

MONEY REALLY MATTERS:

A MONEY ADVICE AND EMPLOYABILITY PROJECT

EVALUATION REPORT

prepared for

CAPITAL CITY PARTNERSHIP

Executive summary

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Executive Summary

1. People often experience a range of financial pressures in the transition to work. These can arise from the costs associated with starting a new job as well as having to adapt to new financial rhythms or deal with benefits claims. Debts brought to the transition can further exacerbate the difficulties. Trust and confidence in the service providing advice can be critical for disadvantaged groups. Although training and employment support projects are trusted sources of support for people with multiple barriers to overcome, they often cannot provide the range and depth of advice needed that is more associated with mainstream advice services.

2. The Money Really Matters Project aimed to address such concerns, to assess the impact of advice in supporting successful and sustainable transitions to work and draw conclusions relevant to the local jobs strategy. It integrated advice and financial education with employability services. The pilot project was funded by the Scottish Executive, co-ordinated by Capital City Partnership and located with West Edinburgh Action (WEA). The Scottish Poverty Information Unit, Glasgow. Caledonian University evaluated the project. The main activities in the project were:

- Short financial literacy training sessions were delivered to 418 people making the transition to work (including trainees with two Employment Academies). Materials were developed to meet the needs of different groups and included resources for trainees. They focused on the transition to work, budgeting and money management issues and information about the support the project could provide.
- One to one advice was provided for 324 people. Most wanted help with welfare benefits, debt problems or budgeting or to get a better-off calculation done. Debt and low financial awareness affected decisions about work for some and advice on these issues was particularly important for them.
- The project used postal surveys to engage with other services, specifically employment and training services (31 returns), mainstream advice services (5 returns) and employers (3 responses). Only one of the employability services had dedicated money advice and 4 said they initiated financial health checks for all their clients.

3. Key routes to advice were: self referral by training participants (83); direct referral from Jobcentre Plus (33); and direct referral through WEA (226). Referrals from JCP remained low throughout the project. However, people they referred to WEA also accessed advice through that route. Most referrals came from the employability advisers of WEA, boosted by the inclusion of a financial health check as part of the standard offer to clients part-way through the project.

4. The project staff found that people referred from WEA, which provides open-ended support, had similar expectations of money advisers and were likely to seek ongoing support. People may not disclose fully the extent of their debts at first, so further contact is important for fully informed advice. Integration with WEA enabled staff to take more holistic approaches to advice and take account of complex issues affecting clients.

During the project staff in WEA and other services made enquiries concerning debt and benefits issues. This source of enquiries grew in importance (147 recorded in total) and often resulted in referrals for advice.

Service user views

5. Project data showed that half of service users lived in the postcode areas EH14 and EH11; more women (61.3%) than men used the service and, 96% were white, 4% other backgrounds, reflecting the 4.1% of people from other backgrounds in the 2001 Census. Monitoring forms collected from 189 people showed in addition that at the time of contact with the service:

- Most were aged 44 or less, 42% had one or more health problems, most a long term health problem or mental health issue.
- More were lone parents (31%) than lived with partners (19%) or parents (18%).
- Half had care responsibilities (mostly for children) and most were lone parents.
- Most had either 'o' level (44%) or no qualifications (19%).
- in multiple choice responses, more than half described themselves as registered unemployed (57.8%), 21% as looking for work, 19.5% as not working and sick/disabled and 23% as students or trainees. Only 12 people (6.4%) were in employment, 10 of whom were part-time (including one person self employed) and 2 full-time

Talks and financial education delivered as part of employability programmes

6. Training feedback forms confirmed the sessions were well received. Interviewees valued the training sessions and thought the presenters were knowledgeable, fielded questions and discussions well and used good materials and methods. Some interviewees benefited from finding out about the support available, while others found practical exercises on budgeting and prioritising debts helpful.

7. It was important to tailor sessions to meet the needs of each group. Some interviewees kept the course materials and made use of them later. Few said the session was a deciding factor in moving into employment, but it was important for raising confidence about benefits entitlements and the support available and confirming for many that work was possible. The few suggestions for change were for longer training sessions and for tax credits to be covered in more depth.

One to One Advice

8. Amongst those attending these financial education sessions, some groups were more likely to go for advice (e.g. Retail Academy trainees) than others (e.g. Healthcare Academy trainees). Young people were less likely to see money advice as relevant but needed help in some situations, particularly if they got their own tenancies. Those not using advice mostly said they had no money worries, knew their rights or the training session met their information needs. The confidence generated by the training influenced decisions about the need for advice, a factor that should be considered in preparation of sessions. For staff in WEA, in-house provision made it easier to refer to the adviser people who were disengaged from services.

9. Key concerns for those using one-to-one advice were better off calculations, help with benefits claims, debt and money management issues, further education funding and bank

account problems. Most of the beneficiaries interviewed for the evaluation had been through a major change in circumstances around the time of getting advice, mainly starting or stopping work and coping with a drop in income was a concern for some. Interviewees were generally happy with the advice they received. However, referral on to other services did not always work out as anticipated, including for 3 people who wanted advice on self employment or business start up, highlighting the need for clear signposting routes.

Progress towards work

10. Project data showed that, where outcomes were known, 64.6% people receiving advice and 73.8% of those who had a better-off calculation done moved into employment. These figures compare favourably with the employment rate achieved in the Employment Academies in 2005-6 (54.3%) Of 48 follow-up interviewees, 29 had started work since they first contacted MRM and one person became self-employed part-time. Those who had attended talks only were just as likely to start work as those who had one-to-one advice. Those most likely to start work were people 'looking for work' (8 out of 11 people) or registered as unemployed (16 out of 26). Only 2 of 8 people who were originally not working because they were sick or disabled started work.

Of the 6 people who stopped work, 3 had one or more health issues. No-one stopped work because of money problems. There was no clear link between qualifications and starting work - this may reflect the nature of the jobs, many of which can be described as 'entry level'. Factors associated with starting work included:

- Attending training sessions or talks more than one-to-one advice
- Having no health problems
- Having worked previously
- Youngest child was aged 11 or more compared with under age 5

11. Some interviewees experienced problems in the transition period, including benefits problems or delays, run-on benefits, gap till first pay day and credit and debt repayments. Of 12 people who used money advice since initial contact, most had used other services but 3 had used MRM. Most wanted help with debts or bills, benefits claims or 'better off' calculations. Those who did not have problems mostly had partners or parents who helped them, had other sources of income, got an advance of wages or financial support from JCP or WEA. WEA was identified as an important trusted source of support in the transition to work.

Impact of Services

12. The evaluation data shows that the training and advice delivered by MRM helped build confidence and reduced the barriers to work. Some interviewees thought more carefully about borrowing and how to approach their financial arrangements. For others, advice had positive effects on money management, decisions to apply for jobs, confidence and health. For other stakeholders, the integration of money advice with employability services worked well, making referrals easier and more effective, providing support on money issues and questioning benefit decisions with more authority. Employment support staff viewed the project as more effective at dealing with barriers to work than reliance on mainstream advice in the past. Suggestions for future development included:

- A more permanent footing to enable investment in development work
- Proactive work with disengaged groups, including reminders and follow-ups
- Closer management of referral on to other services
- Proactive contact once people have been in work for a period of time
- More written information (guides, leaflets, business cards with contact details)
- more advertising, links through a wider net of services and flexibility in delivery through e.g. outreach and open door sessions
- More time on courses for training sessions and early input for those close to work

Conclusions

13. This project supported more than 800 people, including staff in training or employment support services. This compares very favourably with the other money advice transitions to work pilot projects. A very high follow through of attendance for one-to-one advice was achieved.

14. Consistent with these other transitions to work projects, JCP was not a significant source of referral to MRM. Other routes, particularly WEA and self referral, were more effective in terms of staff engagement with the project and in follow through by clients. This highlights that the main focus of referrals should be through employment support services with less reliance on JCP.

15. The project was able to engage with a wide range of groups through extending the offer of financial education training through other specialist services and, through that, to one-to-one advice for those who needed such help. Proactive approaches to reducing the financial barriers to work should include training delivery that is flexible to meet the needs of groups and the standard offer of a financial health check for clients.

16. This project had a positive impact on the transition to work for clients. The training and advice provided were influential for decisions about work and in informing personal financial management. A high proportion of people succeeded in moving into employment. People did not attribute starting work to the project directly but it helped their confidence about managing the transition period. The vast majority of interviewees moving into work sustained their employment. Those with financial issues to address used the resources they got from the project or sought advice. For people with financial responsibilities for home and family and who did not have other financial resources, the service was particularly important.

17. In working with and within the spectrum of employability services, this pilot has been more successful than others that aimed to support transitions to work and sustainability of employment. Key elements of the project's success include the package of financial literacy or education combined with generic money advice. Adding a financial health check to the standard offer for WEA clients increased and sustained the use of the money advice service and its integration within the service. Key staff skills needed to deliver the service successfully were good training and communication skills and professional knowledge and skills to provide generic money advice.

Recommendations

- Location of money advice within employability services is an effective way of reaching individuals who are making the transition to work. The model of locating financial education and advice services within employability services has the potential to replicate well in other areas of high population density.
- Effective steering groups are important to achieving early diagnosis and remedies to implementation problems, particularly where new models of service delivery are being tried. Membership of steering groups should be kept under review.
- Cross-training is recommended to improve awareness between advice and employment support services. There is considerable scope for financial health checks and money advice services that are delivered within employability training and support services.
- Locations in trusted services such as WEA can improve accessibility, but should be enhanced by flexible delivery methods to reach those disengaged from services, or with lack of confidence or access difficulties. Approaches include community based outreach work, drop-in sessions, visits to the person's home or advice delivery in other locations.
- Advice is important at each stage of the transition to work and services should establish referrals mechanisms to ensure access. Proactive contact by advisers at key stages throughout the transition is recommended.
- Training on financial awareness offers a key route to supporting people in the transition to work, particularly if delivered as part of a life skills approach in which sessions are interactive. Flexible delivery helps to ensure sessions meet the needs of specific groups and address numeracy or literacy needs.

18. Key approaches to money advice services in employability settings that were found to be effective for supporting transitions to work include the following:

- Fast access to support can reduce the difficulties in confronting money problems.
- Building trust and confidence, less formal interview settings, proactive follow-up can help to improve access to the service.
- Proactive approaches to advice such as telephone support, adviser-initiated contacts to review progress, or to follow-up on missed appointments.

19. For future development of the project it is recommended that some advice standards are put in place, including supervision and support from a mainstream service and that a system of managed referrals to other money advice services or employability services is developed. Targets should be set in order to ensure an appropriate balance between training and awareness raising and one-to-one advice and combined with systematic recording of advice work. Feedback to stakeholders should be provided to maintain awareness and interest in the service. A consultation with some employers, possibly through a focus group, would help to clarify the relevance of the financial capability of potential employees for employers and to consider their awareness about the impact on new employees of some wage practices.