Responses to MAS Strategy

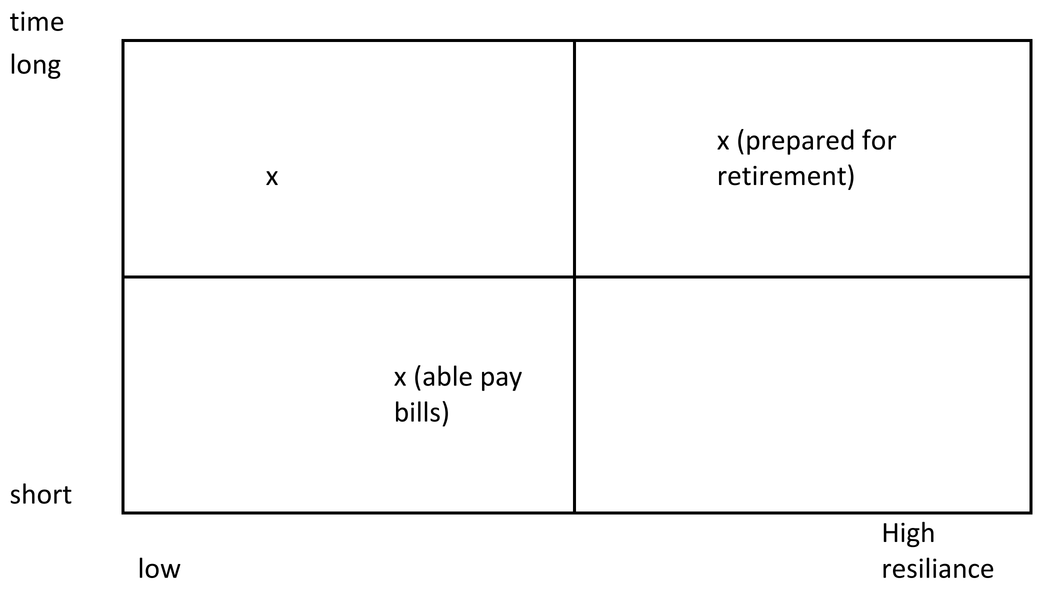
Responses to questions

1. Fixing the strategy to a five year period to accelerate action is sensible, but reality suggests this is not an issue that can be fixed in this period. I would prefer that we have a substantive review after three years on progress we are making. However this implies a plan exists to deliver the strategy and this plan needs to be made clear.

2. It is a generic framework that could easily be applied to other issues such as health. It does provide a useful visual way of identifying the key factors in determining financial capability, although I would still argue that behaviour should be included within the framework and not sit outside it. As a major deliverer of financial education in the UK my concern is how we use it in an operational setting. To make this possible the framework needs developing for each section

3. The objectives are clear but they are not SMART and therefore difficult to measure achievement of them. We also need to consider what are the weightings on the various objectives so we can determine which ones have more impact

4. My interpretation of the four domains is that preparing for life ahead, managing money well day-to-day and tackle debt problems are subsets of building resilience, i.e. the more the first three are achieved the more resilient an individual becomes. I would prefer to see this as a matrix measuring time on the vertical axis and resilience on the horizontal. Four quadrants can define where an individual is against a whole series of questions including ones that identify the other domains (see diagram below). The aim for an individual would be to have as many responses as possible in the top right hand quadrant. This recognises the spiky profile someone might have and helps support to be given in areas that fall more into the bottom left quadrant



5. It is important to track financial wellbeing, but some of the language in the staircase is negative which might discourage action being taken

6. The first three priorities for action make up the total population, although classifying them in this way does help to differentiate their needs which might be different. The next three are cross cutting themes which affect all of the first three. The final priority is evidence and evaluation, which is important to know whether the actions in the yet to be determined plan are working. Setting action plans to support the age groups must be an overarching priority

7. We need to be careful to avoid falling into the trap that because financial education is part of the national curriculum, children are being adequately supported. A critical sub age group within this category is 16-24, when they are able to make independent financial decisions but not necessarily make informed financial decisions. There are high levels of poor adult numeracy and literacy and so an expectation that financial education can be solved by being in the curriculum is short sighted.

8. The consequences of poor money management is more keenly felt by the upper age group in this category and whilst it is reported that children's behaviours are better taught at a young age, this will only bring about longer term impacts and not have an effect for ten years plus. If parents are found to be the major influencers in relation to a young person's financial capability, more action needs to be taken to support parents. If we are to see a cultural shift in young peoples' attitude to money then it is not sufficient to just identify a set of simple key messages. The external influences need to play their part, particularly media, providers of financial products and government.

9. As a statement of intent is fine

10. There has been a major cultural shift in the last 20 years in pension provision, shifting the risks from the employer to the employee through changes from defined benefits to defined

contribution schemes. Additional government changes to retirement age and the speed of this transition for older women has left many more vulnerable than they otherwise would have been. The strategy is fine for the longer term but there are real challenges for people facing retirement in the next 10 years and more focussed support needs to be given to this age group

11. Agree with strategy

12. Many older people in retirement have had the benefit of defined benefit schemes and are relatively well off. Those without regular patterns of employment are those that are more likely to struggle now they have reached retirement. The working population needs good financial education to enable them to understand the consequences of not making adequate plans earlier in life. Some older people need help to overcome the barriers they face to access financial products, particularly technological barriers. Changing behaviours in this age group is more challenging so actions to provide support need to be practical and delivered face to face

13. Agree but perhaps a clearer message on positive v negative debt

14. Ready access to advice is key

15. Agree

16. One important area to consider is that many people are still digitally disconnected and therefore disadvantaged

17. More emphasis needs to be on making the right informed decisions for the individual to achieve their life goals

18. More focus on the aspirations of the individual and working towards life goals

19. Agreed

20. Evaluation should be carried out independently and should be a key role of MAS to oversee

21. The National Skills Academy for financial services would like to be further involved in the strategy by helping to set action plans for each priority so that effective delivery can take place. The framework also needs developing into a working document for delivery organisations to use with client groups

22. Our proven strength as a charity working within the financial capability arena is on the development, design and delivery of bespoke programmes for different client groups. Our experience extends to direct delivery of topics, either face to face or through online programmes managed through our learner management system.

For the past four years we have run a financial capability programme in colleges of further education which has reached over 100,000 students each year, this programme has now ended and we have an ambition to provide a new programme to Further and Higher education students and those young people in apprenticeships or working to prepare them for independent living through good financial management and behaviours.

We also work extensively with intermediaries (such as housing associations) to reach vulnerable adults and help improve their money management skills. Our work in this area is to focus on people on low incomes, who might be in receipt of benefits and struggling to make ends meet. These programmes (funded through the Lloyds Money for life project) have been constantly evaluated and shown to be having an impact in local communities. We would like to extend our community programmes to work with parents with young families to use them as our trained intermediaries and set up family support groups

We also want to develop further our online resources to support our intermediaries obtaining knowledge and skills of financial education topics with particular focus on how to apply that knowledge to their clients. We are just developing a new online programme to support employers explain the benefits to employees of investing and preparing for their future retirement. There is scope for a range of modules to support intermediaries.

Our future work in the area of financial capability is restricted by the amount of funding we are able to secure. A commitment from MAS to support some of our work in these key areas, would we believe benefit individuals and significantly contribute to the delivery of the strategy.

For questions and clarification please contact

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