Centre *for* Social Justice and Change

Research Report 9

The Money a+e Money Champions Programme: An Evaluation Report

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Centre *for* Social Justice and Change

The Money a+e Money Champions Programme
An Evaluation Report

RESEARCH REPORT 9

November 2015

Centre for Social Justice and Change, University of East London
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1. Executive summary

The Centre for Social Justice and Change (CSJC), University of East London (UEL), working with Money a+e, administered 87 questionnaires and conducted 10 interviews with people that underwent the training to become a Money Champion. This final report presents the findings from this research.

- The central finding of the report is that undergoing training to become a Money Champion makes people feel better able to manage their finances. Just 50% expressed confidence in this before the training compared to 97% after. Money Champions felt more aware of financial services (30% to 92%); more aware of online tools and support websites (22% to 98%); and more confident in seeking out consumer deals to meet their needs (38% - 97%). This has a knock-on effect for peoples overall sense of wellbeing with an increase from 53% to 95% of participants stating that the training has improved their abilities to remain well and healthy even when they are facing money problems.

- When we explored these changed attitudes and behaviours in the interviews we found further evidence of changed financial behaviour with participants ending high risk practices (cutting up credit cards, not taking out payday loans); engaging in short term saving; confronting rather than putting off debt problems.

- Amongst the people that we interviewed we found abundant evidence of hardship and debt both in the interviewees lives and in the lives of the people they served and interacted with. Changes to the welfare system and low pay, again and again, came up as a cause of hardship and indebtedness. In addition we found ample evidence of the link between hardship and mental illness. While debt in itself is not the cause of mental health problems it can exacerbate underlying conditions and in this regard count as a contributory factor. Staying in control of your money is therefore important for general wellbeing.

- Overall we found the peer-to-peer approach of the programme to be effective as a way of getting beyond peoples initial reluctance to talk about their finances and as a way of disseminating the educational programme. However we would have liked to have seen more evidence of the 'ripple effect' intended. For a number of reasons – institutional and interpersonal - it proved difficult to contact those who had been mentored by the Money Champions and addressing this issue somehow, forms our central recommendation for the programme going forward.

- We found that the peer-to-peer approach was less effective in organisations where the service provider/client relationship is entrenched. The housing associations, for example, where the relationship between service provider and client can be marked by lack of trust makes it difficult for the peer-to-peer approach to flourish. However, this ought not to be insurmountable especially if clients are referred to the money advice teams at an early staged before they have amassed significant arrears.

- Finally we found ample evidence that participants were sufficiently enthused by the programme to want to expand it to include other partners (e.g. a credit union), and other community institutions (schools, colleges etc.) Some participants suggested linking in the programme with a range of other services including mental health, addiction and counselling services.

2. Introduction – Debt in the London Borough of Newham

According to the Index of Multiple Deprivation (2010) Newham is the 3rd most deprived local authority in the country. [1] While Newham has jumped to 25th in the 2015 Index, it remains the case the Newham is a highly deprived borough.[2]

In London's Poverty Profile (2015) Newham ranks in the worst four boroughs. It has the third highest unemployment rate in London at 8.6%. The number of residents in low paid work (i.e. less than the London living wage) increased from 25% to 35% in the period from 2010 to 2014. It has the 4th highest rate of homelessness acceptances per 1000 households at 7.9% behind Barking & Dagenham (9.9%), Waltham Forest (8.8%) and Hackney (8.2%). Just under 70% of children live in households receiving tax credits - the third highest in London just behind Barking and Dagenham and Hackney.[3]

Many residents of Newham survive on low incomes – whether in low paid insecure jobs topped up with tax credits, or claiming benefits. As a borough it stands to be disproportionately affected by changes to the welfare system. These difficulties are compounded by the high cost of housing and the short supply of social housing.

All of this implies that residents of Newham are faced with acute challenges in managing their money and avoiding over-indebtedness. Indeed a recent report on household debt concluded 'the scale of need and hardship in Newham is startling'.[4] It concludes that, while there are high levels of debt there is also evidence of financial resilience e.g. people making their money go further.

Managing finances and managing debt is therefore a key issue in Newham and Money Champions is one of a number of initiatives in the borough that seeks to respond to it. Like other studies on household debt the LSE report found that people are generally reluctant to discuss debt problems even with family and friends. More often than not support – both emotional and financial – comes from friends and family and sometimes co-religionists.[5] For this reason peer-to-peer mentoring schemes are often favoured and have been utilised in similar projects.[6]

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[1] English Indices of Deprivation 2010 DCLG

[2] English Indices of Deprivation 2015 DCLG

[3] London's Poverty Profile 2015 Trust for London & New Policy Institute

[4] Facing Debt: Economic Resilience in Newham, Centre for Analysis of Social Exclusion, LSE, p.61.

[5] Ibid.p.8.

[6] See for example *Money Mentors Programme: An Evaluation Report* (2015) Toynbee Hall p.38-9.

3. About the Programme

a. Programme Outline

The Money Champions project is a financial inclusion training programme that is based on a peer to peer financial education community influencing model. It is delivered by Money A+E, a social enterprise with a track record in designing and delivering financial education programmes.[7]

The Money Champions are trained as ambassadors who can promote a positive financial education message to peers within their community. They can signpost and guide people in their community to local, national and online organisations and services that can provide advice, help and support. The aim of the project is that this shared knowledge will assist and empower people to take control of their money and debt issues making them and their communities more financially resilient in the process.

With the initial target number or participants being 70, Money Champions have exceeded their goals and to date 93 Money Champions have been trained across 10 different key community institutions in the borough of Newham, delivering financial education training sessions over a 10 month period (October 2014 to August 2015) to cohorts of 7 or more.

b. Participating Institutions

A broad range of community institutions participated in the project. These include:

Genesis Housing Association is one of the largest housing associations in the UK providing housing for over 100,000 people and with a portfolio of 33,000 homes. Like other housing associations serving deprived communities Genesis has had to adapt to the changes in the welfare system by developing a range of in-house services for its clients. These include assisting their clients find work and helping them managing their finances.

The University of East London is based in Newham and serves one of the most deprived communities in the country. In 2013-14 over 70% of their students qualified for the maximum grant and loan which meant that they lived in households whose combined income was less than 25k per year. In 2013 a study found that 1 in 10 of its students were using payday loans.[8]

The Shpresa programme is a user-led organisation that promotes the participation of the Albanian speaking community in the UK many of whom are migrants and refugees. Much of its work is done in schools supporting Albanian students.

[7] For details see their website: http://www.moneyaande.co.uk/

[8] http://www.uel.ac.uk/csjc/documents/paydayloansJuly2014.pdf

The Maryland Children's Centre is a Sure Start children's centre attached to Maryland Primary School in Stratford. In addition to children's activities it offers advice and support to parent on claiming tax credits, support in getting back into work and support in managing finances.

The Alternatives Trust East London provides counselling, support and educational services for families and women with unintended pregnancies.

Aston Mansfield is a community development organisation in Newham. They have a number of community centres in Newham and offer a wide range of community development and support activities including support for grant applications and start-ups.

The Independent Newham Users Forum is an independent, user-led mental health charity.

The Active Plus Health Club is a health and fitness club for older people based at the Newham Leisure Centre.

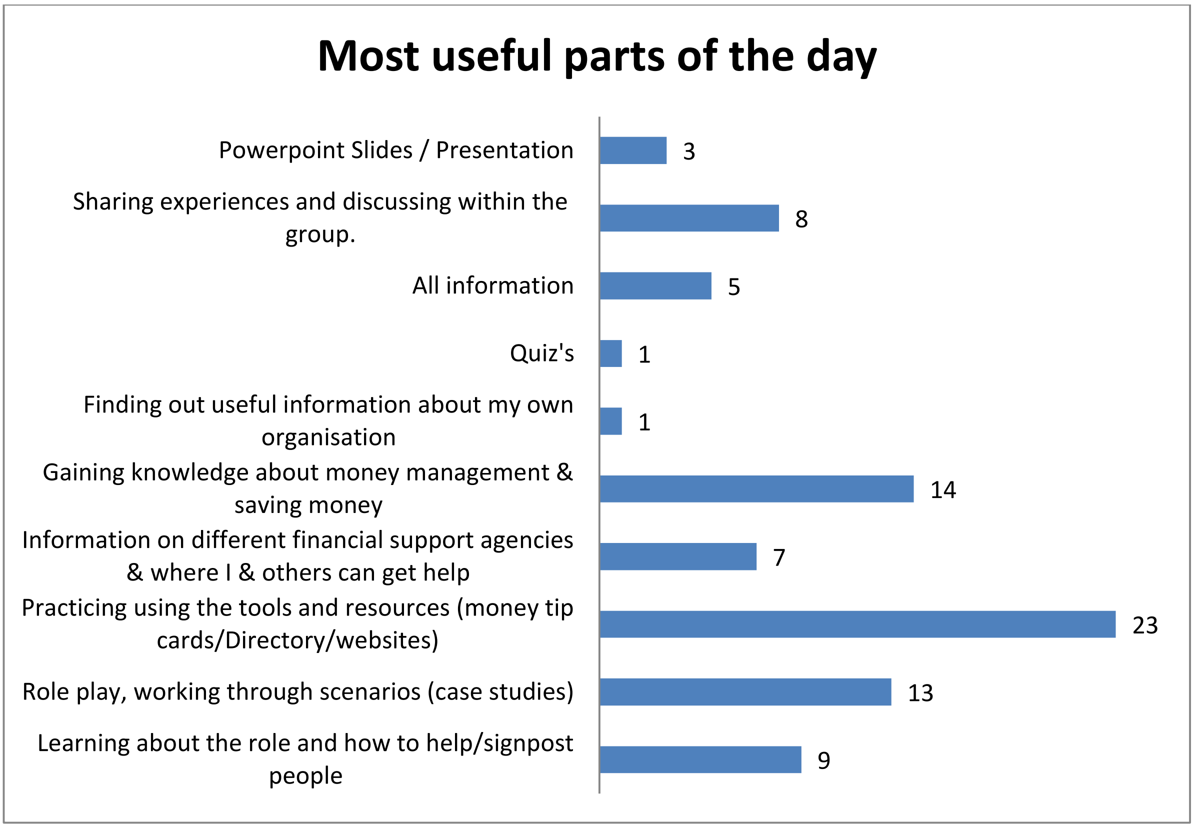
Newham People First is a disability community group in Newham.

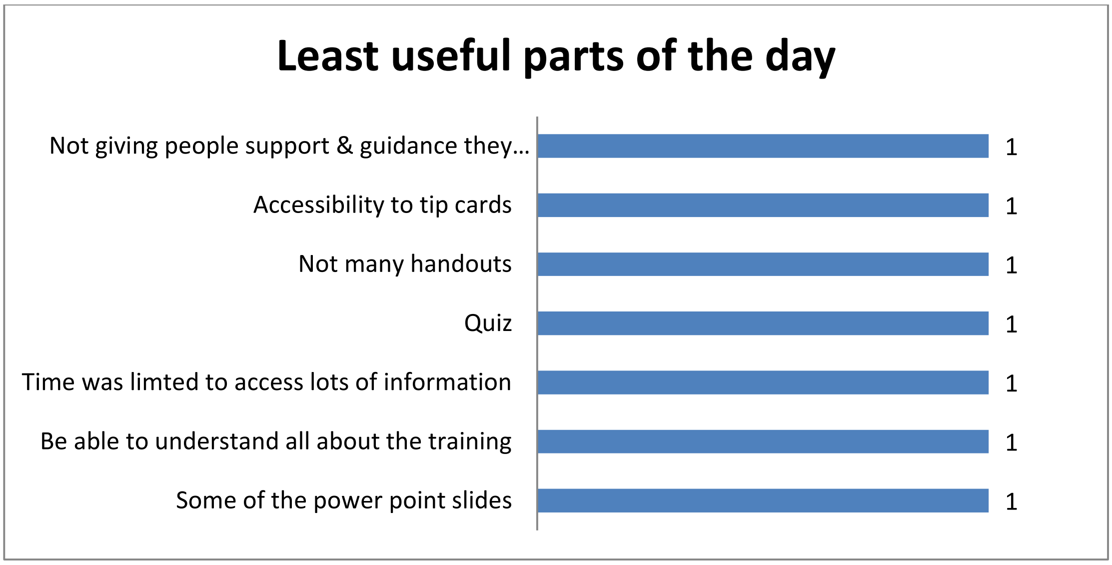
Plaistow Children's Centre is linked to the Plaistow Primary School and offers a range of support services and advice to parents

Universal Church of the Kingdom of God was founded in Brazil in 1977. It has over 5,000 churches in Brazil and churches throughout the world. The UK church was founded in 1995 and the London Church in Finsbury Park has over 10,000 active members. The church operates a help centre offering a variety of services and support to its members.

c. Training

The training sessions consist of financial education topics such as: budgeting skills, savings and affordable credit, behaviours and money, sharing knowledge sessions, financial jargon, money online and more. The sessions involve individual, peer and group exercises that are both interactive and practical. The training is delivered at the community institutions and typically lasts 7 hours, or one full day. The participants were given the opportunity to evaluate the sessions and the tables below show what individuals found most and least useful in the training sessions.





Once trained each Money Champion passed on the financial knowledge they have acquired to people in their local community. This ripple effect was monitored over the period of the project to evidence impact. This proved challenging, however, especially obtaining evidence of impact from those mentored by the Money Champions.

4. Evaluation aims and methodology

4.1 Approach

The purpose of the evaluation is to identify if there are any connections between the financial education programme delivered by Money Champions and changes in attitudes and behaviour towards debt and managing debt. The beneficiaries are potentially the Champions themselves and those living in local communities receiving information about managing finances, as well as their families and friends.

Our research design[9] addresses key challenges associated with multi-dimensional and multi-causal initiatives implemented in complex and open communities. It identifies the issues an initiative is designed to address and the theories which explain how it may work in principle to reduce these issues. The effectiveness of an initiative can be considered in relation to the theories held by the initiators as to which anticipated causal mechanisms are going to bring about change. Our interviews test the theories that inform the initiative to ascertain if the problems it sets out to address have been modified, and in the ways expected. Where data best fits particular hypotheses these are selected to explain how the initiative works. This approach of identifying and testing theories that underpin

[9] The following academic articles have been drawn on to develop our evaluation approach. They are presented in alphabetical order as follows: Cartwright, N. and Hardie, J. (2012), *Evidence-based policy: a practical guide to doing it better'*, Oxford: Oxford University Press. Pawson, R. and Tilley. N. (1997), *Realistic evaluation*. London: Sage. Popper, K. (1968), *The logic of scientific discovery,* 2nd edn. London: Hutchinson. Sampson, A. (2007), 'Developing robust approaches to evaluating social programmes', *Evaluation*, 13,3: 469-485. Weiss, C. (1997), How can theory-based evaluation make greater headway?', *Evaluation Review*,21,4:501-24.

initiatives negates the necessity of having control groups which are often unreliable in a real world setting and costly to evaluate

How the education programme makes a difference, to whom and under what circumstances requires an understanding of causal mechanisms that explain when change occurs, and when information exchange does not result in any changes in attitudes or behaviour. Our approach to evaluation therefore sought to understand the sensitivity of the education programme to people's financial challenges, the relevance of the advice and information to their financial difficulties, and the clarity and ease of practical actions that can be taken to remedy or alleviate their situation. Where these conditions are met we anticipate that there will be causal connections between the programme and the actions taken by the Champions and programme participants.

In analysing the data three types of effects are possible; positive, no identified effect, or harm. Each possibility has been taken into account during data collection and analysis.

4.2 Data Sources

To robustly assess the Money Champions programme we have drawn on information and data from a number of sources and these include:

- Existing reports and documents on similar initiatives that have identified possible causal links and contextual issues
- Information from discussions with two staff that draws on their experiential knowledge
- Project monitoring data from 16th June until the 13th July (2015).
- Self-completion questionnaires by trainees upon completion of their Money Champions training (87)
- Semi structured interviews with mentors (10) (each lasted between 30 and 60 minutes).

Before the research commenced ethics approval was granted by UEL's ethics committee which adheres to professional standards. The semi-structured interviews were designed to find out the nature and extent of debt and its impact on the everyday lives of interviewees and information about how the programme influenced their attitudes towards their debt problem and traced any actions that occurred in response to the information they learned.

The interviews with mentors and host organisations were also designed to understand the organisational context of delivering the Money Champions programme in an institutional setting.

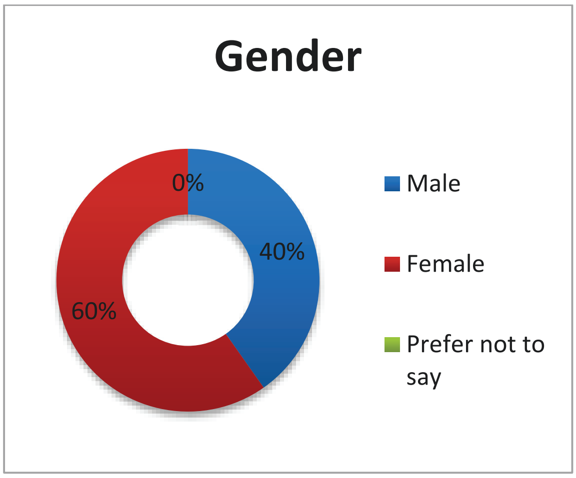
A considerable amount of effort was made to contact mentees but unfortunately there was little contact information and no one volunteered to be interviewed.

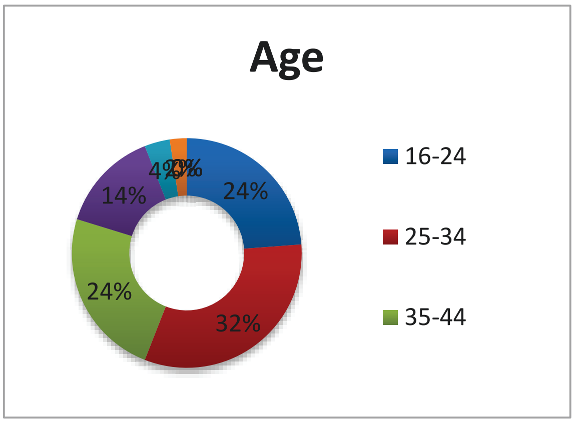
4.3 Data analysis

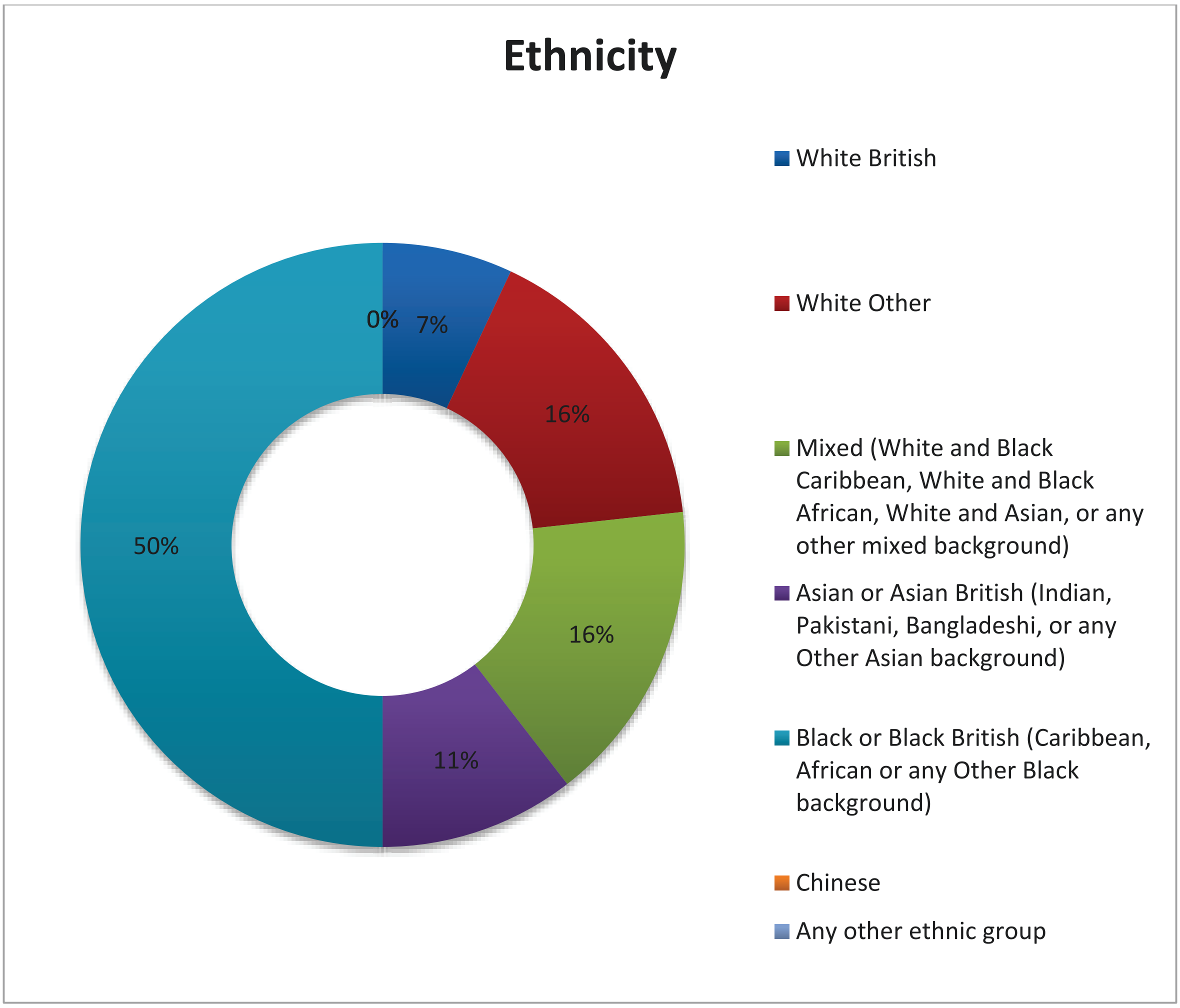
The data were collated and the findings from the interviews themed according to the aims and objectives of the programme and to assess the extent to which problems of financial debt had been alleviated. Any organisational effects that influenced outcomes were also identified.

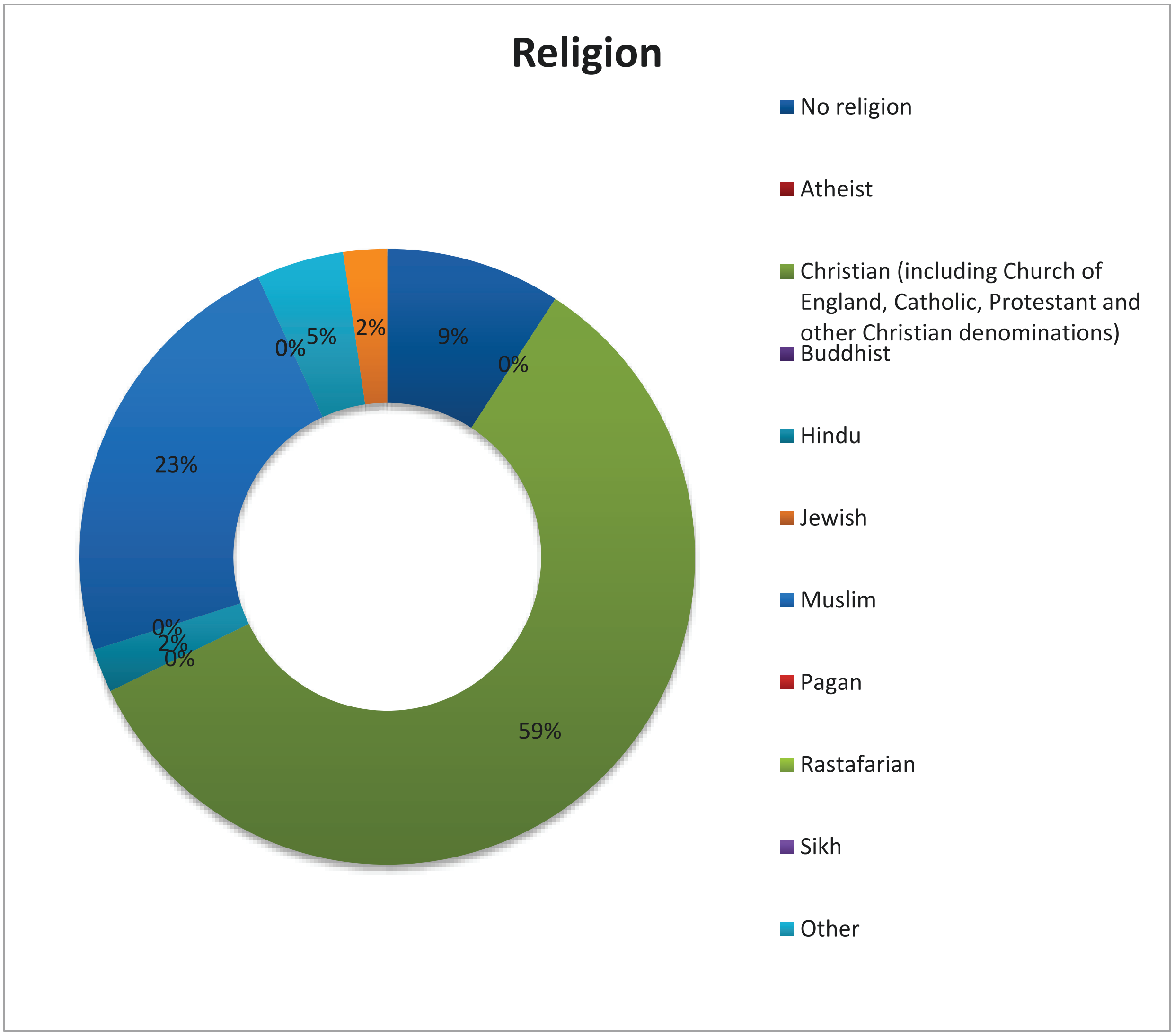
5. Profile and baseline

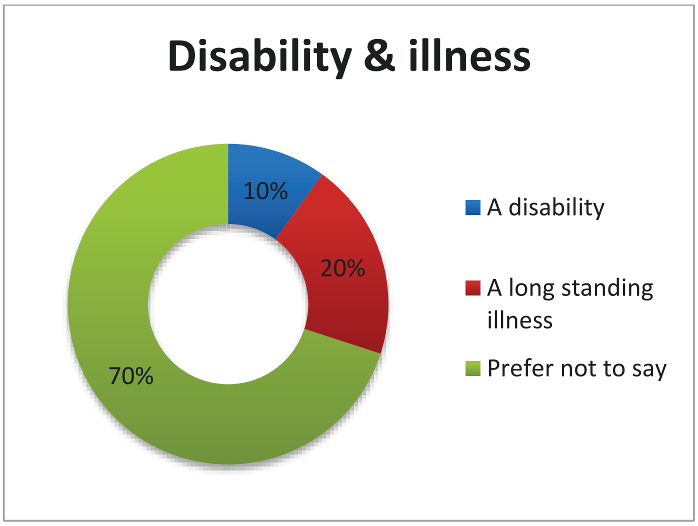
Of the 93 Money Mentors, 87 completed the monitoring questionnaire. Mentors come from diverse backgrounds but are majority female (60%), aged 25-34 (32%), are predominantly of Black or Black British descent (50%), are Christian (59%) and, for the most part, heard about the programme from a colleague (55%). 10% identified themselves as persons with a disability, and 20% as having a long standing illness. A complete breakdown of the demographics of Mentors is given below.



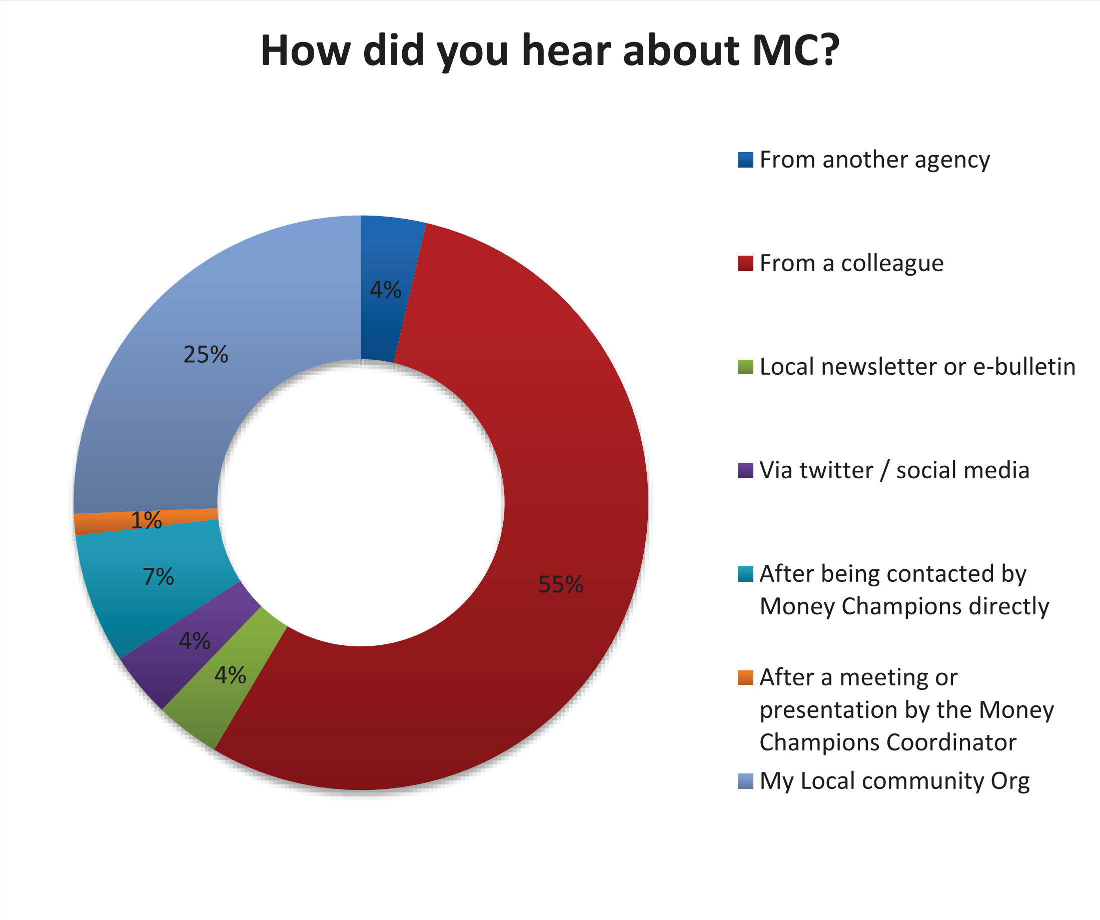



Ethnicity
0%
7%
16%
16%
11%
50%
White British
White Other
Mixed (White and Black Caribbean, White and Black African, White and Asian, or any other mixed background)
Asian or Asian British (Indian, Pakistani, Bangladeshi, or any Other Asian background)
Black or Black British (Caribbean, African or any Other Black background)
Chinese
Any other ethnic group


Religion
No religion
Atheist
Christian (including Church of England, Catholic, Protestant and other Christian denominations)
Buddhist
Hindu
Jewish
Muslim
Pagan
Rastafarian
Sikh
Other
9%
0%
59%
0%
2%
0%
23%
0%
5%
2%


Disability & illness
A disability
A long standing illness
Prefer not to say
10%
20%
70%

Participants were informed about Money Champions via a number of different channels with the most common being word of mouth:



Qualitative data was collected through 10 interviews with a representative sample of Money Mentors, of these 6 were female and 4 were male. 5 were aged 25-34, 3 were aged 35-44, 1 was aged 45-54 and 1 was aged 16-24. 6 were of Black British or Black descent, 2 were White British, 1 was Arabian and 1 was Asian.

7 of the participants privately rented their homes, 2 were home owners and 1 was a council house tenant. While 7 had never taken out a loan, the majority of participants (8) had some experience of living in financial hardship and struggling with financial difficulties themselves, with the highest level of borrowing being a Mentor having had an £11,000 credit card debt. Only 1 participant had ever used a payday lender, and none of the participants were members of a credit union.

6. Outcome and Impacts

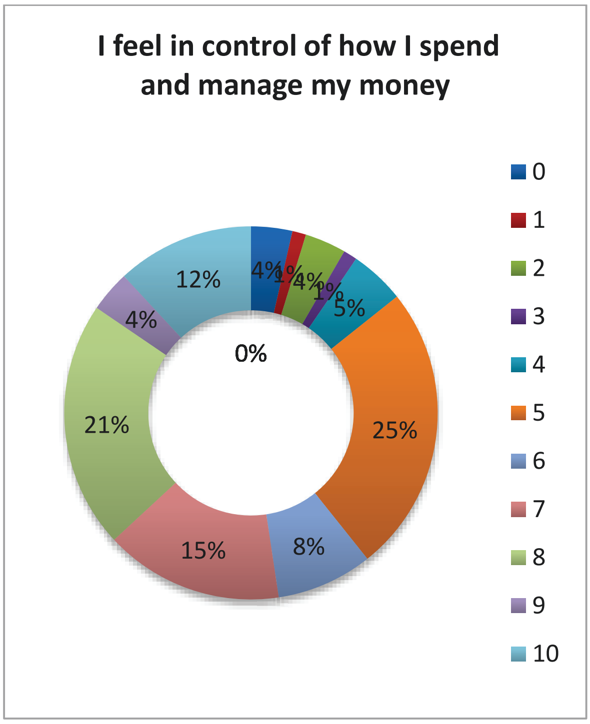
a. Profile of Mentors Prior and Subsequent to Training

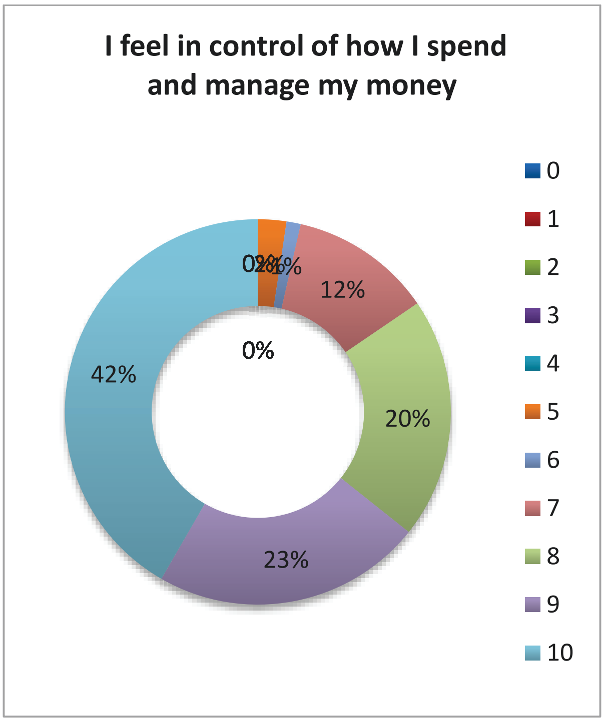
The Money Champions training had a positive impact on increasing Mentors financial resilience, awareness of money management services on offer, confidence and well-being.

Of the 87 mentors who provided feedback on their financial awareness and practice before and after training, 50% gave a score of 7 or higher on a scale of 1 to 10 to the statement ‘I feel in control of how I spend and manage my money’ as opposed to 97% who indicated a 7 or higher after training, of which 50% gave a score of 10/10.

(All of the below illustrations represent Mentors responses to statements, giving their answers on a scale of 1 to 10).

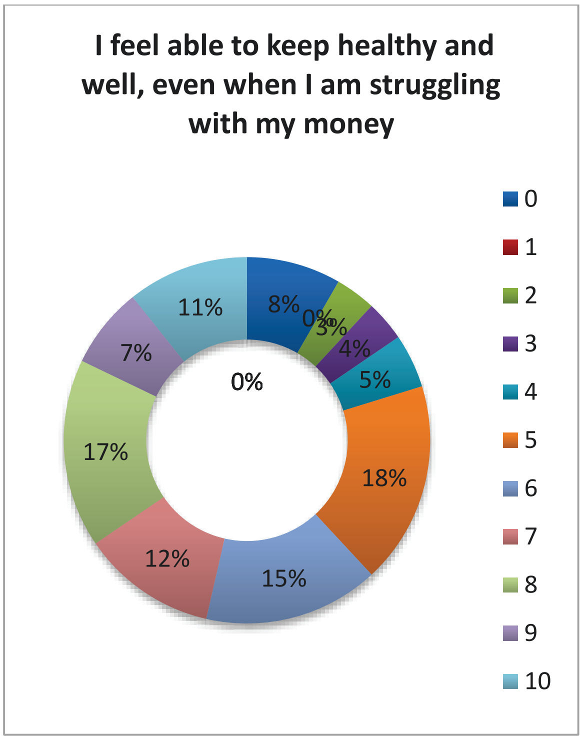
Before Training **After Training**



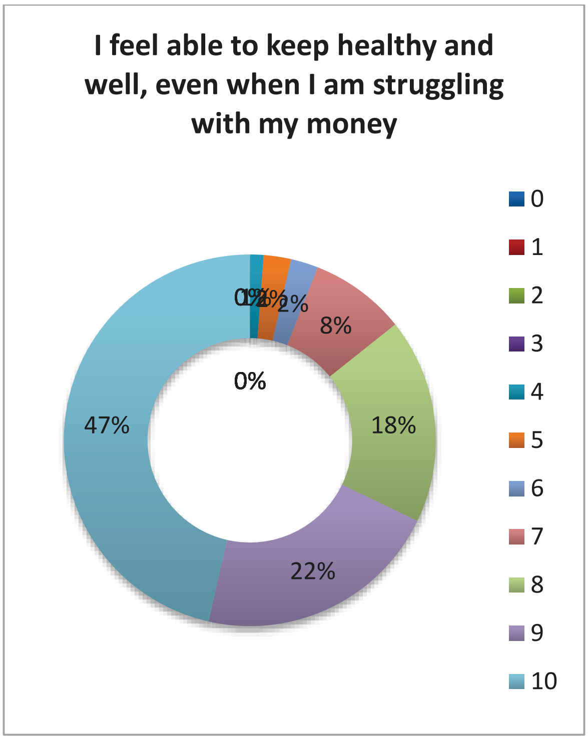


Likewise, the training improved people’s ability to stay well and healthy even when struggling financially. Before training only 53% gave a score out of 10 of 7 or higher, as opposed to 95% after, of which 42% gave a score of 10.

Before Training

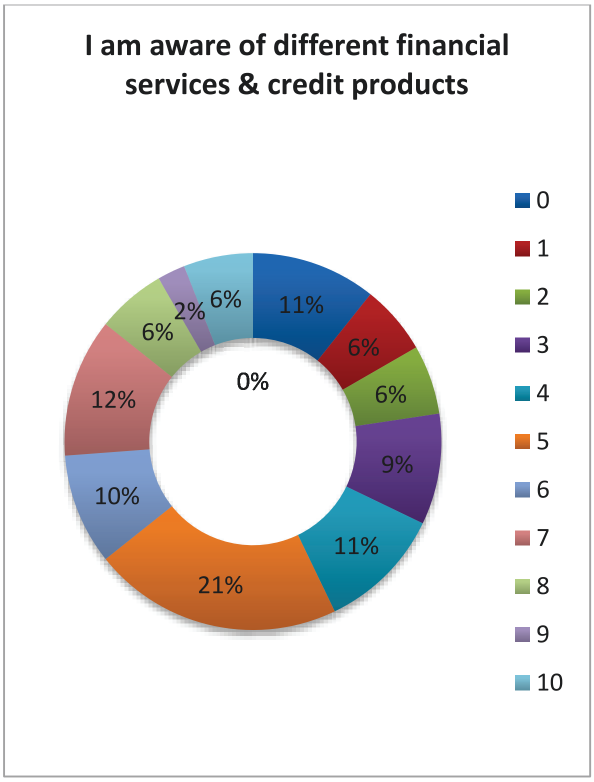


After Training

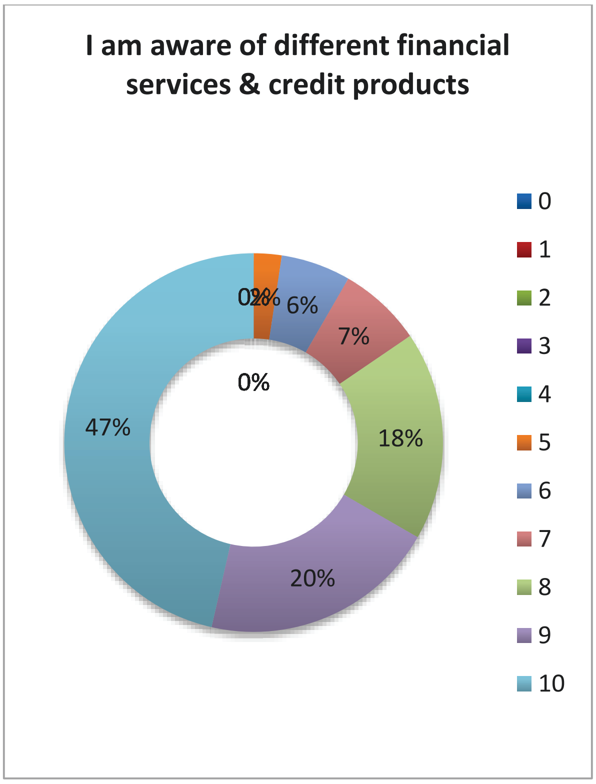


Before training only 30% gave a score of 7 or higher on their awareness of financial services and credit products as opposed to 92% after, of which 47% gave a score of 10.

Before Training

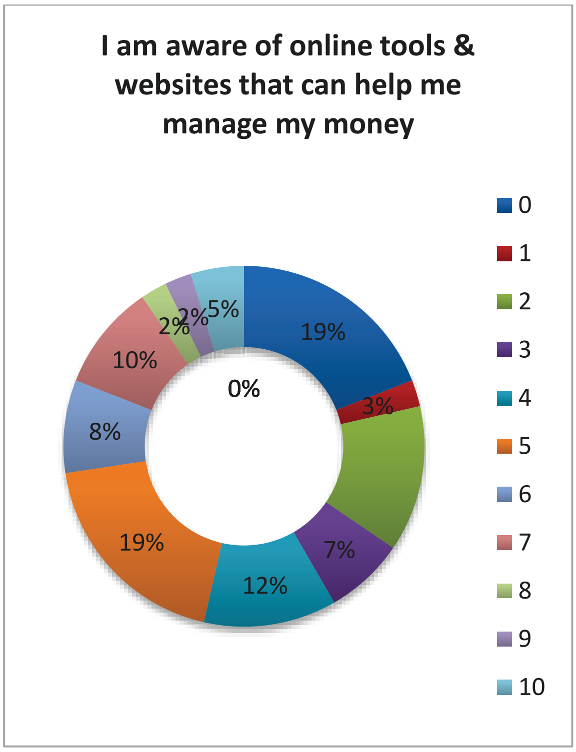


After Training

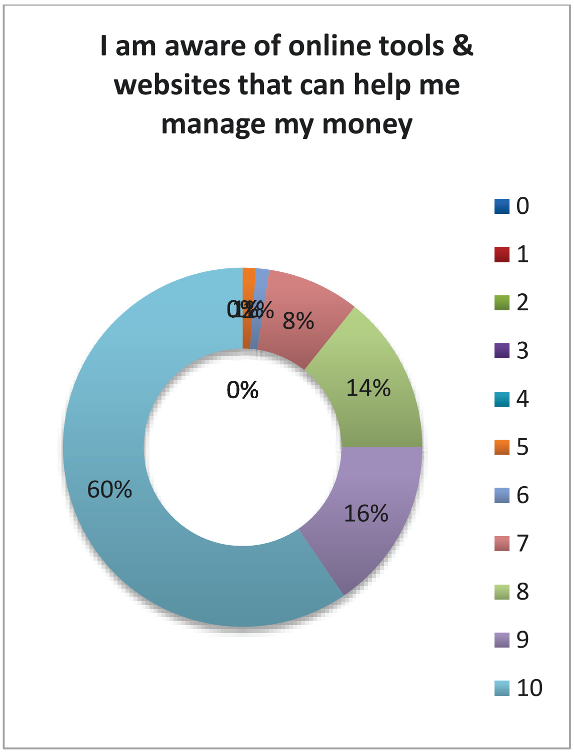


Before training 22% gave a score of 7 or above on being aware of online tools and websites that could help them manage their money, as opposed to 98% after, of which 60% gave a score of 10/10.

Before Training

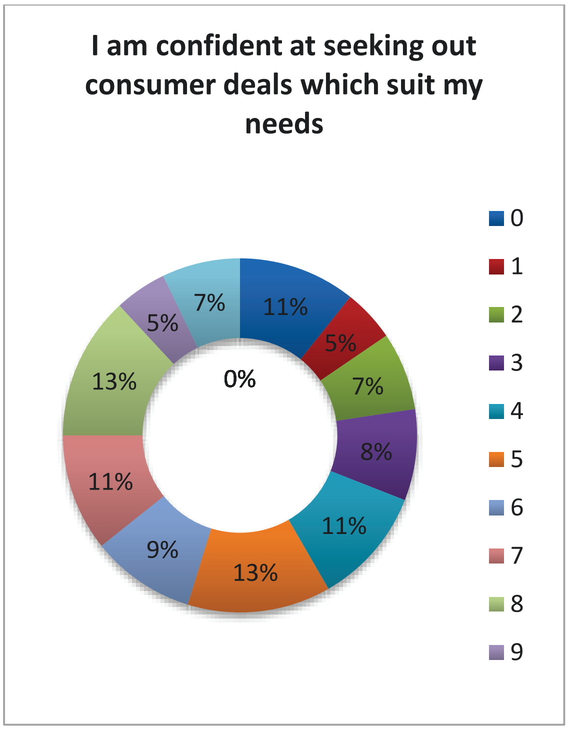


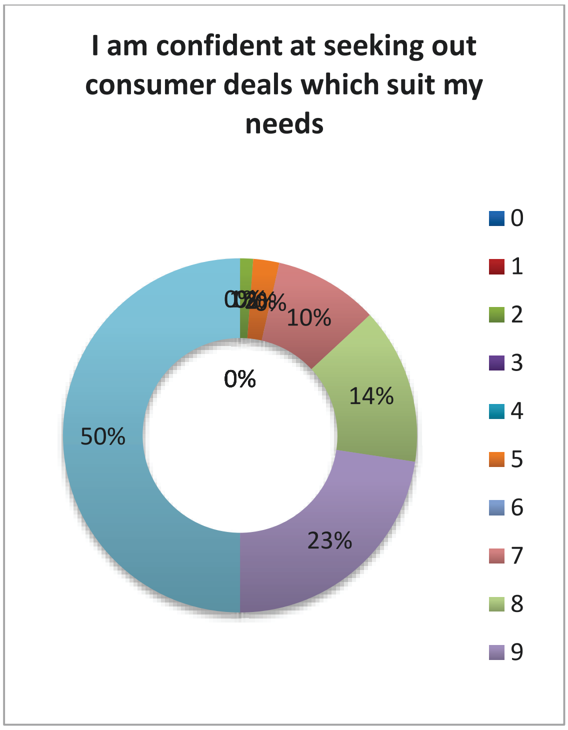
After Training



Again, participants felt more confident at seeking out consumer deals, with 38% giving a score of 7 or higher before, and 97% after, of which 50% gave a score of 10.

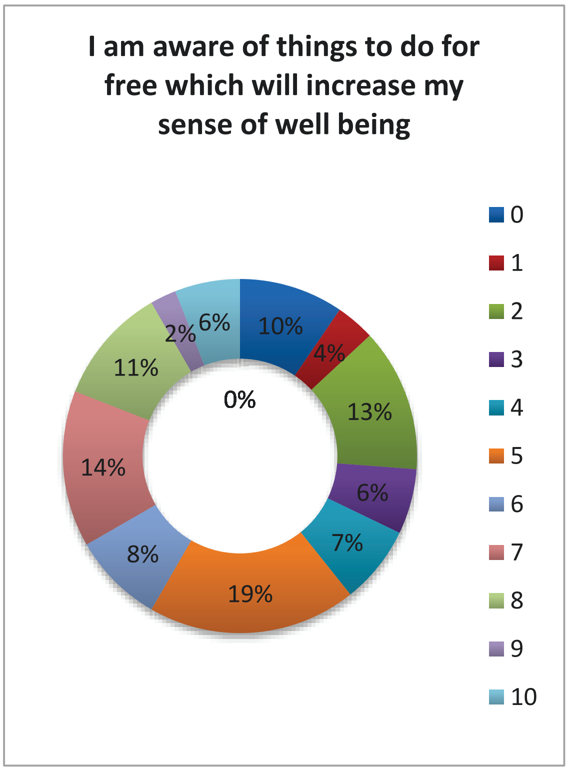
Before Training **After Training**

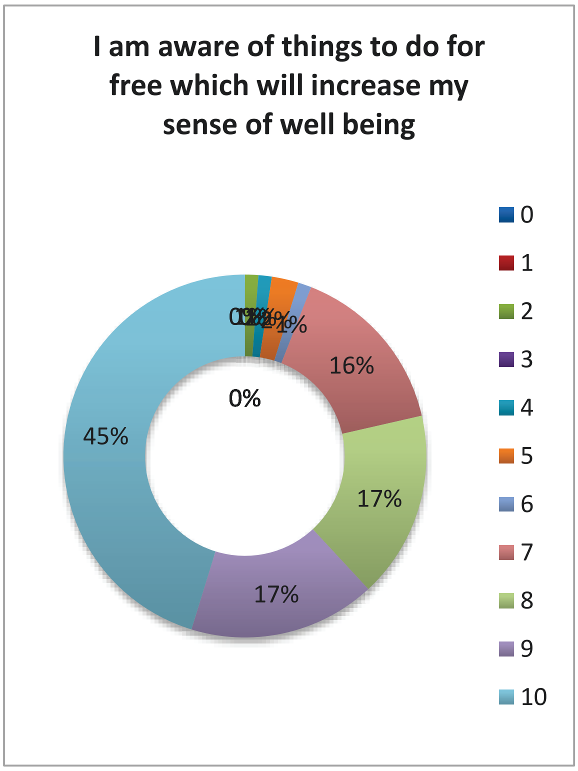




Before training 33% gave a score of 7 or higher on their awareness of free activities which could increase their sense of well being, as opposed to 95% after, of which 45% gave a score of 10.

Before Training **After Training**





b. Outcomes on Financial Resilience

In the qualitative data there were a range of positive and beneficial impacts both for Money Mentors and the mentees they were able to have follow-up with; the most common being concrete and discernible changes in their financial behaviours and attitudes.

Increased and better budgeting, better prioritisation of debts and household bills, necessary and unnecessary expenditures, and still having money left at the end of the month rather than none were the most commonly cited behavioural changes.

There were also changes in credit habits, with individuals ending their use of credit cards and payday loans, and replacing this behaviour with better budgeting and money management to negate the need to borrow.

This increased budgeting practice and being able to save a little each week greatly increased people's ability to be able to financially cope when an unexpected cost or crisis occurred, such as a car breaking down or a bill being a higher amount than expected. One participant said:

'I could start saving for a month or for weeks, then some financial problem would happen and I would use those savings. But with the help I got from Money Champions I could manage when to spend my savings and how to keep it growing'.

Another positive difference was in attitudes towards confronting debt. Rather than hiding from debtors and creditors people started contacting them, explaining their situation, bargaining with them, freezing credit cards and arranging a payment plan, however minimal, rather than hiding from the problem and ignoring debtor's letters and phone calls.

'*Now, at the moment, within a period of about six months I've managed to cut my debt in half on the credit card'*. – Participant who previous to Money Champions had an £11,000 debt.

Other solid changes seen were parents opening a savings account for their children to teach them to save from a young age, perpetuating good financial practice across a generation. People changing utility providers to a more economical one for their household and using consumer deals, discounts, and vouchers more.

c. Who Gets Into Debt?

Greatly apparent is that there are a broad variety of underlying causes that can result in debt and financial hardship as outlined by the qualitative data. Often times there can be complex and multiple reasons. These include but are not limited to:

- Reduced income resultant of welfare reforms, the Housing Benefit size criteria; also known as 'the bedroom tax', benefits caps, and the introduction of Universal Credit.
- A lack of experience of budgeting and planning finances, including knowing which debts to prioritise.
- Job loss, redundancy, loss of number of work hours.
- Gaining a job. Loss of benefits and discounted travel in the interim between gaining a job and receiving the first pay check can result in debt accumulating.
- The interim period between applying for benefits and their arrival.

- Benefits overpayments the recipient was unaware of resulting in an unexpected debt to HMRC or DSD.
- Students as a demographic: many students do not save, and 1 in 4 has never budgeted.[10]
- Use of payday loans due to a perceived lack of other credit options, and a broad lack of knowledge about Credit Unions. Use of payday loan companies can result in debt quickly spiralling out of control
- Perpetuating cycles of debt: taking out loans to pay off previous ones.
- The expense of providing for children's needs on a low income.
- Bereavement. Through either the expense of a funeral, the death of the families main wage earner, or the estate incurring the debts of the deceased.
- Divorce or the end of a relationship. The cost of divorce proceedings and having to manage without their partner's income.
- Addiction issues such as drugs, alcohol, gambling or compulsive shopping.
- Denial about how much an individual may be struggling financially.

d. Mental Health and Debt

The link between mental health and debt is well established. Government surveys in the UK report that 1 in 6 adults are living with a mental health issue, and 1 in 4 adults with mental health issues are living with debt or arrears.[11] Of 878 participants interviewed by the mental health charity Mind, 30% of all respondents and 40% of those in problem debt did not feel that they were able to make a reasonable decision about whether to take out their loans, indicating the need for creditors to improve existing good practice and take more serious consideration of customers' mental capacity when providing loans, based on the Mental Capacity Act.[12]

Illness, whether mental or physical, can make managing finances an issue for some people. These individuals need further external support in managing and understanding finances with their conditions.

It is also well established, and reiterated by this research that debt can cause mental health issues. Depression, anxiety, stress, diminished confidence, feelings of shame and a lack of peace of mind were the most commonly cited problems to arise correspondingly with debt.

'I felt sick. It was so bad. I just felt so helpless. It affected my children a lot and my family'. – Counsellor.

Mentors had also known students to drop out of university either from the stress of accumulated personal debt (outside of their student loan), or from dropping out to work full time to repay their debts.

Debt can also have a causal effect on addiction.

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[10] Student Money Survey, Save the Student, 2015

[11] Still in the Red: Update on Debt and Mental Health, Mind, 2012

[12] ibid

'Addiction and mental health can cause debt but debt can also cause mental health and addiction… people struggling with debts can fall into things like depression and they might find themselves turning to things like drugs and alcohol because they feel like it's the only way to numb the pain they're going through'. – Social Housing Officer talking about tenants.

e. Organisation-Specific Outcomes

An interesting point made in the interviews was that of trust between the mentee and the Mentor. In social housing organisations there was a discernible lack of trust, but within the more equal-peer groups and where individuals had contact within the community outside of their role as Mentor there was far greater trust of them by mentees.

'Especially in the role I do people don't necessarily believe that I want to help them… because they don't trust, not necessarily Genesis, but my team especially because we're the ones that have sent them letters chasing for debts, maybe a notice of seeking eviction, they think we don't want to help them, that all we care about is getting the money back'. – Social Housing Officer.

This is reiterated by The Big Tenant Survey (2014) which gathered responses from 61,000 social housing tenants and found that only 22% felt that their landlord cares about them or their family and just 32% of respondents were satisfied their landlord listens to them and acts upon their views.[13]

However, at housing associations where they have financial inclusion teams there is a greater understanding of the difficulties faced by those who are financially excluded.

'Getting someone who is extremely financially excluded just a millimetre up that line of financial exclusion is so difficult and I think it's underestimated'. – Housing and Financial Inclusion Officer.

Also organisation-specific was whether or not mentors were able to receive any feedback from the mentees that had sought their advice on the services they were signposted to. Again, in organisations where they are advising members of their own communities they interact with outside of being a Money Mentor, such as the children's centres, Alternatives, and in some instances at the University of East London, they were able to hear whether the services had been useful, if they had long waiting times to be seen, and if they sufficiently assisted.

From those able to get feedback, there was an overwhelmingly positive response on how helpful the services have been, although some mentors would rather receive more training themselves to be able to advise people who see them rather than refer them on to another organisation. One said this would be 'empowering' and because the mentees that saw her do not trust organisations they do not know.

[13] The Big Tenant Survey, Housing Partners, 2014

f. Recommendations of participants

The participants that we interviewed made the following suggestions on how to enhance the programme:

- For Money Champions to extend partnership links, such as with Credit Unions.
- To extend Money Champions outside Newham to have a wider variety of localised help across different boroughs.
- To extend the programme to include other groups of people it could be beneficial to such as secondary school and college aged young people to teach good financial practice to the young, and to pensioners who may be having difficulties living off their pension.
- To utilise local community centres more and community centres on estates. Not everyone needs intensive one-to-one support, some just need questions answered, a potential solution to this is holding a monthly surgery or forum answering FAQ's and providing advice.
- Mentees, once they are financially resilient can become Mentors themselves. This can be empowering, and also serve as an illustration of hope for what is possible to the mentees they then assist.
- To include information in the training on other services in the area to signpost to outside of financial ones that may be having an impact on debt and mental health, such as family support, addiction services, counselling services, etc.

7. Conclusion

Our research found clear evidence that there was a need for the kind of support and signposting that Money Champions was seeking to provide and that those who had become Money Champions had benefited from the experience and changed their financial behaviour. In particular the interviews we conducted with individuals dealing on a day to day basis with highly disadvantaged and vulnerable people brought out the multiple causes of debt and the multiple harms that follow from it. Our research therefore supports recent studies of household indebtedness that make the case for community financial education programmes to build resilience to debt. The overwhelmingly positive response from the participants of the programme indicates clear impact. We found evidence that becoming a Money Champion has led people to better manage their finances in some cases cancelling credit cards, in others getting better deals for products and services. Perhaps more importantly we found evidence of renewed commitment to tackle the issue of debt from members of community institutions. These include evidence of rethinking/refining the services they offer; evidence of 'ownership' of the Money Champions programme in suggestions/proposals on how it might be strengthened and improved. This points to a core strength of the programme: its tendency and capacity to bring community institutions into partnership around the issue of debt. This occurs on the interpersonal level in the relationship between mentor and mentee but also at the institutional level as different community institutions - housing associations, community centres, universities, schools etc – are brought into strategic alliance to tackle debt.

The one area where we struggled to evidence impact was in evaluating the ripple effect of the programme. Mentees were difficult to track down for interviews and did not attend formal training sessions with opportunities for evaluation. This evidence is important for gauging the scale of the impact beyond the mentors that undergo the training. It is also important to establish whether the peer-to-peer approach is best suited for tackling problems like indebtedness which people are often reluctant to talk about. Finding ways to capture this impact should, in our view, constitute one of the major aims of the programme going forward.

Money Champions is a well-designed and well-delivered financial education programme that has made a real difference to people's lives. It provides an excellent basis for – or could be a key part of a community network to tackle the problems of debt.