

# Financial capability: the UK strategy approach to evaluation

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- Context
  - Who is the Money Advice Service?
  - The UK Strategy for financial capability
  - What are young people doing?
- Evaluation toolkit
- Outcomes framework

- The Money Advice Service
  - Enhance the understanding and knowledge of members of the public of financial matters
  - Enhance the ability of members of the public to manage their own financial affairs
  
- The UK strategy for financial capability
  - Co-created with stakeholders
  - Children & Young People, Evaluation priority areas
  - Draft consultation, final strategy Spring 2015

- Vibrant and diverse practitioner sector
- Financial services recognise the benefits (£25m spent in 2012)
- Financial education on the curriculum in England, N. Ireland, Scotland and Wales

# However...

- Financial capability is a cumulative process, but many not financially engaged before 18
- This generation is more conservative, but not with money
- 18 = explosion of easy credit
- The opportunities of good money management are not clear

# What are they doing at 18?

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**ONE THIRD OF ALL 18-24 YEAR  
OLDS ARE OVER-INDEBTED**

## THREE QUARTERS OF 26-29 YEAR OLDS SAY THEY HAVE MADE BIG MONEY MISTAKES

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felt depressed

47%

affected personal relationships

25%

moved back home

11%

# Consultation feedback

Pockets of excellent evaluation  
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A common evaluation framework will benefit everyone

# The approach

- Practitioners, funders, government, regulators, academics, child psychologist, OECD
- Working groups, bilaterals, literature review, partnership with NPC

- Children and young people continuously build their financial capability so that they are equipped to manage money throughout their life
- Develop a shared language in which the sector can talk about impact and success
- Increase the consistency, scale and rigour of impact evaluation across the sector
- Reduce the resources and level of expertise required to conduct good impact evaluation
- Increase the level of ownership of and engagement with evidence and evaluation across the sector

## How to measure

Step-by-step guidance

Practical tools

Aimed at practitioners  
& funders with limited  
evaluation experience

## What to measure

Outcomes  
frameworks for  
adults/children and  
young people

Aimed at practitioners  
and funders as well as  
research and  
evaluation experts

- Developing your own organisational Theory of Change (templates to populate)
- Identifying the most appropriate evaluation method for your intervention type (decision tree tool)
- Collecting and analysing data (template spreadsheets and significance-testing tool)
- Reporting (outline report template)

# Could we get this?

## Toolkit Filter

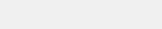
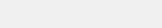
Sort By

A-Z 



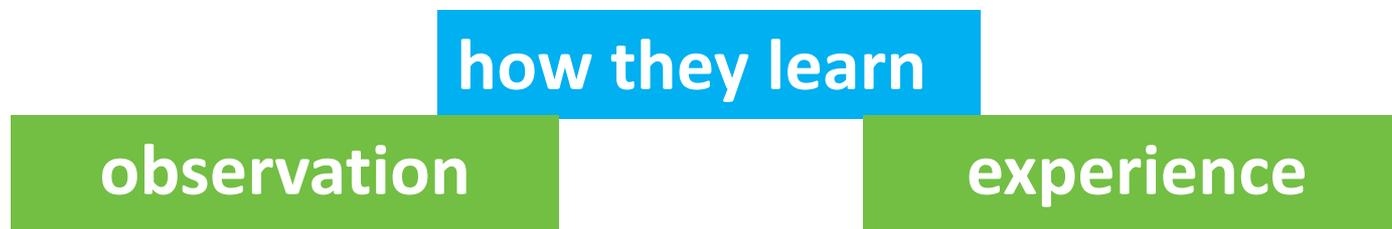
- Categories 
- Primary
  - Secondary
  - Classroom strategies
  - School organisation
  - Targeted interventions

 Reset Toolkit

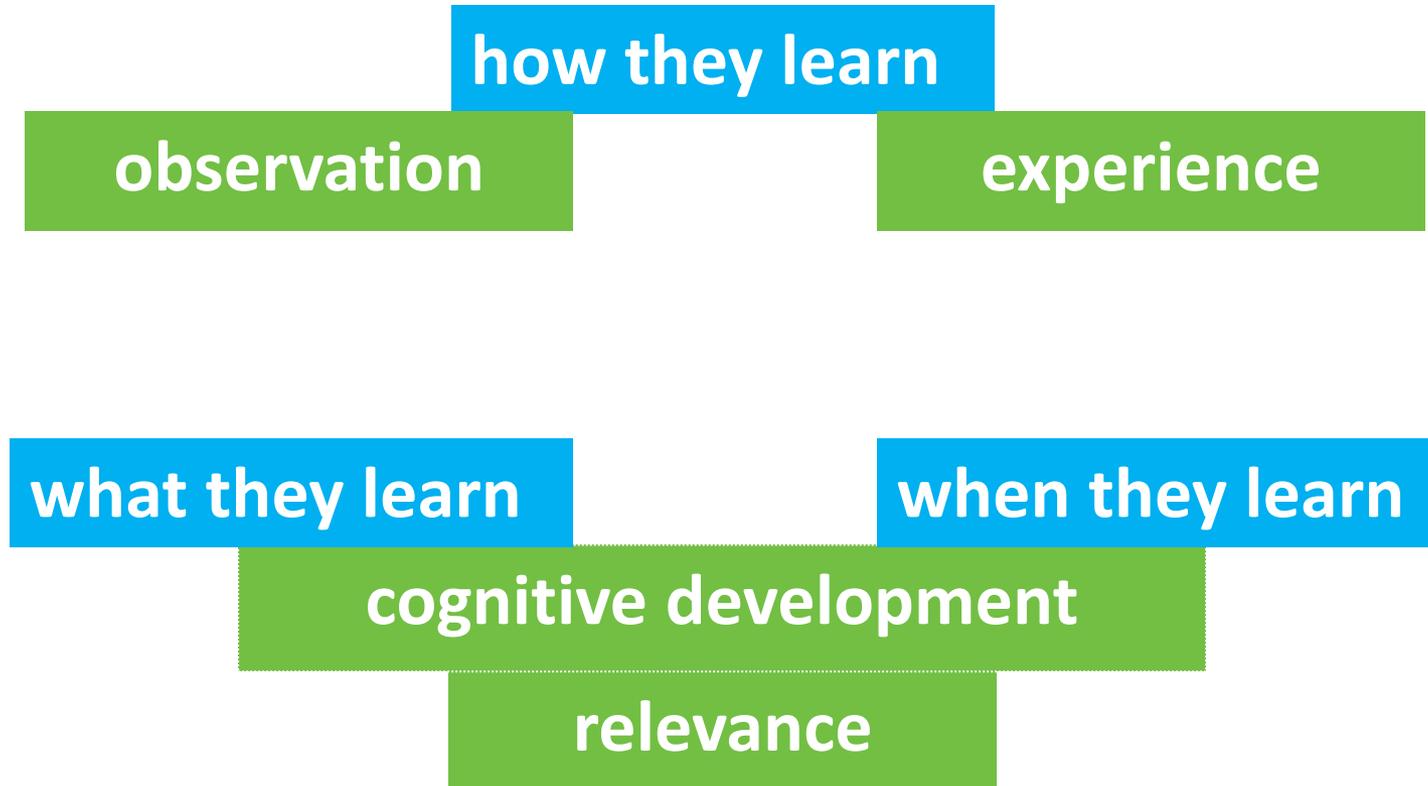
Behaviour interventions	£ £ £ £ £		+ 4 months
Block scheduling	£ £ £ £ £		0 months
Collaborative learning	£ £ £ £ £		+ 5 months
Digital technology	£ £ £ £ £		+ 4 months
Early years intervention	£ £ £ £ £		+ 6 months
Extended school time	£ £ £ £ £		+ 2 months
Feedback	£ £ £ £ £		+ 8 months
Homework (Primary)	£ £ £ £ £		+ 1 month
Homework (Secondary)	£ £ £ £ £		+ 5 months

# Building an outcomes framework

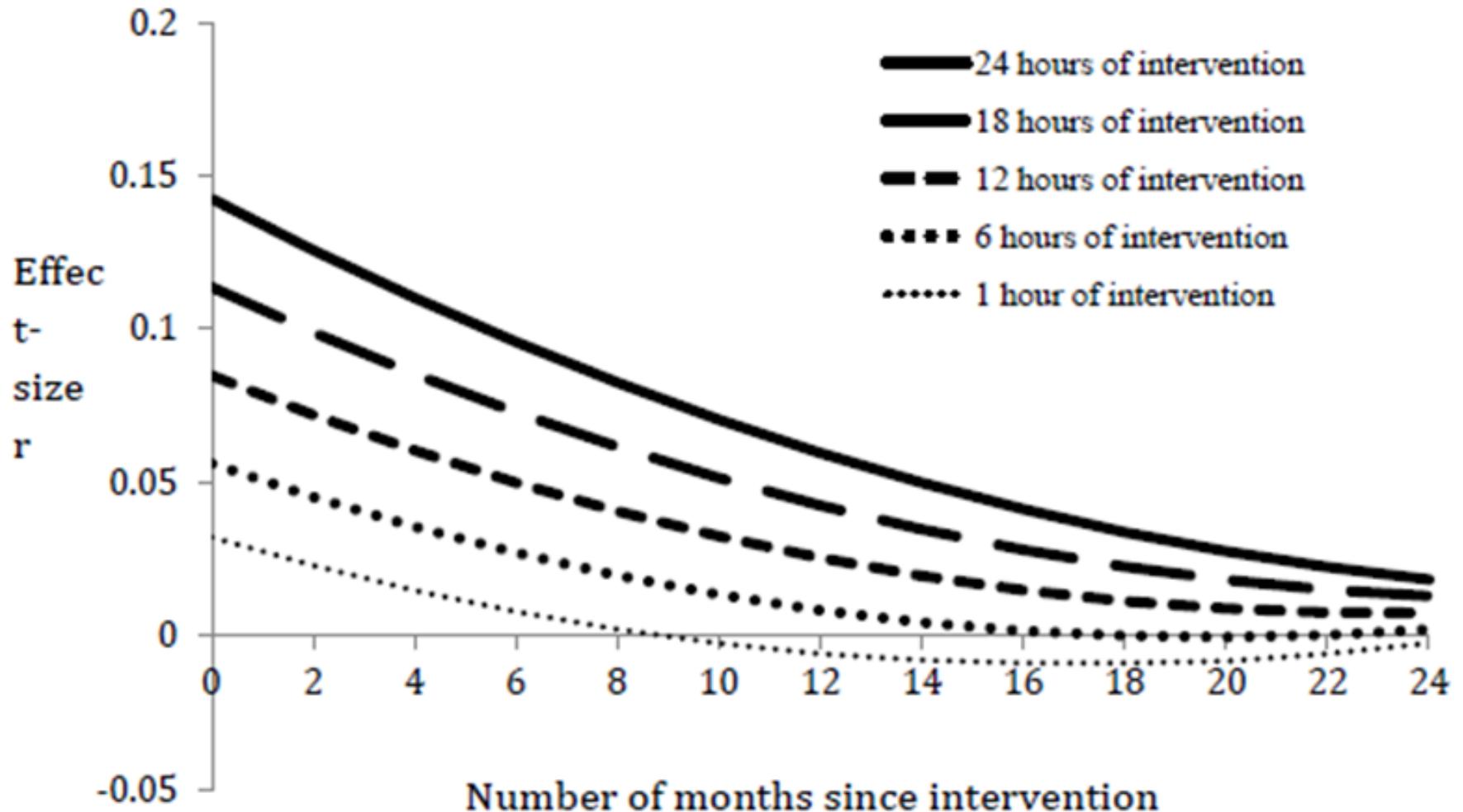
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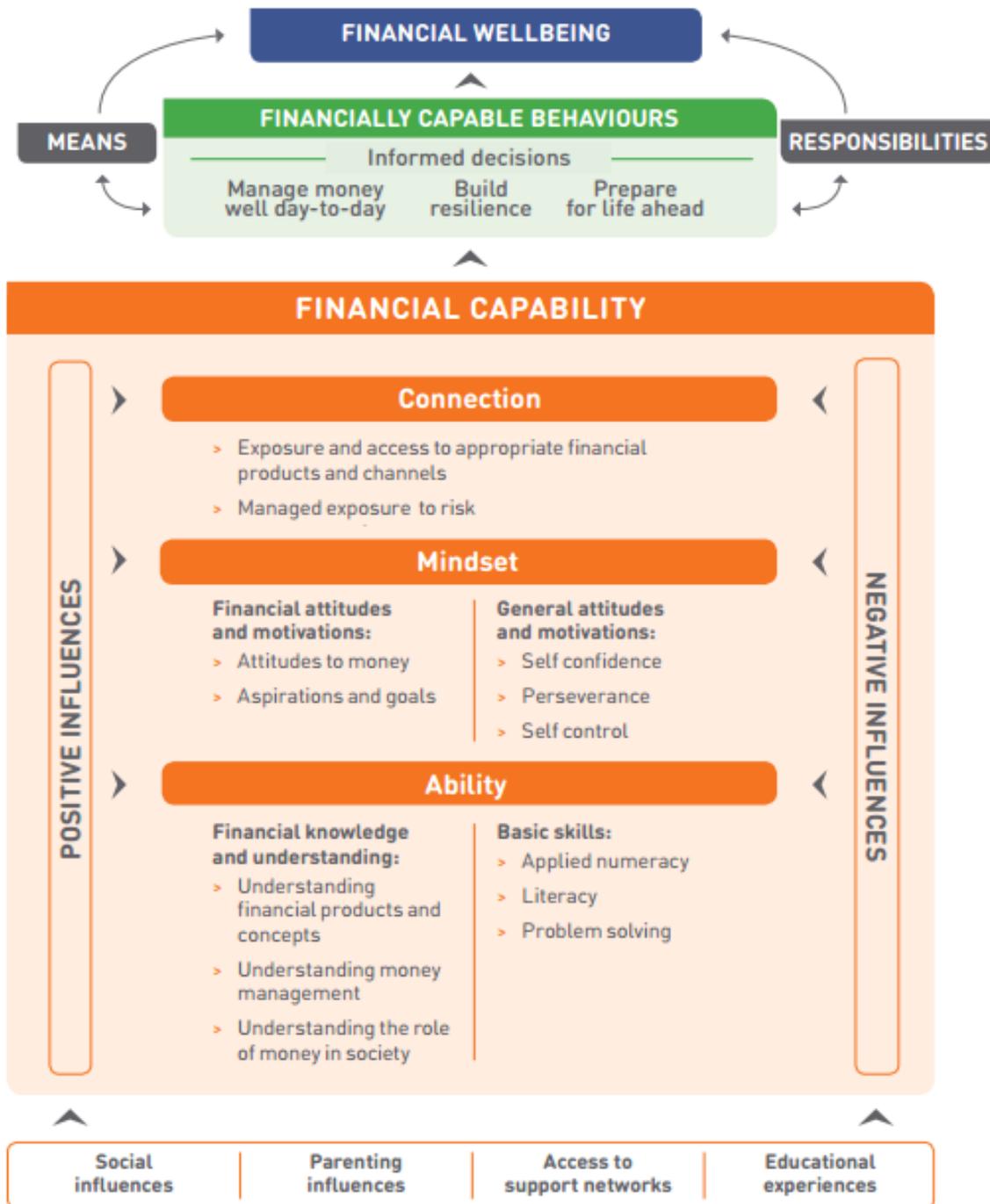
# Building an outcomes framework



# Building an outcomes framework: relevance



# 3-18 OUTCOMES FRAMEWORK



# INDICATORS: MINDSET EXAMPLE

Age	Attitudes to money	Aspirations and goals
17-18	<p>I believe taking responsibility for managing my money well is intrinsic to me living independently.</p> <p>I am happy to seek financial advice when I think I need it.</p>	<p>Proactive earning / spending / saving prioritisation decisions will benefit me and help me achieve my goals.</p>
16-17	<p>Good financial capability is something I want my friends and me to have.</p> <p>I am proud to talk about how I manage my money.</p> <p>I have ways of participating socially that don't involve money.</p>	<p>Managing money well will help me achieve many of my goals.</p> <p>Saving now will benefit me in the future.</p>
14-16	<p>I am happy to talk openly about money and what I can and can't afford.</p>	<p>I know that setting goals and making and sticking to goals will help me achieve the things I want.</p>
11-14	<p>I do not perceive money as something difficult, that should be worried about but I understand that I can influence my own financial situation through the choices I make.</p>	<p>Money is the means to achieve some of the things I want.</p> <p>I can identify my own short to medium term goals and understand the role money could play in achieving them.</p>
7-11	<p>I am starting to understand the difference between 'price' and 'value' – price is one measure of value.</p>	<p>I can save for a goal up to a year away, rather than simply collecting money.</p>
5-7	<p>I recognise the broad benefits of saving.</p> <p>I understand my parents and carers may not be able to afford all of their wants.</p> <p>I think spending decisions need to be considered wisely.</p>	<p>I can save up to one month in advance.</p>
3-5	<p>I know I can't do / have everything I want and that's not a problem.</p>	

# INDICATORS: ABILITY EXAMPLE

Age	Understanding financial products and concepts	Understanding of money management	Understanding the role of money in society
11-14	<p>I can assess which current/ savings account will be right for me.</p> <p>I can interpret what my bank statement means.</p>	<p>I know how to set a basic budget for myself and broadly stay on track.</p> <p>I know how to protect myself from fraudulent activity</p>	<p>I understand the functions and uses of money, the importance and practice of budgeting, and managing risk.</p> <p>I understand different ways companies try to influence spending.</p> <p>I am aware of how the government gets money and my role in generating income through tax.</p>
7-11	<p>I understand there are different purposes for savings.</p>	<p>I know how to pay for things that do not involve cash or cards.</p> <p>I can track spending through keeping simple records.</p>	<p>I know where people get money from and that different jobs earn different amounts.</p> <p>I understand companies exist to make money</p> <p>I understand that advertising is trying to make me buy things.</p>
5-7	<p>I understand the concept of borrowing and can apply it to financial situations.</p> <p>I know how to complete a cash transaction in a shop and understand why change is given.</p>	<p>I know that many things I want cost money.</p>	<p>I know that different coins have different values and that money exists in digital forms.</p> <p>I understand where my parents and carers get money from and that money is a finite resource.</p>
3-5	<p>I am aware of basic financial language eg, spend, save, change.</p>	<p>I understand that money has a value.</p>	<p>I understand when people are paying for goods or services.</p>

- Following consultation, refine the outcome frameworks, identify measurement tools and publish the final frameworks in early Spring 2015
- Develop the step-by-step guidance and practical tools
- Encourage organisations to sign up in principle to using the common evaluation toolkit, including outcome frameworks, and (where relevant) to agree to work with the Money Advice Service to pilot it
- Pilot both outcomes frameworks, the guidance and the measurement tools with a range of organisations and intervention types in 2015. Publish 'v2.0' toolkit later in 2015 with support and training.