

Personal Economics: the emergence of a new discipline

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Summary

This paper examines the recent work by government, the Financial Service Authority (FSA) and the private and Third sectors on financial capability. It finds that most current initiatives focus on providing information and advice to the consumer about their financial choices, rather than taking a more holistic approach. Such an alternative approach might seek, for example, to enable citizens to become better at making positive educational choices; to assist them in navigating the job market; and to encourage them to engage in entrepreneurial activity or become full and active citizens in a market society in other ways. This paper also reviews the debate on education and financial capability, looking at *how* financial education is provided and at *when* in the life course it is most effective.

Our review of recent developments in financial capability concludes that there has been a 'narrow' approach to the issue, which focuses largely on the provision of information to the consumer. We also note that the debate is fragmented, with different organisations using their own terms and concepts to describe similar problems.

The work carried out here indicates that a wider approach to financial capability would be useful, perhaps under the umbrella of 'Personal Economics'. This wider approach would encompass both education and good quality advice to citizens and focus not only on the narrow definition of the citizen as a consumer, but also upon the financial skills needed in the work place and as an active citizen. We argue that measures to improve financial capabilities could be complemented by the insights of behavioural economics - creating structures that encourage economic choices in the long-term interests of the citizen. We conclude by reviewing some areas for future work in this field.

Introduction

Our ability to understand fully the implications of the economic decisions we make and the way in which the global economy affects us is increasingly crucial to our lives as consumers and producers in the modern world. Intimations of a potential downturn in the economy will result in growing concern about personal finances amongst large sections of the population. In March 2008, one in five mortgage holders

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are worried about meeting their repayments over the next year.¹ Fostering financial capability can play an important role in mitigating both this concern and the underlying reasons for it, but in fact many citizens are lacking the financial “savvy” to assess and manage their financial situation. For example, almost a third of 16-24 year olds say they would not know how to prepare and manage a weekly budget and almost two thirds do not know to whom to turn should they get into financial difficulties.² When assessing this against a scale of “four stages of financial capability”³ – wellbeing, in control, out of control, chaos – the result is not encouraging. Not knowing how to draw up a budget or where to turn in times of financial difficulty puts the citizen in the lower categories. Action to increase levels of financial capability, aimed at pupils as well as adults, should be, and is being, taken immediately.

‘Personal Economics’ in a Changing World

We have chosen to use ‘Personal Economics’ throughout this paper as an overarching context or framework in which to set the range of issues pertaining to the subject of personal finance skills. There are currently many different concepts being used to address the necessary skills and issues related to the ability to make everyday economic choices successfully. These include financial inclusion or exclusion; financial literacy or numeracy and financial capability to name but a few. In general and perhaps by definition, these tend to focus on the information and to a lesser extent on the skills needed to make financial choices. They place less, if any emphasis on the wider skills needed to get on in the workplace, public and commercial spheres. ‘Personal Economics’ is intended not as an alternative to these, but rather denotes a broader theoretical framework or ‘umbrella’ under which to gather the various facets of personal finance knowledge and skills in its current state as an emerging discipline. As well as capturing the idea of citizens’ economic and financial capabilities and responsibilities both as a consumer and as a producer, ‘Personal Economics’ offers the potential to more accurately reflect the challenges faced in this area. We will look further at the emergence of this discipline in the final section but turn next to examining why these financial skills are so important in the contemporary world.

1 Financial Service Authority, “FSA campaign to help homeowners worried about meeting their mortgage repayments,” March 3, 2008, <http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/018.shtml>.

2 Barclays, “Young Brits Lack Cash Confidence,” Press Release, November 11, 2005.

3 Howard Gannaway, “Plan your way out of debt,” in *SchuldSanering* vol. 5 (2007).

A web of economic, demographic and cultural changes has made Personal Economics more important today than ever before. As a nation, we are far wealthier than even a generation ago. Between 1957 and 2006, the UK's GDP per head almost trebled in real terms, rising from £6,960 to £19,978.⁴ We therefore have more money to manage than ever before. At the same time, society is more commercial and more consumerist. Technological developments and rising wages have meant that many consumer products that were unavailable or unimaginable to previous generations are increasingly seen as 'must haves'. The post-war Labour Minister Tony Crosland once remarked that "What one generation sees as a luxury, the next sees as a necessity." As the Government Minister Jim Murphy recently noted, the timeline from luxury to necessity is now not a generation but a decade.⁵ In illustration of this, a decade or so ago a mobile phone was the preserve of the prosperous. Now, 96% of 15-24 year olds have one.

Since the deregulation of the 1980s, there has also been a boom in the number of financial products available, with more choice for the consumer than ever before. One of the effects has been a rise in borrowing, the trend being strong in loans and mortgages as well as in credit card debt. Since 1996, for example, spending by credit card has more than doubled.⁶ Whilst the lending boom has created new opportunities for consumers, there are also well-reported problems associated with the rise in personal borrowing. From 1993 to 2005 the number of 'bad debts' written off by banks increased almost four-fold.⁷ Good financial knowledge should help many consumers avoid this trap – saving the industry expense and the concerned individuals considerable hardship.⁸

Changes to our borrowing patterns are also part of an intangible cultural shift. There has been a decline in the austere, mid-twentieth century, "thrift ethic", which has seen increased spending and borrowing. The economic historian Avner Offer documented the ever-increasing desire for instant gratification in Britain and the US since 1950.⁹ The increasing expectation that consumer wants can be met

4 Office of National Statistics, "Time Series Data," www.statistics.gov.uk.

5 Quoted in Jim Murphy, "Progressive Self-Interest – the politics of poverty and aspiration," in Simon Griffiths (ed.), *The Politics of Aspiration*, (London: Social Market Foundation, 2007), 19-20.

6 Abigail Self and Linda Zealay, *Social Trends 37*, (London: HMSO, 2007), 81.

7 *Ibid.*, 82.

8 Changes to the laws relating to personal bankruptcy make meaningful historical comparisons in this area difficult.

9 Avner Offer, *The Challenge of Affluence: Self-control and Well-being in the USA and Britain since 1950* (Oxford: OUP, 2006).

immediately, through borrowing on credit cards or elsewhere - rather than as a result of careful savings - has important consequences for the patterns of consumer debt in the twenty-first century.

Globalisation has also led to significant changes in the labour market in recent decades. Like most developed nations, the UK has seen a significant decline in the number of jobs in manufacturing, and a growth in the service sector over this period. The manufacturing sector declined from 30% of total UK output in 1979 to just 16% by 2004.¹⁰ It is the services sector that has been the main driver behind the dynamism of the UK labour market since the 1990s. Three and a half million jobs were created in services between 1995 and 2004, more than offsetting the 840,000 lost in manufacturing over the same period. It is argued that this shift leads to an increased need for financial capability,¹¹ as the move towards a more flexible labour market with shorter job tenures poses new challenges. Shorter job tenures increase opportunities for many, but it also makes people more financially vulnerable. This new economy therefore requires a greater degree of financial planning than it has in previous decades.

Demographic changes also create a greater need for an understanding of Personal Economics. People are living longer than ever before. For example, on average a woman aged 65 today can expect to live another 20 years; this is almost three years longer than the average in 1980¹² and another three year rise is expected by 2025.¹³ This rise in life expectancy, combined with means testing of the state pension, makes it crucial to make informed choices about saving early. Recognising the increasing need for financial capability, as a result of the demographic, economic and cultural challenges discussed above, a range of initiatives have been offered in recent years. In the next section, we review the main contributions from Government, non-departmental agencies and the Third sector. (A longer list of initiatives is appended to this paper.)

10 PriceWaterhouseCoopers, *UK Economic Outlook July 2005*, http://www.pwc.co.uk/pdf/PwC-Wage_inflation-July2005.pdf.

11 Mike Dixon, *Rethinking Financial Capability. Lessons from economic psychology and behavioural finance* (London: Institute for Public Policy Research, 2006), 14-15.

12 Office of National Statistics, *Life Expectancy*, <http://www.statistics.gov.uk/CCI/nugget.asp?ID=168&Pos=1&ColRank=1&Rank=374>.

13 Help the Aged, *Demographic Statistics* (2006), <http://www.helptheaged.org.uk/NR/rdonlyres/972B5831-4587-4EB6-A1E0-D3E15A8CEFF6/0/demographicfactsheet.pdf>.

Current Initiatives in Financial Capability

A large number of initiatives are in place to address the lack of financial skills; low levels of saving and high household debts across society. Often the single initiatives are successful, but they forego significant benefits by not sharing resources and experience. The problem we are currently facing in this area is not a lack of initiatives therefore, but their fragmented nature. Personal Economics represents an overarching theoretical framework in which all of these strands can be included, drawing together work carried out in schools, adult continuing education, the workplace and other institutions, as well as various forms of advice and behaviour-shaping activity.

In January 2007 the Treasury launched the report, *Financial Capability: The Government's long-term approach*. This argued for a role for financial education in the National Curriculum, financial incentives to encourage savings and generic financial advice (GFA). An interim report concerning the latter was published in October 2007. In parallel, several consumer pilots on GFA around the UK were announced in September 2007. Otto Thoresen, the main author of the report, argued that GFA addresses the need of "19 million or so people [...]. That represents nearly half the UK adult population".¹⁴ The final report, published in March 2008, called for a national Money Guidance service, to be taken forward by the FSA.

The Treasury's 'Financial Capability' report shares many of the aims of the Financial Service Authority's work on financial capability.¹⁵ Since its creation in 2000, the FSA – the UK's financial services regulator - has followed its three strategic aims of promoting efficient, orderly and fair markets; helping retail consumers to achieve a fair deal; and improving its own business capability and effectiveness.¹⁶ As part

14 Press Notice, "Generic Financial Advice 'A unique opportunity for the industry' says Otto Thoresen," December 07, 2007, HMT.

15 Financial Service Authority, "Building Financial Capability in the UK," http://www.fsa.gov.uk/financial_capability/index.html.

16 The FSA is an independent non-governmental body, financed by the financial services industry. The Treasury appoints the FSA Board, which sets out the overall policy goals, but day-to-day decisions are the responsibility of the Executive.

of its statutory duty to promote public understanding of the financial system,¹⁷ the FSA launched a National Strategy for Financial Capability in 2003.

The FSA Strategy brings together government, the industry and the voluntary sector and aims to create a more complete approach to addressing the lack of financial capability in the UK. The strategy covers seven major areas, including financial education, the provision of information and a focus on young people.¹⁸ Within this strategy, the Financial Capability Innovation Fund was launched in June 2005. By providing grants, it encourages innovative projects run by voluntary and community organisations with the ultimate aim of replicating the successful ones on a national level.

The FSA and the Government receive support from large parts of the third and private sectors, often in the case of the latter as part of wider corporate social responsibility work. These initiatives largely aim at a better understanding of the products the industry offers.¹⁹ (A list of the major schemes in this area is included in the appendix to this paper.) Many major financial institutions in partnership with other organisations support the Personal Finance Education Group (pfeg), a charity which aims at equipping school leavers with the skills and confidence to manage their financial issues. pfeg developed a “Quality Mark” which indicates that resources have been assessed as “appropriate for teaching personal finance, effective classroom materials and accurate and up to date.”²⁰ Most of pfeg’s initiatives are designed to support schools teaching personal finance. (The role of school level education in promoting Personal Economics is discussed further in the next section.)

Government and financial institutions are also the main supporters of free debt advice organisations, such as the Money Advice Trust. The vision of this trust is “to contribute to reducing unmanageable debt of UK consumers.”²¹ They share this important aim with a wide range of other charities and

17 Under the *Financial Services and Markets Act* (2000) this objective includes (a) promoting awareness of the benefits and risks associated with different kinds of investment or other financial dealing; and (b) the provision of appropriate information and advice.

18 Financial Services Authority, *Towards a national strategy for financial capability* (London: FSA, 2003), 12.

19 See, for example, the statement by the Royal Bank of Scotland:
http://www.rbs.com/corporate03.asp?id=CORPORATE_RESPONSIBILITY/FINANCIAL_INCLUSION_AND_CAPABILITY/FINANCIAL_CAPABILITY.

20 pfeg, “Quality mark accredited resources,” <http://www.pfeg.org/Resources/QualityMark/default.asp?parent=qm>.

21 The Money Advice Trust, “About Us,” <http://www.moneyadvicetrust.org/section.asp?sid=1>.

governmental organisations helping indebted people. However, while it is important to provide high quality advice services, a lot could be gained by reaching people before they face serious problems. Both the Government's Interim Review and a response paper by The Resolution Foundation²² - who carry out research on issues facing low earners - emphasise the importance of early intervention to prevent debt spiralling out of control. A future challenge for stakeholders is to maintain high quality debt advisory services while at the same time trying to reach consumers before debt starts to be a problem.

By narrowly focusing on the quality of information and advice to the consumer, instead of emphasising the importance of financial education more broadly, both Thoresen's work for the Treasury and the FSA Strategy limit the possibilities of cross-departmental, multi-sector working that could show real results in the financial capabilities of citizens. Through following a narrow focus on consumers in the financial retail market there is limited scope to grasp the possibilities for cooperation with other departments, such as the Department for Innovation, Universities and Skills or the Department for Business, Enterprise and Regulatory Reform.²³ If financial capability comes to mean more than the provision of information, then the benefits for citizens – and the economy as a whole - could be greater. This narrow interpretation is understandable given the FSA's remit, discussed above. However, a wider approach to these issues would not only serve to enhance people's understanding of their own financial affairs, but would also help them manage their job and career choices better. As NIACE commented, "Employers of all kinds are increasingly requiring their employees to exercise more commercial judgements in the workplace than in the past. In effect, more workers are being asked to manage their own work."²⁴ Facing more and more decisions about how to proceed in the most effective way, employees, their companies and the economy could benefit from financial education.

22 The Resolution Foundation, "Resolution Foundation response to Thoresen Review Interim Report", http://www.resolutionfoundation.org/pdfs/research_FoundationResponseThoresenInterimReport.pdf.

23 HM Treasury, *Financial Capability: the Government's long-term approach* (London: HMSO, 2007), 7.

24 NIACE, "Financial Capability: the Government's long-term approach. A NIACE Response to The HM Treasury paper," <http://www.niace.org.uk/organisation/advocacy/Treasury/financial-capability.htm>.

Education and Financial Capability

In 2006, the Leitch Review calculated that within the next 30 years, an increase in both literacy and numeracy could lead to a net economic benefit of £80 billion to the economy and provide untold help to millions of individuals in making their lives easier. Since more than 70% of the UK's working population of 2020 are already older than 16, a focus on educating adults is key to reaping these benefits.²⁵

Various programmes to train today's workforce are in place already: "Train to Gain," a programme launched by the Learning and Skills Council offers free and impartial advice about how a participating business can improve the basic skills of its workforce. As part of the Government's Welfare to Work strategy, the "New Deal" aims at giving people opportunities for training and gaining work experience. And on a local level, the "City Strategy Programme" is designed to ensure that in disadvantaged communities, provision is more attuned to the needs of local employers, enabling individuals to gain the skills required to fill the available jobs.

Since strengthening basic literacy and numeracy skills is a prerequisite for financial capability, these initiatives have the potential to become an important development. A study by Ellen Peters et al for example showed that adults with higher numeracy skills are more likely to 'see through' different choices without being guided by the frame in which the different choices were given.²⁶ This link between basic skills and financial capability should be recognised by the different stakeholders and convince them to pursue a more joint up approach. Further initiatives in that field should cooperate with and build on the existing structures and use the networks already in place.

Looking to the future, it also seems crucial to incorporate more financial education in the school curriculum to prevent a new gap of financial knowledge in the next generation. Personal finance was introduced as an option in the National Curriculum in September 2000. In 2001, the FSA commissioned

²⁵ Department for Innovation, Universities and Skills, *World Class Skills: Implementing the Leitch Review of Skills in England*, July 2007 (DIUS).

²⁶ Ellen Peters, Daniel Vaestfjaell, Paul Slovic, C. K. Mertz, Ketti Mazzocco and Stephen Dicker, "Numeracy and Decision Making," *Psychological Science* vol. 17 no. 5 (2006), 407-413.

a review of personal finance teaching in schools. It showed that most primary (84%) and secondary schools (89%) were teaching personal finance to some degree, but also that most schools did not have an explicit policy on how the topic was incorporated in their curriculum.²⁷ Surveys further show that the introduction of the topic in schools has been treated with suspicion by teachers. The FSA study found that only a quarter of secondary school teachers thought that personal finance should be made a statutory part of the curriculum; and even fewer primary school teachers agreed.²⁸ The main reason given was that there was too little time to teach an additional subject - that it would be too much both for teachers and students.²⁹ However, a follow-up review conducted in Autumn 2005 found that the percentage of secondary schools teaching personal finance had increased slightly to 91%. More remarkable is that support for statutory finance lessons increased significantly: 69% of secondary school teachers advocated personal finance as a statutory subject – perhaps reflecting the increased pressures on students discussed in the early sections of this paper and a greater recognition amongst teaching professionals that ‘Personal Economics’ matters.

In July 2007 the matter moved further up the political agenda when the Department for Children, Schools and Families announced that “Economic Wellbeing” would become an optional part of the National Curriculum. Later in the year it was announced that the Child Trust Fund would be used as a topic for teaching personal finance.³⁰ The Child Trust Fund provides every child at birth and at his or her seventh birthday with £250 which parents can invest in specific accounts. When the youngsters reach the age of 16, they are supposed to take over the management of the account, but the money can be taken out only when they reach the age of 18. The first generation of children with a Child Trust Fund account started school in 2007, which led to the design of specific teaching materials incorporating these accounts into maths lessons. The aim is that when the youngsters take over managing the accounts, they have a basic understanding of financial issues. However, pressure to improve education around personal finances and economic decisions has been met with some resistance, as we note in the next section.

27 Financial Service Authority, *Personal finance teaching in schools. Implications for consumer education of research carried out by the National Centre for Social Research* (London: FSA, 2002), 13.

28 Ibid., 17.

29 Ibid., 14.

30 Department for Children, Schools and Families, “Child Trust Funds used as a tool to teach maths in schools,” http://www.dfes.gov.uk/pns/DisplayPN.cgi?pn_id=2007_0159.

The Challenge of Behavioural Economics

Some sceptics question the introduction of Personal Economics in schools. For example, the Harvard behavioural economist, David Laibson, argues that there is surprisingly little evidence that 'financial literacy' education in schools actually alters behaviour in ways that are cost effective.³¹ He claims that the world changes too fast and that financial education in schools therefore will not be beneficial: by the time today's school children are thirty, forty or even sixty, the financial environment they live in is likely to have changed completely. This criticism is focused on the view that school children are being taught which financial decision to make later in life. If, however, children were equipped with a more general understanding of financial decision-making, or with the tools to assess a certain situation, the picture looks different. Even critics of teaching Personal Economics probably would not disagree that more general numeracy skills do help people to make better choices – not least because it helps them to understand the choices they are facing.

Laibson's favoured approach is to address the given problems by using structural changes to alter people's economic behaviour in their best interests. This would include, for example, automatic enrolment in pension schemes to tackle the problem of under-saving for retirement.³² This approach, currently being developed by the UK government, involves each employee being automatically enrolled in a private pension scheme, but with the right to opt out if they choose to do so. Pension savings have increased significantly after the introduction of automatic enrolment in the US and this is likely to be a useful development in the UK as well.

The creation of structures which encourage people to act in their long term interests is often suggested as the most useful approach; however, it is not without its problems. Auto-enrolment may be a successful example of single policy initiative (it may increase pension saving) but it does little to increase citizens' financial capability overall. Automatic enrolment, and other policies of this type, run the risk of

31 Interview with David Laibson, "The psychology of savings and investment," by Romesh Vaitilingam, *Centre Piece. The Magazine of The Centre for Economic Performance* vol. 12 no. 3 (2007/08), 16.

32 In this Laibson is making a similar argument to 'libertarian-paternalists'. See for example Richard Thaler and Cass Sunstein, "Libertarian Paternalism," *The American Economic Review* vol. 93 no. 2 (2003).

actually fostering inertia - discouraging people from considering their full range of options, rather than simply staying in the default scheme. So it will do little to increase skills among the workforce – if there is the option of falling back on a default, why should people bother to think for themselves about their investments for retirement?

In addition, automatic enrolment becomes more problematic the more diverse the preferences of the people who are automatically enrolled are. As labour markets become more flexible, so must pension plans: more people choosing to work part time, taking a sabbatical or going back into education means that a one-size-fits-all approach might not always be attractive. Understanding when it might be appropriate to opt out of the set default has to be fostered so that people can find an adequate savings plan – which again renders some understanding of financial issues necessary. Daniel Read, another behavioural economist, agrees in a report commissioned by the FSA that creating favourable structures is a part of the solution to financial issues.³³ But he emphasises as well that numeracy and cognitive skills play an important role in how people perceive the options they face. Changing structures and framing options in a certain way alone therefore do not seem to hold great benefits for society.

Personal Economics: beyond the fragments

There is a strong case for a mixed approach to the problems raised by Personal Economics. For example, education alone is too slow and too costly to prevent the looming pension crisis, but fixing the pension problem by making decisions for the individual does not lead to the kind of positive effects we might wish to see on overall savings, understanding of financial matters or more confidence in using numeracy skills at work. Combining automatic enrolment with education both for pupils and adults thus seems to be the most promising approach; not relying too heavily on a “nanny state” taking decisions for the individual, but also not expecting that every citizen will become an expert on financial issues as a result of help from the state.

³³ Daniel Read, “Behavioural Economics: Implications for Consumer Decision Making in the Market for Advice,” Report for the FSA, (Durham Business School).

A three-pronged approach in which there is (a) a focus on financial education over the life cycle rather than solely on information; (b) a focus on the citizen rather than on the consumer; and (c) time dedicated to financial issues when improving basic skills, holds benefits for the individual and the state alike. Currently education on the one hand and initiatives to address inadequate savings on the other, for example, are often carried out in isolation. The proposal to teach youngsters financial issues using the Child Trust Funds they will eventually take on is a positive exception and, if its success can be shown, might become a good practice example for other areas in school and adult education.

Using 'Personal Economics' as a theoretical framework offers the potential to draw together the fragmented discourse about the set of skills needed in order to flourish in the modern world. In addition, as a concept it has the capacity to facilitate the formation of a holistic, unified approach that can readily be identified as an emerging discipline. If such an approach were adopted by the broad range of stakeholders in this area, it seems likely that significant synergies could be developed. If equipped with a greater financial understanding, fewer people will take on debt that they cannot pay back, whilst more will seek preventative advice rather than crisis counselling and make better investments. Improved numeracy will help people to manage their job better or find one in the first place. This would not only result in a more satisfying professional life for the individual, but is also expected to lead to benefits for the economy as a whole, as the Leitch Review of Skills found. All parties to the debate, including government departments dealing with financial capability, charities and the financial services industry, can help to achieve a better understanding of numeracy and financial issues, which in turn would be an important contribution to achieving world class skills by 2020.

The creation of a new subject of Personal Economics, which provides a conceptual framework, and moves the emphasis towards education and enabling citizens, will help to reach this ambitious goal. The benefits of the more holistic approach of Personal Economics would be:

- to foster debate about the issue
- to establish a unifying language
- to provide a "forum" in which stakeholders can discuss ideas, good practice and so on
- to explain government policies, such as automatic enrolment and tax incentives, which are likely to contribute to the success of such programmes

The Next Steps

In order to build a strong alliance pursuing the establishment of a discipline of Personal Economics, the debate should be opened up to a wider audience. This process could be fostered by developing policy suggestions in cooperation with stakeholders, including policymakers, intermediaries such as teachers and employers and interested members of the general public. Areas for future discussion could include:

- Personal Economics in the National Curriculum: what should it contain, how should it be incorporated? Is it effective?
- Personal Economics in the workplace: how can adults be reached?
- Personal Economics to get back to work: who could provide services for unemployed people?
- Personal Economics at university: how to manage student debt and independent lifestyles
- Training the trainers: school teachers, employers, financial service providers – what qualifications are needed?
- What roles would the industry, the Third sector and government have in designing and delivering financial education?
- The link between debt advice and financial education: how could organisations which currently focus on debt advice be integrated into the framework?

To maintain a wider focus on the citizen and not just on the consumer, focus groups and opinion polling could be a useful resource. When developing concrete policy recommendations, it would be helpful to look at other countries and at what they have done to increase financial capability: the US, for example, launched their Financial Literacy and Education Commission in 2003. These are just a few of the challenges raised by the emergence of Personal Economics as a crucial skill for the twenty-first century.

Appendix: examples of initiatives addressing financial capability

The following list contains examples of different initiatives across Government, the third sector and the private sector.

GOVERNMENT DEPARTMENTS / QUANGOS:

<i>Name of body</i>	<i>Initiatives, Policies & Reports</i>	<i>Aim</i>
Beacon Scheme	Disseminate local governments best practices, one focus is on financial capability	Promoting financial inclusion and tackling over-indebtedness
Department for Innovation, Universities and Skills (DIUS)	Skills for Life Campaign with Department for Education and Skills	Coordinating initiatives to improve literacy, language and numeracy skills at national and local level
Department for Work and Pensions (DWP)	'City Strategy' 'New Deal'	Ensuring that people in disadvantaged communities find and remain in work Identifying support needs, improving current skills and teaching new ones
DirectGov	Government website that includes a guide called Managing Money .	Increasing awareness of personal finance issues such as mortgages, credit cards, insurance, savings and investments, and financial rights
Financial Services Authority (FSA)	National Strategy for Financial Capability Produced in cooperation with CAB and others a report about Financial Skills for Life , which included pilot programmes to bring disadvantaged people up to scratch financially	Promoting efficient orderly and fair markets; helping retail consumers to achieve a fair deal; improving their own business capability and effectiveness
Financial Services Skills Council (FSSC)	Represents employers' interests, reviews exams financial service industry professionals take and published on related topics	Providing strategic and responsible leadership for training, education and development for the financial industry

Name of body	Initiatives, Policies & Reports	Aim
National Skills Academy for Financial Services	<p>Part of the Government's efforts to train a 'world class' workforce</p> <p>Works with employers in Financial Services such as Merrill Lynch Europe</p>	Increasing the number of well-trained employees entering the industry
Office of Fair Trading (OFT)	<p>Supports the FSA's National Strategy; runs projects on strategic consumer education</p>	Educated and confident consumers making informed choices
HM Revenues and Customs (HMRC)	<p>Individual Savings Accounts</p>	Increased savings
HM Treasury (HMT)	<p>Report: <i>Financial Capability: The Governments Long-term approach</i></p> <p>Child Trust Fund</p> <p>Leitch Report: <i>Review of Skills</i></p> <p>Now let's talk money - Initiative in cooperation with DWP</p>	<p>Strengthening financial capability; comprehensive generic financial advice, financially literate school leavers</p> <p>Endow every child with some money to start their adult life</p> <p>Achieving world class skills by 2020</p> <p>Increase financial inclusion</p>

THIRD SECTOR AND EDUCATIONAL INSTITUTIONS

<i>Name of body</i>	<i>Initiatives, Policies & Reports</i>	<i>Aim</i>
Advice UK	Offers training and information services to its member organisations	Supporting and linking debt advice charities
Apex Borders	'Lifeskills' programme, which has 'Money Management' as a core area	Assist young offenders and ex-offenders to get back into mainstream society and employment
British Chambers of Commerce (BCC)	Chamber Skills Network	Providing skills programmes to UK business community
Business Debtline	Free and impartial debt advice for businesses	Increasing the quantity and quality of free and impartial debt advice in the UK
Centrepoint	Works on money management issues in hostels for socially excluded homeless people	Encourage personal, social, educational and vocational development
Citizen's Advice Bureau (CAB)	Free and impartial financial advice	Helping people to solve their legal and money problems
Consumer Credit Counselling Service	Free and independent debt advice	Assisting people who face financial difficulties
Credit Action	Free and impartial advice: telephone helpline, online information, offers training for individuals and organisations	Helping people to manage their money better, so that people stay in control of money and not the other way round
Deerbolt Youth Offender Institution	Short courses on budgeting and money management in addition to one-to-one support	Reduce levels of re-offending through a better understanding of financial issues
Dumfries and Galloway College	Part of the 'Financial Education Project' – two year project backed by the Scottish Executive Has close relationship with local CAB and also offers workshops and one-to-one student training	Providing training to given students the skills, knowledge and understanding to make effective and informed decisions.

Name of body	Initiatives, Policies & Reports	Aim
Gingerbread	Advice and Information for lone parents	Supporting lone parents
Glasgow University	Financial information provided on University website Advice available from the Registry Financial Aid section GOALS project and the 'Top Up' programme	Explain financial aspects of University life to current and prospective students to help widen participation in Higher Education
Heriot-Watt University	Student Welfare Services	Provide advice and information on hardship funds, general queries and debt problems
Institute of Chartered Accountants	Holds events / panels to draw on experience of education and business communities	Showcase the importance of financial capability
John Moore's University (Liverpool)	Research Unit for Financial Inclusion	Undertakes academic and evaluative research in a wide range of areas related to poverty, financial exclusion and the development of financial services for lower income households
Learning and Teaching Scotland	Provision of resources for pupils and teachers	Educating young people to become responsible citizens
Leicester Adult Education College	Provide courses for adult financial education	N/A
Lewisham College, London	Offers AQA qualification 'Preparation for Working Life', which includes an 'Economic and Financial Aspects of Life' module consisting of classroom time and independent study	Prepare students who may have under-achieved at GCSE level but can still achieve Level 2 qualifications as adults to take responsibility for their financial matters
Money Advice Scotland	Provides list of advice agencies throughout Scotland who offer a free and impartial services	Representing individuals and agencies involved in all areas of money advice

Name of body	Initiatives, Policies & Reports	Aim
Money Advice Trust	Provides debt advice, trains debt advisors, develops a joint strategy with other debt charities	Reducing unmanageable debt of UK consumers
Money Basics	Information about generic issues such as purchasing a car, paying taxes, financing higher education online and a telephone helpline	Simple, clear, independent information about money
Money Instructor	Materials for teaching and learning about money skills	Helping members learn or teach about personal finance and money management
National Debtline	Free and impartial advice	Helping people with debt problems
National Institute of Adult Continued Education (NIACE)	Online forum: Spondoolies	Linking stakeholders with an interest in adult financial learning
	Financial Literacy Project	Better trained basic skills practitioners
	Online resource: Money Matters to Me	Better understanding of “day-to-day” finance
National Research and Development Centre for Adult Literacy and Numeracy (NRDC)	Multiple schemes, including programs focusing on economic development and social inclusion, effective teaching and learning, and skills for life	Improve teaching practice and inform government policy through the generation of knowledge, by creating a strong research culture and by developing professional practice.
Newcastle College	‘Pay 4 IT’	Improve financial awareness for Skills For Life students and students with learning difficulties or disabilities
North-West Institute, Londonderry	‘Money Matters’	Introduce all new students to ideas and information about financing and budgeting for their studies

Name of body	Initiatives, Policies & Reports	Aim
Northamptonshire County Council, Children, and Families Youth Team	'Entry to Employment' scheme, where young adults are paid to attend sessions on life skills (including money management)	Enable young adults to re-engage in education, employment and training
North Somerset Citizens Advice Bureau	Financial literacy worker who offers workshops to organisations that work with young adults	Provide grants for people in arrears with their utility bills
Open University	Offers an "innovative course in personal finance"	Improving financial capabilities and enabling people to make informed financial decisions
Payplan	Free and impartial online and telephone advice	Helping people in financial difficulties
Personal Finance Education Group (pfeg)	Provides advice to teachers, government and parents, sponsors include the Citigroup Foundation, Friends Provident, O2 and Prudential plc.	Ensuring that young people leave school with knowledge in financial matters
Personal Finance Research Centre (University of Bristol)	Research including financial exclusion and inclusion, Credit use and over-indebtedness	Shaping public policy by providing technical and policy advice to government departments
Plymouth College of Art and Design	Basic financial advice provided during admissions interviews, enrolment and induction week, in addition to offering one-to-one advice during the courses	Cover all relevant financial information with new students
Scottish Council Foundation	Scotlands leading thinktank published Thrifty Scots? Steps to improve financial literacy	N/A

Name of body	Initiatives, Policies & Reports	Aim
Sheffield Hallam University	Support offered by Student Financial Support Office and Students' Union Advice Centre University website has Student Finance section Four full-time advisors available	Provide advice and information on funding, housing, benefits and debt counselling
South Denbighshire Citizens Advice Bureau	Young persons advice worker runs one-to-one sessions at a local youth club	Seek out young adults who need advice on financial matters but do not come to the CAB
Speke Advice Service Citizens Advice Bureau	One-to-one sessions on money led by financial skills coordinator and the 'Money Talks' information pack	Help to deal with debt, housing, family and employment problems as well as support benefit claims
Staffordshire University	Student Advice Centre produces range of literature and offers one-to-one support	Provide advice and information on financial and housing issues to prospective, current and recent students
Taxaid	Provides free tax advice	Helping people who cannot afford a professional tax adviser
The Institute of Money Advisers	Holds a yearly conference for money advice organisations, offers training to its members	Supporting professional standards in free money advice
The Motley Fool	Website with educational articles and message boards for discussion of financial matters	Helping individuals become better at using their funds
Tower Hamlets College, London	AQA qualification 'Managing Money'	Improve basic financial literacy of 16 to 19-year-old students who were awarded grades D-G in GCSE Maths

Name of body	Initiatives, Policies & Reports	Aim
University of Manchester	<p>Students have access to Student Services Centre and Student Union</p> <p>Financial information booklets available</p> <p>Student Money Advisor organises preventative work and advice</p> <p>Targeted Access Scheme</p>	Improve financial capability of all students, develop preventative services and widen participation in Higher Education
Walford and North Shropshire College	Delivers 'Managing Money' programme as part of EDEXCEL 'Skills for Working Life' course	Demonstrate importance of financial skills such as budgeting and avoiding debt
Warwick University	PGCE Financial Capability Workshops	Give newly qualified teachers a range of activities to use in the classroom with students
West Lothian College	'Moving On' learning programme	Provide financial education for 16 to 19 –year-old students with Additional Support Needs
Yale College, Wrexham	'Financial Literacy and Money Management' taught alongside AVCE Business	Gives students opportunity to develop a portfolio of work for applying financial competence in practical settings
YouthBank	Young adults run and organise the YouthBank, which receives small grants, and take responsibility for financial matters	Offers information, training and advice to help young adults set up YouthBanks and provides experience of money management skills

PRIVATE SECTOR

Name of body	Initiatives, Policies & Reports	Aim
Barclays	Supports a range of charities (e.g. pfeg and CAB) Provision of teaching material Barclays Financial Inclusion Team	N/A: depending on the aim of the charity Support schools in teaching finance Combat financial exclusion
Building Societies Association	The Child Trust Fund and Building Societies	Helps consumers specifically with building-society related issues, the BSA claims a specific concern for consumers owing to the mutual status of their members
Citigroup	A \$200m commitment to financial education through a variety of programmes internationally	As well as supporting pfeg, Citigroup consider personal financial education “a natural extension of what we do”
Fidelity International	Invest Wisely	A resource guiding investors through the issues, clearly an important aspect of providing a service to a wide retail base
HBOS Foundation	Awards grants for projects addressing financial literacy and inclusion	N/A
Institute of Chartered Accountants in England and Wales	Boosting Financial Capability in Schools	Working jointly with pfeg and GE Money to bring volunteers’s experience into schools
Interactive Investor	Various guides about aspects of personal money management, mostly investment	N/A
National Savings and Investment	A guide to helping decide how to invest	National Savings offer investments backed by the Treasury and therefore fully secure. This guide is about how to choose savings levels.
Norwich Union	Sponsor of the “Stock Market Challenge,” a school programme	Equipping the “customers of the future” with financial skills

Name of body	Initiatives, Policies & Reports	Aim
Royal Bank of Scotland	Supports a range of charities (e.g. Money Advice Trust and CAB) A range of school programmes, e.g. Money Sense Taking Money Sense beyond schools in cooperation with NatWest	N/A Help secondary schools teach personal finance and enterprise skills Help adults to understand their finances better
Shares 4 Schools	A stockmarket competition for school children to develop analytical and investment skills	Helping pupils to develop analytical and business skills
The Children's Mutual	Children's Games Booklet	A series of fund games aimed at teaching children about money
Which?	Be your own financial advisor	Which? has the general aim to bolster consumer rights. Here it "aims to provide a crash course for those lacking financial nous"