

An Assessment of the Training Needs of Financial Capability Practitioners



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EXECUTIVE SUMMARY

This report establishes that there is a definite need to develop training for practitioners on how to deliver financial capability.

This training should be developed between levels 2 and 4 on a progressive basis in line with other national training requirements.

There is a need for the curriculum to include generic as well as specialised training to meet the needs of the different sectors in which the practitioners are involved. There is also a need to explore financial capability training through embedded methodology such as literacy and numeracy.

The report recommends that a pilot programme of training be undertaken as this would provide insights into the deliverability of the training if it is rolled out. This pilot should also be fully evaluated.

Ideally the training should be accredited. This would enhance personal development, confidence development and standardisation, as well as contribute to the 'professionalisation' of the discipline. It would also allow for a national roll out and assist with mainstreaming the training.

Training should include awareness around different cultural attitudes and practices in relation to financial capability and financial products.

The research proposes an ongoing evaluation of the training once it is established on a wider basis for purposes of quality assurance.

The research also recommends that a network of new and current trainers be mapped, established and supported to enable an ongoing dialogue and sharing of ideas, best practice and resources.

This will contribute to the achievement of the aims and objectives of SAFE, the Basic Skills Agency and the Financial Literacy Accreditation Working Group and also contribute to, and enhance the quality of outcomes in relation to the Financial Services Authority (FSA) National Financial Capability Strategy.

The timeframe did not allow for in-depth engagement with all groups. Particularly under-represented were peer educators, BME groups, people with disability and community and voluntary providers. Further research could be carried out with these groups.

GLOSSARY OF TERMS

For the purposes of this report the following terminology has been used:

Financial Capability

The necessary skills, knowledge and confidence to make informed financial decisions and to manage money effectively.

Practitioners

This describes staff from the voluntary and community sector, adult education and other advice agencies who deliver advice, advocacy, education, training and other services to the public.

INTRODUCTION

The Basic Skills Agency, funded by the DfES, has been developing the use of a financial context as a way of teaching literacy and numeracy to adults. SAFE, an initiative of Toynbee Hall's Adult Advice and Education team, is dedicated to providing practical services to promote financial capability and to increase financial inclusion. Joint work identified a gap in the training needs of practitioners in how to deliver financial capability. This included the fact that there is currently no formal or professional standing for this emergent discipline and that knowledge about training, practitioners, accreditation and location were still matters to be determined. This need was identified as specifically distinct from that of financial advice training aimed at advice workers and not generally available to tutors or trainers in the education sector.

'There is much debate about the ever increasing complexity of managing personal finances and the wide range of choice available for individual consumers. The financial sector is subject to regulation and chooses to be held by voluntary codes of conduct, but it is still widely believed that the consumer must also take some of the responsibility of making wise choices and being alert to their own financial situation. This has led to the acknowledgement that some of the difficulties faced by some individuals are due to their own lack of financial skills and knowledge and that the solution must therefore lie in targeted training.'

Adele Atkinson (Financial Capability in the UK: Establishing a Baseline)

In response to this, SAFE established the Financial Literacy Accreditation Working Group, made up of key stakeholders, to develop a joined-up approach. The group commissioned London Metropolitan University to carry out an assessment of the training needs of practitioners to deliver financial capability.

The research was conducted within the wider context of financial inclusion and capability activities, including the Financial Services Authority's National Financial Capability Framework, which aims to improve the nation's knowledge and understanding of personal finance.

Existing research

The Financial Capability Baseline Survey (2006) conducted by the FSA points to the fact that a third of the population prefers not to think about financial planning or were not good at managing their money. Research has also established that those experiencing problems with debt are likely to be more vulnerable and are more burdened. The research also pointed out that vulnerability and low financial capability skills were not limited to those on a low income or those who were unemployed.

Research also points to the fact that low levels of basic skills such as literacy or numeracy can compound people's financial exclusion. Since the launch of the DfES Skills for Life strategy in 2001, insights have been gained into the effects of low literacy, language and numeracy skills and their impact on the quality of life of the individuals and their families. These include lower earnings of approximately £50,000 over a lifetime and the increased likelihood of health problems, living in a disadvantaged area or being unemployed.

AIMS AND OBJECTIVES

The research aimed to assess both the supply and demand elements to establish the needs of individuals who may be interested or who are already involved in delivering financial capability training for voluntary and community practitioners. It should be noted that this is specifically distinct from financial advice training.

The research would assist in establishing the kinds of needs in developing practitioner training and the level of training that would be appropriate.

Target group

The target group was established as that which fell within the main remit and objectives of the work of SAFE and the Basic Skills Agency. This included: FE educators and other professionals tasked with training people at risk of financial exclusion within the community; as well as others including the voluntary sector, other educational establishments, governmental and non-governmental organisations.

Key questions addressed in the research

Is there a need for new training opportunities for practitioners?

What are the needs and wants of practitioners?

What training opportunities should be developed?

METHODOLOGY

The research parameters were developed and steered by the research subgroup of the Financial Literacy Accreditation Working Group.

The research was carried out between January and March 2006.

The research was primarily qualitative and included a range of approaches owing to the evolving and emergent nature of work in this area as well as the time frame.

These included:

- interviews with ten key stakeholders;
- conducting four focus groups of between 7 and 9 people at the Basic Skills Agency's 'Introduction to Financial Literacy' workshops; and
- a questionnaire sent to basic skills practitioners and Transact, the national forum for financial inclusion members.

The following factors should be taken into account, as they yielded strengths as well as weaknesses in the research.

Strengths

The target of 30 percent of questionnaires distributed being completed and returned was achieved.

A broad geographically representative sample was available through the training provided by the Basic Skills Agency across the country and also the questionnaire. This was useful, as the uniformity of responses point to consistent findings. The focus groups were undertaken in London, Nottingham, Bristol and Manchester. Secondly, the availability of meetings that included key practitioners from across the country provided useful insights into the overall concerns and programmes taking place. The access to information on pilot training projects and their findings also proved useful. This particular information was obtained through interviews and through attending two taster workshops provided by one FE provider.

Weaknesses

Due to time constraints there was inadequate time to map and conduct research systematically at the inception. This was mainly caused by the fact that the timetable for the Basic Skills Agency training days was already established.

A bias in findings as the sample for the focus groups and questionnaire was drawn primarily from FE practitioners.

The nature of responses sought favoured the teaching sector rather than the advice sector.

The sample of respondents: this could have been broader to encompass more community and voluntary sector providers. There was very low private sector participation: 2 out of 50.

The research did not ask for diversity data from the participants. It would therefore be useful to establish what the views of seemingly under-represented groups (such as those practitioners from BME groups or with disabilities) might be.

Participants in the research

Most of those who participated in the survey and the focus groups were drawn from the FE sector, mainly from basic numeracy and literacy backgrounds and the voluntary and community sector. Others were drawn from local authorities, housing associations, prisons, CABs and the private sector.

Most of the people interviewed had higher educational qualifications. The majority of those interviewed or who returned the survey had been working for several years as educators in basic skills. Others did not work in the sector or were just joining it.

Those interviewed and who participated in the focus groups were predominantly from white backgrounds and included a greater representation of women. Of the 50 respondents to the questionnaire, 72 percent were women.

FINDINGS

What are the issues?

54 percent of practitioners felt that the amount of training available for trainers as well as users was limited.

There is a vast range of materials and resources available but 64 percent of practitioners surveyed did not know where to find these materials.

The area of financial capability is not a new one. However, there is increasing evidence and political desire to promote and deliver financial capability, as evidenced by the FSA Financial Capability Baseline Survey (2006).

Many respondents to the questionnaire stated that they had not received any training in how to deliver financial capability to their learners or clients.

The research indicated that in general, practitioners have not participated in any training in personal finance.

What are practitioners' needs?

Most of the practitioners identified a need for training in financial capability. The needs identified can be classified generally into two categories:

- Practitioners with training or teaching skills who need personal finance knowledge. These tend to be practitioners who teach literacy, numeracy or ESOL.
- Practitioners with financial knowledge who need training skills in how to deliver financial capability.

The findings point to a range of needs in relation to the kinds of knowledge sought, including:

- curriculum development;
- confidence-building through resource knowledge; and
- product knowledge.

What do practitioners want?

Practitioners would like to see more training provision offered as part of their professional development. The training developed should enable practitioners to source and use existing resources effectively.

Content

The research identified a need in how to address:

- development of curriculum and content;
- confidence-building through resource knowledge;
- product knowledge (mortgages, interest rates);
- specialist knowledge (benefits, debt, disability, offender learning);
- knowledge of accredited courses for practitioners and for learners;
- delivery skills (case studies, real-life examples);
- personal financial capability and communication skills; and
- responsibilities to learners (managing disclosure or confidential information).

Most practitioners felt that the areas in which they worked did not require cultural knowledge of financial capability. However, when prompted, many felt that they would like to be able to impart the impact of social, cultural and religious values on money and how people approach it.

Level

The research identified practitioners' desire for training on a progressive basis from Level 2.

Course practicalities

A large number of the practitioners stated that they would prefer the training to be delivered:

- on a modular basis;
- in a group setting; and
- between 8-10 hours in length;
- at a cost of no more than £200.

There was also a preference for training that would include practitioners from a wide spectrum of organisations (including the community and voluntary sectors, local government, as well as FE providers) in order to maximise it through the sharing of experiences.

RECOMMENDATIONS

There is a definite need to develop training for practitioners. This training should be developed between Level 2 and Level 4 on a progressive basis in line with other training requirements for the target group.

There is a need for practitioner training on how to deliver financial capability, as well as training on financial knowledge.

There is a need to explore how to embed financial capability into existing programmes.

Practitioners need to understand the influences of culture and religion on attitudes and practices relating to financial services and products.

The research recommends that a pilot programme of training and evaluation be undertaken.

There is a need to address the gaps in research, for instance with BME groups and with community and small, voluntary background providers, which the timeframe of this research did not address.

A network of current practitioners should be established and supported to allow an ongoing dialogue and to create a forum for sharing best practice to enable the development of this evolving field.

Periodic assessment of training, delivery and uptake should be undertaken.

Further research into which organisations should be involved in the delivery of practitioner training, and which the accrediting bodies could be will need to be carried out.

The issue of quality assurance of the training will need to be explored further once courses are established.

CONCLUSION

There is a nascent and growing interest in financing capability across a range of sectors including FE, the private sector, the community and voluntary sectors, the statutory sector and higher education institutions.

There is growing awareness and an identified need to develop accredited financial capability training. This will contribute to continuous professional development, standardisation and professionalisation of the workforce. This will greatly assist in meeting the objectives of SAFE and the Basic Skills Agency, as well as contributing to the FSA's National Financial Capability Strategy.

There is enthusiasm, fear, excitement and an edge of competitiveness in this new area. This should be welcomed as it will produce materials and expose issues that can be incorporated into the development of the discipline. This is summed up in Vernon Everitt's speech entitled 'Promoting Financial Capability':

'Delivery of this step-change is a long-term commitment. It will not be accomplished by a single project, or even a set of projects. It needs a range of well-coordinated steps by many, working in partnership to make incremental, and over time, significant, progress'

Vernon Everitt (Director of Retail Themes and Consumer Sector Leader at the Financial Services Authority, 2006).

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APPENDIX 1 SURVEY



SURVEY FINANCIAL LITERACY DELIVERY EDUCATIONAL NEEDS ASSESSMENT

Target Group: Financial literacy/capability educators

London Metropolitan University is undertaking this survey for The Basic Skills Agency & SAFE Financial Inclusion Initiative at Toynbee Hall London to assess the training needs of financial literacy educators in order to support the development of **courses and accreditation** of the right kind and at the appropriate level.

We are asking practitioners to provide information on the kinds of issues they feel could support and strengthen the work that they do.

Please return this form to b.fecova@londonmet.ac.uk

If you feel there are issues that are not raised in this questionnaire that you would like to draw our attention to, kindly contact us at w.goro@londonmet.ac.uk or b.fecova@londonmet.ac.uk

All the information we gather will be treated in the strictest confidence.

1. What is the name of your organisation/ project?

2. In which sector of financial literacy do you work?

	Yes
Governmental/local government	
Voluntary sector	
Private organisation	
Housing association	
Community sector organisation	
Provider/college	
Other sector (please specify in this space below)	

3. For how long have you been delivering Financial Literacy Education?

Years	Months

4. Have you received training in financial literacy education training?

Years	Months

5. If yes in 3 above, please outline what kind of course you have undertaken, where and at what level?

Course	Where Undertaken	Level/Accreditation

6. (a) What was the duration of the course that you have undertaken?

Half a day	One day	Two days	One week	One month	Longer

7. Who was the provider of your course

8. a) Can you rank the level of effectiveness of the training you have received (Please circle answer with 1 being least effective and five ranking as most effective)

1	2	3	4	5
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(b) Additional comments supporting your choice above?

9. In order of priority, what training would you need in order to deliver financial literacy education comfortably?

Area of need	RANK	Additional comments

10. What level of training do you feel is appropriate for the kind of work that you personally do? (Use any system of accreditation you are familiar with to answer this question)

11. What do you feel should be included in the training?

Area of training to be covered	Amount of training (enter high or low)
Banking	
Confidence building	
Knowledge of products	
Delivery skills	
Case studies	
Budgeting	
Resources knowledge	
Cultural issues	
Other (provide details)	

12. To what extent do you agree with the following statements, please insert an x in the box that reflects your view

	<i>Strongly agree</i>	<i>Agree</i>	<i>Neither agree nor disagree</i>	<i>Disagree</i>	<i>Strongly disagree</i>
The available training is satisfactory					
The existing training is unsatisfactory					
I would like to see more training provision available					
The training available should be provided as part of my professional development					
I would personally benefit from training in Financial literacy education					
My organisation would benefit from training					
I would like to train with practitioners from other sectors					
I would like to find out what resources are available in financial literacy education					
There is plenty of financial literacy education material available					
The financial literacy material available is adequate for my work					
I know where I would find financial training					
Not enough people know where to find information about financial literacy education					
The information available allows practitioners to have a common approach					
I know what the needs of the clients/students are					
There is sufficient financial education training available					

13. What changes would you like to see in the way that training in financial literacy education for trainers is delivered?

14. How long do you think that the training you need should last?

Half a day	One day	Two days	One week	One month	Longer
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15. Where would you like this training to be delivered?

- a) In-house
- b) By distance learning
- c) At training institution/organisation
- d) Through cd rom supported learning
- e) Through e-learning

16. I am aware of the following financial literacy education materials:

17. How much would you be prepared to pay to receive financial training per day?

- a) Under £100
- b) £200
- c) Over £300
- d) Other amount?

18. If there are any additional comments or suggestions you would like to make about financial literacy education provision, please do so in the space provided below or on an additional page.

19. Can we contact you further [please delete as appropriate]

- (a) For an interview?
- (b) To participate in free pilot training project in the summer?
- (c) For related events (e.g. launch of report, round table, seminars etc.)?

Name:

Address:

Position in organisation:

email address:

Thank you for your assistance.

Dr. Wangui wa Goro (Research Fellow) & **Beata Fecova** (Administrator)

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Appendix 2 Principles governing the research

The research is sensitive to context and is not intended to place a burden on it. It is based on trust and on the historical knowledge of the development of SAFE and The Basic Skills Agency and their client groups and vision. The following principles have been used to guide the evaluation and its processes:

- That the research is holistic and participatory
- That the research pays particular attention to equity issues in relation to gender, ethnicity and diversity and disability (including linguistic and regional diversity)
- That the research incorporated different approaches including qualitative and quantitative methodology
- That the data collecting methods are designed to draw upon the experiences of people who may not be engaged with this kind of literature and that drawing on their experience in their terms is important
- That the research should be able to capture partnership working and any innovative practices which emerge or was developing organically.

The overall aims of the research were to assist in the learning process and improve ways of developing training, influence policies and practices which enhance the stated aims and objectives of SAFE and The Basic Skills Agency and the communities and clients they serve. This would also support the delivery of the national strategic framework for financial Capability.

The implicit terms of such methodology include:

Inclusivity

The use of the participative methodology is intended to generate ownership in the development and content of the research

Action learning

Ideally, the evaluation should embed the element of action learning for participants, particularly the programme deliverers at all levels, but also assisting those who are not familiar with or less convinced about the value of the approach in order to develop their understanding in a different way.

Rigour and independence

This is a vital element to the approach applied to this research. The research recognises the need to combine knowledge gained from elsewhere, including published knowledge and stated public policy aspirations in relation to local and wider stakeholders, similar programme development and need. These require an openness, confidentiality and independence in order to provide a critical overview gained through the process and to be able to draw the lessons which can be learned from such a process.

Appendix 3 Competency areas identified in the Adult Financial Capability Framework

The knowledge sought would include delivering educator competency on nine areas identified in the Adult Financial Capability Framework including:

- Different types of money/payments
- Income generation
- Income disposal
- Gathering financial information and record keeping
- Financial planning – saving, spending, budgeting
- Risk and return
- Personal choices
- Consumer rights, responsibilities and sources of advice
- Implications of finance

