviewed. One respondent, Thomas, had very limited borrowing options due to being in a lot of debt with the bank. He explained that before Money Mentors his only option would have been to go to a loan shark. Now he would go to a credit union instead.

Impact of behaviour change

The interviews worked with respondents to identify how they kept track of their finances prior to the course and whether that had changed. They revealed that, before the course, there was very little focus on keeping track of spending or even keeping a record of how much there was to spend. They often felt that their finances were out of control or that their spending was manic. For Sabina, having an overdraft made her feel like she always had money and because of this she would never keep track of her spending. Many of them acknowledged that gaining practical skills on tasks such as shopping and budgeting, or getting help with their finances was their main motivation for starting the course. The impact of learning these practical skills was that they were able to make effective changes to how they were managing their finances. These changes included checking and keeping receipts, keeping spending diaries, using spreadsheets to track income and expenditure, creating regular budgets and setting spending limits. They were a lot more disciplined with their spending in general.

How do Money Mentors use the Internet?



Figure 5c: Do you access the internet to do any of the following?

Respondents also discussed how they were now able to distinguish between needs and wants, which they felt to be a key factor in managing money well. Distinguishing between the needs and wants meant they were more likely to have money left over that they could save. Women in particular talked frequently about the impact of the course on their shopping habits as this was often their main financial responsibility in the household. This was the case for Seema who said, 'I used to just take card and spend, spend, spend. Now I look at wants and needs, how much money should I save or how much money should I spend'.

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Survey results and interviews demonstrate that the Money Mentors programme has helped respondents improve their money management skills. These improved skills have led to behavioural change which has transformed them into savers. Having had a lack of control over their spending previously meant that they did not bother much about saving. Only 10% of respondents had said they were regular savers before the course, while a third said that they saved only from time to time. 17% did not save at all.

In the interviews respondents talked about their savings behaviour before and after the course. For some, they did save sometimes beforehand but it was often irregular and would depend on the circumstances, i.e. whether or not they had any money left over. They would typically let money pile up in their current account or keep it in cash at home. For others, they never considered saving before, either because they were experiencing financial problems or because their spending was out of control. Analysis of the survey reflects this, with 80% of non-savers specifying that the reason they did not save was because they had too many other essential expenses. By the end of the course, regular saving went up to 49%. Overall, 41% of respondents experienced a positive change in their saving habits.

Only 10% of respondents had said they were regular savers before the course

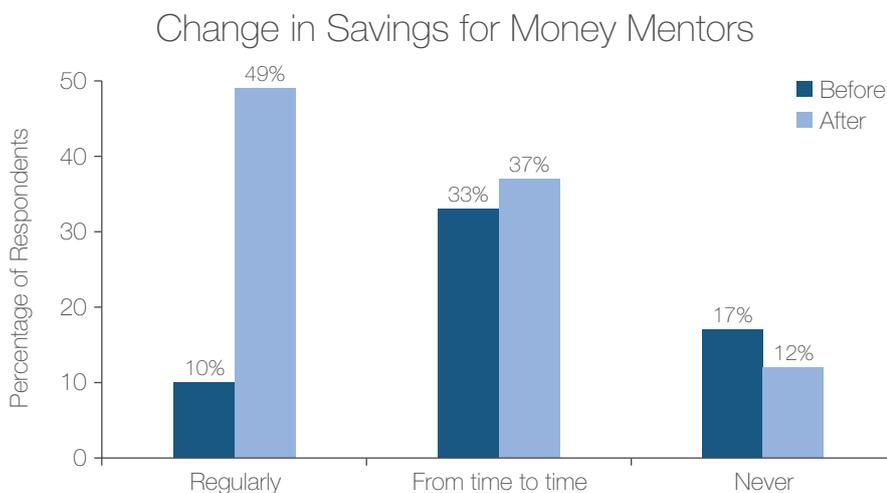


Figure 5d: 'Do you save any of your money, for example, by putting something away for a holiday or unexpected expenses?' 'Do you save on a regular basis or just from time to time when you can?'

Of all the respondents interviewed, all but one had started saving or increased the amount by which they were saving. For Thomas, his reason for not saving was because he was still in a significant amount of debt. On average respondents interviewed saved £18 per week, with amounts ranging from £10 per week to £100 per month. Several of them had created multiple savings pots, often for the children, and used a mix of savings accounts and keeping it in cash at home. Asha put aside roughly £20 per week from her income which she kept at home, as well as extra money for

emergencies. She also opened savings accounts for her children and put the money she received from Child Benefit into this account. Sara, who had never considered saving before, now kept 10% of her salary saved in the bank as well as at home. She also created jam jars for her children where she put money left over from her shopping. Her oldest child got £1, the middle got 50p, and the youngest got 20p coins to put in their jars.

While the number of savers putting their money into a savings account increased to 70%, many people were using a variety of methods to save. Respondents used a combination of 'rainy day' savings, regular savings, keeping cash at home, and using savings accounts, which worked in ways uniquely suited to their own circumstances to help them create a successful savings habit.

5.3 Use of Info and Advice

Respondents were asked in the pre- and post-questionnaire who they could talk to about their money. Partner, friends, and family came out at the top in the pre-questionnaire, with 42% saying partner, 35% saying friends, 34% saying relatives outside the household. Only 6% (6 respondents) said that they would go to a voluntary organisation. Included in this option would have been advice services such as Toynbee Hall, Limehouse project, Citizens Advice Bureaux, etc. A further 20% said that they would prefer not to ask for help at all.

Follow up found that more respondents felt that they could talk to family, friends and neighbours about their money. The number of respondents who felt they could go to a voluntary organisation went up by 30%. When asked who they would ask for advice prior to the course, 39% said they would go to friends or family, 38% said they would go to a free advice agency, 32% said the internet. The largest increase after the course was the free advice agency category, increasing to 84%. The number of respondents who would go to their social housing landlord for advice also went up quite significantly to 36%, from 4% previously. Overall respondents added one more source of advice to their choices after the course compared to beforehand.

Sara, who had never considered saving before, now kept 10% of her salary saved in the bank as well as at home. She also created jam jars for her children where she put money left over from her shopping. Her oldest child got £1, the middle got 50p, and the youngest got 20p coins to put in their jars.

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Who would you ask for advice?

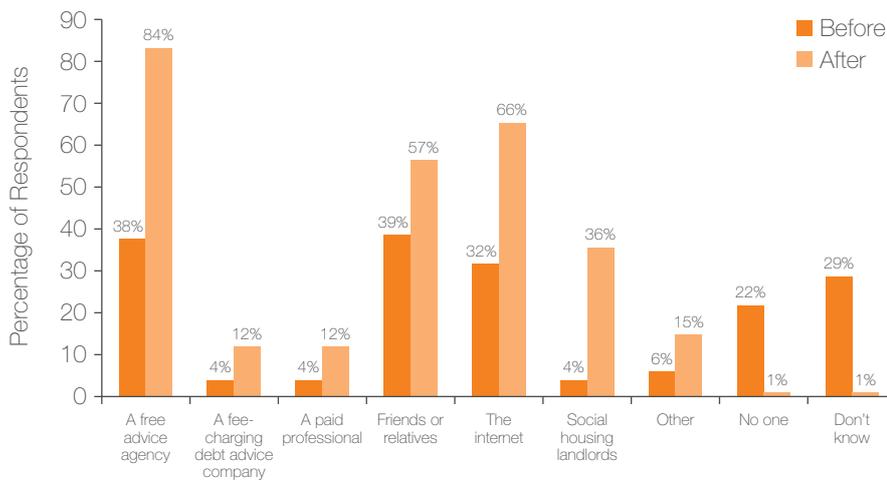


Figure 5e: Who would you ask for advice about money?

Most of the respondents we interviewed already had good knowledge of where to get information, advice or support with their money prior to the course. They were familiar with FITH partners such as Limehouse Project and Toynbee Hall, or knew of the Citizens Advice Bureau. Some respondents like Sabina explained that she now would consider going to credit unions or look for government schemes if she needed help. Before the course she was only aware of the bank.

Since the course Sara has been a lot more active on the internet for help and advice about money. She prefers to do her own research and uses resources obtained from the course such as websites for financial services. She finds this easier and quicker than booking appointments to see an advisor. If she does not find what she is looking for online, then she goes to see an advisor. Martha had previously been aware of places to go for advice such as the Citizens Advice Bureau and the Council, but felt very uncomfortable discussing her money problems and did not know how to explain what her problems were and was quite forgetful. This would stop her from going for help. Since completing Money Mentors she feels confident to talk about money and is able to approach people without hesitation.

5.4 Financial Confidence

Very few respondents had confidence in their financial future prior to Money Mentors. Following the course, levels of confidence increased on average by one level – moving from not very confident to somewhat confident or from somewhat confident to confident. Those who rated themselves 'not at all confident' at the beginning, on average, moved up three levels to between

Overall, 65% of respondents experienced a positive change in confidence in their financial future.

somewhat confident and confident, demonstrating a significant improvement for the least financially confident. Overall, 65% of respondents experienced a positive change in confidence in their financial future.

Using the survey data we tested the correlation between financial confidence and money management ability. While there is some correlation between ability to manage money and confidence in the financial future, the effect levels off for those who feel more able to manage their money. Clearly there are other factors which determine one's financial confidence. For survey respondents, participation in the Money Mentors programme had a far greater effect on financial confidence than perceived ability to manage money well. This is demonstrated in the figure below. The figure shows that, for those who felt that they were good at managing their money beforehand, their average level of confidence in the future was 2. This had increased to 3.2 after the course. Those who started the course feeling that they were already very good with their money had increased their financial confidence more significantly than any other category. Those whose were struggling to manage money well prior to the course also increased their average level of confidence in the future, but not as significantly. Overall though, no matter how well individuals were managing their money before, the programme had a direct impact on average levels of confidence.

0 = always struggling;
 1 = sometimes struggle;
 2 = OK;
 3 = very good
 Circle height = range of confidence scores in each 'ability' category;
 Circle size = population size in this category.
 Average confidence = circle mid point

Change in Money Mentors: Confidence in financial future and ability to manage money

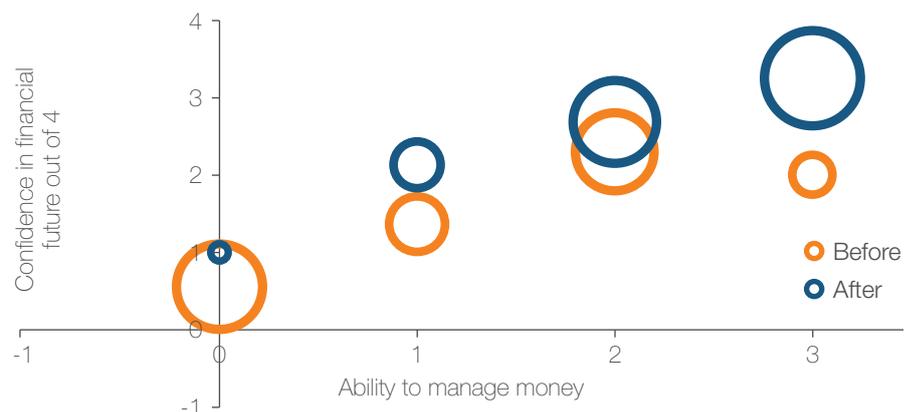


Figure 5f: Correlation between 'confidence in financial future' and 'ability to manage money'. Stronger correlation between Money Mentors and increase in financial confidence, demonstrated by the blue circles.

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This was echoed in the focus group with the Money Mentors team. Their experience of delivering the programme was that money management was universal. No matter whether the person they were training was a Master's student, an accountant, or someone with no previous formal education, money management transcended intellectual ability. A combination of 1-1 support and the flexible nature of the course gave trainers the opportunity to adjust the learning for each individual. In this way participants were able to develop skills and knowledge according to their abilities and needs. Everyone had something to gain.

Sabina exemplifies this well. She was someone who had considered herself very money conscious beforehand, but during the course discovered there was a lot she could improve. In fact, she realised that she had constantly been using her overdraft and was finding things difficult as a result. Managing her money encouraged her to set financial goals for the first time. After graduation she also hoped to start her own catering business someday, which was an aspiration she did not have before the course because she did not feel she that she had any control of her money.

The Money Mentors Trainers felt that the greatest impact of the course was the improvement in learners' confidence; confidence to manage money, to try something different, to talk about money.

The Money Mentors Trainers felt that the greatest impact of the course was the improvement in learners' confidence; confidence to manage money, to try something different, to talk about money. The confidence they gained was a good foundation to build financial responsibility. As their confidence increased, the trainers would encourage them to take on more responsibility. For example they would be encouraged to write a letter or speak to the bank on the phone without the trainer's support.

Interviews revealed that participants had also improved their ability to navigate the financial environment and advocate for themselves. They were comfortable enough to challenge their bank or make a complaint, to deal with customer service agents over the phone and in person, and to ask more questions if they did not understand something. They felt more confident to talk about money in general and did not hesitate to speak up for themselves when before they would have felt too shy or scared to say anything. The course had empowered Masoud, for example, to confront a bill that he felt he had been overcharged for. In the past he said he would have just paid it and would not have questioned it.

This confidence came not just from gaining financial skills, but also from building their communication skills. The course helped participants improve their understanding of financial terms and jargon and had improved their vocabulary, especially those who didn't speak English as a first language. They were able to understand

The course helped participants improve their understanding of financial terms and jargon and had improved their vocabulary, especially those who didn't speak English as a first language.

letters from banks and other agencies better and could talk more confidently about money. Use of group work and interaction with others in the course gave them the opportunity to practice speaking and expressing their thoughts clearly, and also helped improve their listening skills. One respondent said that it was useful to learn about the importance of body language and now uses skills such as maintaining eye contact and practices these skills when interacting with others. Feeling more able to communicate was empowering for respondents and they felt confident that they could take control and do more things for themselves.

5.5 Financial well-being

Financial well-being refers to how an individual feels about their financial situation. We assessed whether Money Mentors had any impact on respondents' financial well-being. Overall 38% of respondents moved out of a negative assessment of their financial situation by the time they completed Money Mentors. Prior to the course, the majority of respondents felt that they were either 'finding it very difficult' (32%), or were 'just about getting by' (27%). Following the course well-being increased across the group with 46% stating they were 'doing alright' while the 'finding it difficult' category dropped to only 3%.

How well are Money Mentors managing financially?

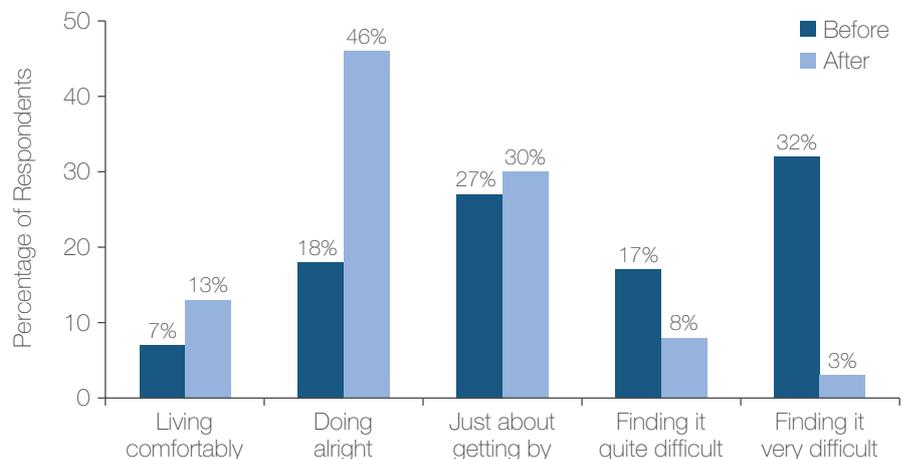


Figure 5g: When it comes to managing your finances, would you say you...

The aspect of well-being that was most impacted by the Money Mentors programme was feelings of isolation. Of the six well-being outcomes, respondents experienced the most improvements to their feelings of isolation. In the survey analysis, 'feelings of isolation' showed the highest level of positive change (54% of respondents reporting an improvement) compared to the other well-being outcomes.

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Change to well-being	Health	Relationships	Work	Isolation	Avoiding post/phone	Food
Positive change	43.2%	45.3%	51.4%	54.1%	45.2%	42.5%

Table 5b: Change to well-being outcomes for survey respondents.

Putting food on the table worried the least number of respondents, with only 15% stating that they worried about putting food on the table 'all the time'. However, the 15 people represented in this group experienced the greatest amount of positive change as a result of the Money Mentors programme. Eleven out of the 15 people in this category had the lowest levels of well-being across all six outcomes in the pre-questionnaire, selecting 'all the time' or 'very much affected' for each question related to worries about money. They also reported high levels of anxiety in the 'general well-being' section of the survey, scoring eight or higher on a scale out of ten. In the post questionnaire, nine of these respondents moved to 'never worrying about food'. Their anxiety had also decreased significantly to an average of 3.3 out of 10. For one participant we interviewed, debt had had a very negative impact on her life. It had been causing her a lot of stress and anxiety and as a result impacted her diet so she was not eating properly. Her situation left her feeling hopeless. Since sorting out her financial problems she had seen an improvement in her physical and mental health.

The Money Mentor Trainers expressed that there was often a high level of worry amongst their groups of learners. They felt very uncertain about the future, especially around benefit cuts. Prior to the course most of their learners did not know where to go for information and to get support. Places like Toynbee Hall were seen as places to go for a crisis. They did not know there was anywhere out there to support them before they got to that crisis point. The course helped to ease levels of worry and stress by first giving them the skills to cope with change, but also raising awareness of where to get help before something turned into a crisis.

5.6 General well-being

Participants' general well-being and life satisfaction also improved after the course. Levels of anxiety had the largest positive change, with 25% of participants experiencing a reduction in their levels of anxiety. Wellbeing scores were compared against the Inner London Benchmark for well-being (2013/2014⁹). Prior to the course a higher percentage of Money Mentors participants experienced very high levels of anxiety compared to the general inner London

⁹ Office of National Statistics, Annual Population Survey <http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc124/wrapper.html>

population. This decreased by nearly 40% after the course, bringing the number of people experiencing very high levels of anxiety below the benchmark.

Overall average scores in the 4 well-being categories (satisfaction, feeling life is worthwhile, happiness, and anxiety) were worse than the inner London benchmark before the course. After the course, average scores in two of the four categories (satisfaction and happiness) were better than the London benchmark, with average scores for the other two categories falling just below. Significance testing was carried out on all the well-being scores of respondents to determine whether the increase in well-being was random or a result of Money Mentors. All four tests came back as statistically significant, meaning that it is unlikely results would have happened by chance.

There was also a correlation between confidence in the financial future and a respondent's well-being. Those on the lowest end of the confidence scale (not at all confident), had increased their general well-being score from an average of 2.9 to an average of 5.5 (out of 10). Average well-being at the higher end of the confidence scale stayed roughly the same between pre- and post-questionnaire. Those who were confident in their financial future at the beginning course already had high levels of well-being and this remained the case after the course. Far fewer people had no confidence in their future by the end of the course, but those who were feeling unconfident after the course at least had much higher levels of well-being than before. For people with little to no confidence there was a strong correlation between getting support with money management and increased well-being.

Correlation between 'confidence in financial future' and 'general well-being' score. Stronger correlation between Money Mentors and increase in general well-being for those who lack confidence.

0 = always struggling;
 1 = sometimes struggle;
 2 = OK;
 3 = very good

Circle height = range of well-being scores in each 'confidence' category;

Circle size = population size in this category.

Average confidence = circle mid point

Change in Money Mentors: Confidence in Financial Future and Wellbeing

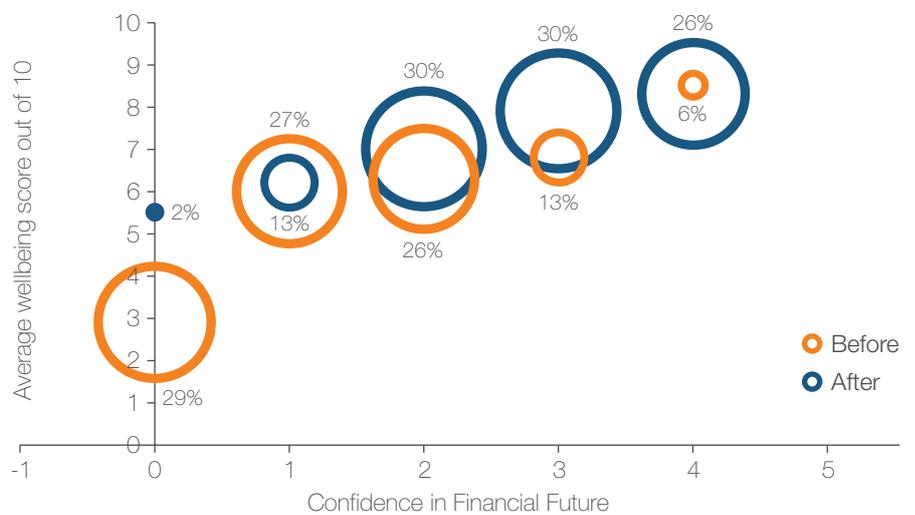


Figure 5h: Change in Money Mentors: confidence in financial future and well-being

Gendered differences in well-being

Cross-tabulation of the well-being questions with gender showed interesting and unexpected results. Men experienced far greater levels of change in their well-being throughout the Money Mentors course compared with women. Men represent 20% of the sample size. Before Money Mentors, 50% of male participants had worried 'all the time' about money and debts compared to 40% of female participants. After the course, this decreased to only 6% of men, compared to 16% of women. This was also true across all well-being outcomes.

The Money Mentors programme also helped to improve men's general well-being, with the survey showing greater positive change between the beginning and end of the course. A large positive change is represented by a change in their well-being score of more than 6 points. To take one example, 56% of men experienced a much greater decrease in their anxiety compared to 18% of women. A quarter of women reported no change, and a further quarter reported only a small positive change (a change in score of 1-2 points).

50% of male participants had worried 'all the time' about money and debts compared to 40% of female participants. After the course, this decreased to only 6% of men, compared to 16% of women.

Change in anxiety levels

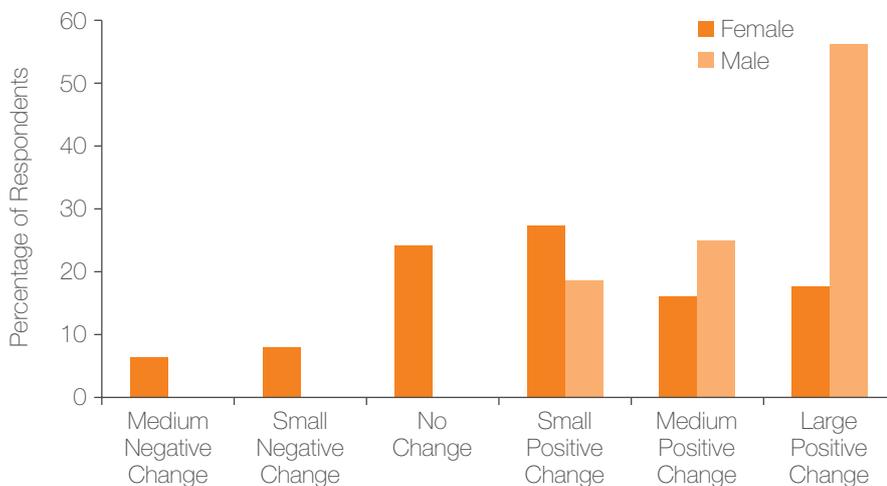


Figure 5i: Change in anxiety levels after Money Mentors, cross-tabulated with gender.

Data from both the interviews and the focus group confirmed that participation resulted in more transformational change for men. Both of the men interviewed for this report were living alone and experiencing significant financial pressure. Thomas was in a large amount of debt and Masoud was moving into a new flat on his own at the time of participation. It was these financial pressures that motivated Masoud to take the course, which he had heard seen in an advert in East End Life (the Council's weekly newsletter). One to one support he received from his tutor showed him how

to do proper research when buying new things like a cooker or a washing machine, rather than just going to the nearest shop. By showing him different websites and checking prices, Masoud managed to save £100 on the cost of new items.

For Thomas, even though his debt situation had not changed from when he started, he said that he did not let that bother him anymore and was trying to stay positive and not let his life be affected by the burden of debt. He was now a volunteer at Toynbee Hall, which was something he would not have considered doing before the course, and he hoped one day to gain employment that he really enjoyed.

One to one support sessions with men throughout the course often revealed that they had the main responsibility for managing money in the home.

The Money Mentors Trainers acknowledged that the course did have a greater impact on men. One to one support sessions with men throughout the course often revealed that they had the main responsibility for managing money in the home. Male participants also did not typically delegate or share budgeting with their partner. Men were the primary bill payers while the women in the households were mostly responsible for doing the shopping. As a result of having more responsibility, men were much more willing to take away the practical elements of the course, which helped to reduce their burden.

However men were quite difficult to recruit because they were overly confident about their money management. They also tended to drop out more frequently than women. Men and women's motivation for taking the course also differed. While men were motivated to participate as a route into employment, women were more motivated by the social element, and learning for the sake of learning. Many of the women we interviewed had aspirations to work or start their own business, but they also had childcare responsibilities that made it more difficult for them to pursue their ambitions.

Household well-being

43% of participants felt that their relationships with family and friends had improved by the end of the course.

Survey data and evidence from interviews showed that participation in Money Mentors had a positive effect on relationships with friends and family. 43% of participants felt that their relationships with family and friends had improved by the end of the course. Six of the respondents we interviewed explained how improved money managing had helped to improve relationships in the household. Money management had become a shared responsibility in the home. Families were working together to create budgeting plans and work out what was available to spend. They shared money management tips with their partners, showing them how to check for deals and offers to make the most of their money. This had brought the whole family together and raised everyone's awareness of what was essential.

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Sara explained that the course had given her useful ideas and ways of communicating with her children about money. Her four children were quite demanding and Sara had a habit of giving in to their demands. The session on needs and wants had equipped her with the right words to say to her children when they put pressure on her. She also felt that her relationship with her husband had improved. Prior to the course they used to have a lot of arguments which were fuelled by financial problems, and she attributed this to not knowing about their finances and not being able to manage their money together. Since creating different ways of managing their household finances, they were much more open about their spending and savings.

Sara explained that the course had given her useful ideas and ways of communicating with her children about money.

In another household, the respondent felt confident to take on more responsibility than she had before. Seema and her husband had both attended the Money Mentors course. Her husband had taught her a lot about buying things online and about online banking. Before the course her husband would have taken care of all those things on his own, but now Seema felt confident to do these things herself and did not need to ask him to do it for her.

For Martha, who had a son that lived on his own, the relationship had been a source of financial strain. His financial problems were often the source of her unexpected expenses. Following the course she had been able to share her knowledge and the practical skills she gained in the course with him and help him manage his money better. She now talked regularly with her son, offering him help and support.

The evaluation has found that the Money Mentors programme is helping to change household conversations and behaviour around money. Participants use their new knowledge, communication skills and increased confidence to tackle undermining financial behaviours within their families, thus reducing their outgoings and increasing the household's financial resilience through better money management and increased savings.

5.7 Use of financial services

There were several limitations to the methodology used in this report. Due to the timescale of the report we were only able to use data that had already been collected by the MAP Tool, which is still in development and was being tested on the Money Mentors programme. As participants' use of financial products and services were not covered in great depth in the original MAP Tool questionnaire at this stage, we have limited quantitative data on this area. From the data we do have, we know that most participants had access to bank accounts prior to the course. There was also some change in use of overdrafts before and after the course

(discussed in section 5). What we do not yet have is quantitative data about how participants have changed the way they use financial products and services to help them manage their money better. We therefore do not know whether participants took on more (or fewer) products as a result of the course, or how much their levels of understanding and confidence to use products and services effectively had changed. For example, we did not collect any data on use of payment systems such as direct debit so we do not have quantitative data about the scale to which Money Mentors has had an impact on the way in which participants pay their bills. An initial picture began to emerge through the qualitative interviews, detailed in section 5, but we were not able to compare this change across the whole population of Money Mentors participants.

The assumption that underpins a lot of financial education initiatives is that increased knowledge and understanding of financial products will increase motivation to use these products and services in a positive way – i.e. to reduce expenditure on an item by item basis in order to reduce an outgoing payment and thus manage money more effectively. Some initial findings from interviews may challenge some of these assumptions, as we found that some participants subsequently preferred what appeared to be more expensive financial products (such as using prepayment utility meters) over the method conventionally considered cheaper *as a result of having a higher level* of understanding and confidence in managing money. This may suggest that individuals on low incomes may deliberately choose more expensive products for the convenience and level of control offered by prepayment methods which they do not get from mainstream products such as direct debits, thus avoiding fees and charges incurred by returned or unpaid item fees and saving money overall despite paying an initially higher price. While we were unable to investigate this further in the evaluation, this fits with our previous consumer research on preference for payment methods¹⁰ which give greater control. We would be keen to gather more quantitative data on this area in future research.

¹⁰ Policis and Toynbee Hall for the Payments Council, 2014, *The electronic payment needs of people on low incomes*



After the programme graduate Money Mentors go on to provide their communities with a key, knowledgeable and trusted local person that people can talk to about money management and accessing appropriate financial products. Graduates had to commit to sharing their knowledge and skills in money management with at least one other person.

Approaches to monitoring

The Money Mentor team had wanted to assess how much and how often Money Mentors were passing their new knowledge on. They had designed a system of using a “cheque book”, where Money mentors could fill in a “cheque” with details of how they had shared their knowledge which they could then return to their trainer. However, the loss of the programme intern meant there was insufficient capacity to implement this idea successfully.

The interviews therefore provided a good opportunity to understand whether, and how, graduate Money Mentors were sharing their knowledge with others. They were first asked how likely they were to give support to friends, family, or others about money before taking part in the programme. None of the participants we interviewed said that they had given help or support to someone else about their money before the course. When they were asked why, the reasons they gave were that they did not feel very knowledgeable about money, and felt hopeless about money themselves. They did not believe that they were any good at managing money and so were not the best person to ask for help.

After the course participants were a lot more likely to share what they had learned, but were also much more proactive about helping friends and family. One respondent said that she would deliberately try to start conversations about money with friends at gatherings to share useful information she gained from the course, such as budgeting and what supermarket deals actually meant. She also gave examples of her personal experience of money management and the positive impact this had had on her. Tips on shopping and saving money were common topics for discussion.

Other respondents started to support others who had experienced similar problems to their own. They supported friends and family to create a budget for the first time and identify their spending habits. They continued to encourage their friends and family to keep track of their money and use budgeting tools in order to stay in control. They could signpost friends and family to advice services to help them sort a problem. Seema had introduced her friend to Limehouse Project, where she received advice about a parking ticket she could not pay. Other participants now organised regular coffee mornings with other parents in the community where they supported each other and shared information.

Respondents felt that gaining new skills and knowledge about money management and increased confidence to talk about money had empowered them to help their community. They felt they had more confidence to talk about money in general and didn't feel as scared as they had before. They now felt that they had something useful to share that could really make a difference to others.

After the course participants were a lot more likely to share what they had learned, but were also much more proactive about helping friends and family.

Case study

Dawn, a mother with a disabled child, had personal experience of the extra costs involved in caring for someone with disabilities (studies show that bringing up a disabled child is 20% more expensive). Dawn was really pleased to complete the Community Money Mentor course, especially as she had been out of education since leaving school and lacked confidence to study. Dawn then asked her son's school – a school specifically for children with disabilities – if she could use her new skills to support other parents. Dawn was given a room once a fortnight where she runs a drop-in, supporting other parents to budget, access better payment methods and financial products and set financial goals. Dawn refers any complicated cases back to her tutor and also gets support and advice herself when needed. Dawn has been running these sessions for over a year now.

Chapter 7: SROI

As previously discussed, the resources available for this mixed methods evaluation meant that we decided to focus on five key outcomes already identified through the programme aims, MAP Tool data and interviews:

- 6) Increased financial resilience
- 7) Increased well-being
- 8) Increased digital inclusion
- 9) Reduction in stress in relationships with family and friends
- 10) Regular volunteering

We therefore did not conduct traditional SROI “impact map” or “attribution” exercises with Money Mentors for this evaluation, relying instead on data we gathered for the overall evaluation and our assessment following the focus group and interviews, as well as our detailed knowledge of the programme.

Restricting the outcomes measured for SROI purposes also reduced the level of error in the SROI calculation; our goal has been to establish a “minimum” SROI value, rather than attempting a comprehensive SROI calculation at this first attempt.

Further details of the methodology, definitions, proxies, data and calculations used are given in Annex A.

Calculating the SROI Ratio

Input costs, explained further in A, were calculated as £130,000 for 120 Money Mentors over a one year period. The full present value is calculated at £398,588.01.

If we calculate the net present value this is derived by subtracting the input costs from the present value.

This NPV = £398,588.01 - £130,000 = £268,588.01

This produces an SROI ratio of 1:3.07 over a 3 year period, based on the assumptions made.

The net SROI ratio using the net present value over the value of inputs is 1:2.06 over a 3 year period.

It should be remembered that this is a highly conservative valuation, intended to act as a starting point for developing a more comprehensive SROI evaluation over time.

Chapter 8: Conclusion

This evaluation assessed the impacts of the Money Mentors programme on household finances. It examined whether participants were able to build more resilient households and improve overall financial well-being as a result of participation. This was achieved by carrying out pre- and post-surveys with course participants using Toynbee Hall's MAP Tool, 10 qualitative interviews, and a focus group with the Money Mentors team at Toynbee Hall. It also provides a first attempt at an SROI calculation.

The evaluation clearly showed that the Money Mentors programme has had a significant impact on participants' money management skills, knowledge, confidence and motivation. These impacts contributed significant and lasting benefits for their well-being and were found to be directly attributable to participation in the programme. The evaluation also established that the benefits of money management support were universal. No matter what level of ability, or whether or not someone was in financial difficulty, everyone had something to gain by taking part. The highly conservative SROI ratio was found to be 1:3; this means that for every pound invested, the community and/or state benefits to the value of approximately £3.

The evaluation clearly showed that the Money Mentors programme has had a significant impact on participants' money management skills

8.1 Impacts of The Money Mentors programme

A baseline profile of participants showed that 40% of respondents were 'always struggling' to manage their finances prior to the course and only 10% were regular savers. The programme had supported participants to improve their budgeting skills and feel more in control of their money in general through improved capability in other areas including shopping, comparing products, and using a range of tools to help keep track of their spending. Improvements to money management skills turned many participants into savers for the first time, with households making average weekly savings of £18.

This evaluation clearly showed a correlation between positive changes in money management skills and increased savings behaviour. With a clear link between savings and household resilience having been established by research, there is now considerable focus amongst consumer groups, government, policy makers, and those who work with the financially excluded on how to support low-income households to develop good savings habits. A recent report by Which?¹¹ found that, along with certain demographic and socio-economic factors, there are certain behaviours that are strongly linked with financial resilience. The three main behaviours linked to successful savings are: saving every month, saving for a rainy day, and keeping savings separate from other money. These behaviours make a significant difference

¹¹ Which? The three habits of successful savers: How learning from their behaviour could get the UK saving. August 2014.

Chapter 8: Conclusion

in terms of building up savings and maintaining a buffer. The combination of MAP Tool data and qualitative interviews shows that Money Mentors are routinely learning and practicing these successful habits. Not only has the percentage of participants saving regularly (either weekly or monthly) increased to nearly 50%, but they were also more likely to keep their savings in a savings account. Interviews showed that households were also more likely to save in order to create a buffer (i.e. rainy day savings), which would reduce the negative impact of a financial shock such as an unexpected bill. The evaluation has demonstrated that the Money Mentors programme has had a significant impact on households in the borough, supporting them to develop good, successful savings habits that help build resilience and future security.

The Money Mentors programme has led to long lasting changes, not just to how households manage their money, but also in how households feel about their financial situation. Not only are households more resilient financially, they are also more emotionally resilient. Throughout the programme participants developed the money management skills they need to adjust and adapt to financial changes. They also developed communication skills that help them to express their needs, and they built up their confidence to continue putting their new knowledge and skills into practice, to help both themselves and their communities. The Money Mentors programme takes participants on a personal journey of reflection, growth, and empowerment to take control of their finances rather than letting money control them.

8.2 Establishing an effective model

Proving the impact of financial education initiatives on long-term behavioural change has been of increasing interest to stakeholders in the sector and there has been very little robust evidence to indicate what effect there is. An evaluation of the impact of financial skills training for social housing tenants, conducted by the Personal Finance Research Centre, has shed light on the effect of such initiatives by comparing changes to money management of social housing tenants who received training against a control group that received no training. The evaluation found that changes to money management behaviour were statistically significant and could be directly attributed to the financial skills training. The evaluation, however, highlighted 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. While the project had assumed a specific level of interest in group workshops would exist, 71% of tenant learners preferred 1:1 training in their homes.

Another evaluation conducted by the Financial Inclusion Centre provides insight into the impact of peer-to-peer, group-based,

Not only has the percentage of participants saving regularly (either weekly or monthly) increased to nearly 50%, but they were also more likely to keep their savings in a savings account.

The Money Mentors programme has led to long lasting changes, not just to how households manage their money, but also in how households feel about their financial situation.

financial education. The evaluation was for London Citizen's Money Mentors programme, an intensive one-off financial education event delivered by young people, for young people. The evaluation found that short, one-off interventions were not the most appropriate format for embedding long term changes to money management. The format was very good for raising the learners' confidence and improving knowledge of financial terms, but improved financial skills required follow up and review of one's progress which comes from regular contact. This was something a one-off intervention wasn't able to provide.

The regular contact provided by the Money Mentors 60 hour course has meant that participants could review these skills on a regular basis, check their progress, and share what they had learned with others. It was this combination of personalised support and regular contact which led to significant, long-term behaviour change in money management. This is a significant learning as it provides a baseline model for the development of similar initiatives in the future.

This evaluation has found that there are key design and implementation criteria which have contributed to the successful impact of the programme:

- Identifying learners' current needs and learning preferences and using these to design the overall programme
- Trainers with excellent interpersonal skills, committed to the learning success for every learner on an individual named basis rather than a focus on "targets"
- A highly agile approach to course design and roll-out, adapting each course to learners' needs and lifestyles
- A personal approach to learner recruitment, using face to face conversations, trusted intermediary organisations, and building strong group relationships
- A wrap-around approach to meeting learner's needs, providing additional 1-1 support to address financial issues before, during and after the course
- A long-term approach to the provider-learner relationship, continuing to provide on-going training, coaching and support past the end of the course
- Offering a formal qualification which provides learners with an employability skill for their CV, and increases learners' pride and confidence
- Developing a graduate network which creates a learning community of interest and mutual support

Chapter 8: Conclusion

The conservative SROI ratio of 1:3 provided by this evaluation indicates that there is tangible financial and social benefit to individuals, their families, communities and government to investing in the Money Mentors model. As we develop the SROI model for this programme, we expect to see the ratio rise. In particular, we anticipate SROI contributions from savings in benefits as a result of increased employability, as well as avoidance of debt.

Opportunities for Scaling Up

This evaluation has demonstrated that Money Mentors has a significant impact on the financial capability, behaviour, confidence and well-being of participants, regardless of academic history or income level. However it has particular significance for those living on low incomes with low financial capability, or for those with significant financial responsibility for their household finances.

These findings would appear to make Money Mentors particularly relevant for Universal Credit recipients, who will be responsible for managing their family finances on a monthly basis.

The Toynebee Hall team have developed a Train the Trainer package which has been tested and successfully rolled out in Brighton. It is therefore possible for other LA areas to integrate a Money Mentors programme into their UC roll-out if desired.

Toynebee Hall are also researching the possibilities for an on-line version, and would be interested in exploring this approach with potential partners.

http://www.paymentscouncil.org.uk/files/payments_council/low_income_consumer_report/payments_council_low_income_consumers_and_electronic_payments_executive_summary.pdf

Annex A: SROI Methodology and Data

Identifying Outcomes

As previously discussed, the resources available for this evaluation meant that we decided to focus on five key outcomes already identified through the programme aims, MAP Tool data and interviews. We therefore did not conduct additional “impact map” or “attribution” exercises with Money Mentors for this evaluation, relying instead on using data we gathered for the overall evaluation and our assessment following the focus group and interviews, as well as our detailed knowledge of the programme.

Outcomes for SROI Analysis:

- 11) Increased financial resilience
- 12) Increased well-being
- 13) Increased digital inclusion
- 14) Reduction in stress in relationships with family and friends
- 15) Regular volunteering

Outcomes Indicators

Outcome	Indicator description	Attribution proportion
Increased financial resilience	Able to save regularly	0.8
Increased well-being	Reduction in worry about money and debts	0.6
Increased digital inclusion	Increase in use of Internet to manage money	0.7
Reduction in stress in relationships with family and friends	Relationships with family/friends not affected by money worries	0.6
Regular volunteering	Number of Money Mentors volunteering	0.5

a) Attribution

SROI analysis requires an assessment of the extent to which a given outcome was caused by the programme's intervention, and how much by other organisations or people. SROI methodology usually requires an exercise asking stakeholders to estimate attribution. We were unable to do so for this initial evaluation due to limited resources. We therefore made our own assessment of the extent

Annex A: SROI Methodology and Data

to which the Money mentors programme was responsible for any changes reported by participants, based on our knowledge of the programme. Where participants identified changes, particularly behavioural, were as a result of the programme, such as starting to save regularly, we gave a higher attribution rate than to changes which could have been influenced by other external events or which required other agency support, such as volunteering. Having awarded an attribution rate, we then applied a sensitivity analysis, reducing it by 10% in all cases.

b) Displacement

We assessed that there was no displacement of impact; in other words, there was no negative social impact for other people or agencies as a result of the Money Mentors saving more, being less anxious about their money, or sharing their skills and knowledge with others.

c) Deadweight

SROI needs to take account of outcomes which would have happened anyway, in the absence of any intervention. We took deadweight figures from analysis of similar programmes conducted by Quids In and the National Housing Federation, and from the Community Life Survey.

Deadweight description	Deadweight proportion
Proportion of social housing tenants who report a change in savings behaviour (control group) – Quids In report	0.11
Proportion of social housing tenants who reports reduction in worrying about money (control group) – Quids in Report	0.09
Proportion of social housing tenants who reduced household spending (control group)	0.09
Proportion of social housing tenants who report reduction in worrying about money (control group)	0.09
Increase in number of people who volunteer at least once a year (Community Life Survey 2013-2014)	0.02

d) Drop-off and benefit period

Drop-off refers to the rate at which outcomes decrease over time and can relate both to outcomes, where the outcomes diminishes over time, and attribution, where the credit which the Money Mentors programme can take for the outcome diminishes over time. We used a standard 33% drop-off rate as advised by nef.

e) Calculating input costs

The Money Mentors programme is part of a larger Financially Inclusive Tower Hamlets programme, and thus part of a larger programme budget. The FITH Coordinator who manages the Money Mentors programme also delivers capacity-building training to local organisations, and coordinates the wider FITH programme. The Money Mentor Trainers also deliver 1-1 sessions to the community, as well as to Money Mentors.

The average annual budget for the Money Mentors programme is c. £130,000. This figure includes the salary spend for the wider capacity-building work and the additional 1-1 sessions. However it excludes the resources in kind provided by organisations where we run Money Mentors; for example, schools, community centres and faith groups, all of whom provide free accommodation.

We judge that the additional benefits provided to the community by the team are generally off-set by the cost of accommodation. Additionally, the main purpose of this SROI is to illustrate the benefit achieved by programme funding. Experience shows that hosting organisations are able to provide accommodation free of charge as the Money Mentors programme supports their own organisational aims and targets. For that reason we have used the figure of £130,000 for input costs. A second SROI with more capacity could conduct a separate input costs exercise to achieve greater technical accuracy.

Annex A: SROI Methodology and Data

f) Calculating financial proxies

We have identified a range of financial proxies from existing national data and relevant research.

Indicator description	Financial proxy description	Proxy
Able to save regularly	Able to save regularly – HACT social value bank (London)	£1,798
Reduction in worry about money and debts	Improved emotional well-being (New economy foundation)	£1,056
Increase in use of Internet to manage money	Savings made through online shopping and bill payments (NHF research)	£560
Relationships with family/friends not affected by money worries	Improved family well-being (new economy foundation)	£2,640
Number of Money Mentors volunteering	Regular volunteering (Social Values bank)	£2,880

g) Discount rate

The Discount rate refers to “The interest rate used to discount future costs and benefits to a present value.”¹² We have used a discount rate of 3.5% per year, following the guidance in HM Treasury’s Green Book.

h) Present value and net present value

The present value of benefits is the total value of the outcomes, taking into account the discount rate. Whilst for SROI this is often calculated for a five year period, we have taken a conservative approach and calculated for a three year period.

The net present value (NPV) is the value today of the money that is expected to be derived in the future, taking into account the discount rate, minus the investment required to generate the activity. This is calculated through the sum:

$$NVP = (\text{Present value of benefits}) - (\text{Value of investments})$$

¹² Cabinet Office (2009) *A Guide to Social Return on Investment*. London: Cabinet Office

The Threadneedle Foundation is committed to investing in the community and building partnerships that create positive social impact across a range of sectors, with a particular focus on using education, art and sport to engender lasting social change. Threadneedle Investments, a leading international asset manager, applies a responsible and rigorous process to the Foundation's investments to ensure that long-term sustainable partnerships are created. In addition to financial support, the Foundation provides volunteering and pro bono opportunities for Threadneedle employees to encourage meaningful engagement with charity partners.

The Threadneedle Foundation aims to grow its investment in the community by working with partners that reflect Threadneedle's principles of responsible investment, integrity and excellence in the work they do. The Foundation is pleased to support this evaluation by Toynbee Hall of the Money Mentors Programme.

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