An independent evaluation of the Community Money Mentors programme
Year 1

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Executive summary

Community Money Mentors is a three-year pan-London financial education programme run by Toynbee Hall. The programme aims to promote financial inclusion in the city by partnering with community organisations to train local people as Money Mentors. The Mentors learn the financial skills and knowledge needed to improve their financial health and wellbeing and develop the skills needed to pass their newfound knowledge onto others in their community.

This report presents the results of the evaluation of the first year of this programme. The evaluation drew on survey data, qualitative interviews and focus groups to assess the impact of the programme on the attitudes, knowledge and behaviour of the Money Mentors, the people they shared information with and on the partner organisations of Toynbee Hall.

The training had four main effects on the Money Mentors:

- Increased knowledge: The mentors taking part in the focus groups reported acquire new knowledge on a range of topics, including priority and non-priority debts, prioritising spending and online shopping.

- Improved money management skills: The proportion of Money Mentors reporting being okay or very good at managing their money more than doubled from 43% to 94%. Related to this, the propensity to do weekly/monthly budgeting (from 57% to 83%) and to plan ahead (49% to 77%) increased too.

- Enhanced savings habit: Just over half of the sample reported having saved money by changing payment method, tariff, supplier or borrowing.

- Increased confidence: They reported being more aware of their rights as consumers and opportunities to switch. Many had challenged existing service providers to lower their offer or had switched provider.

Compared to the overall population, the Money Mentors started at a lower level of financial capability but saw greater improvements in financial skills and knowledge. In some cases, they even surpassed the national average by the end of the course.

To date, Money Mentors have shared information with over 1,500 people on personal budgeting, saving, price comparison, banking and other financial matters. Interviews with secondary beneficiaries suggest that this guidance had the following effects:

- ✓ They felt that the advice on budgeting and cutting non-essential spending increased their confidence and control over their finances.
- ✓ The secondary beneficiaries reported saving money on their shop, reducing unnecessary spending and not spending everything in one go.
- ✓ The advice, made them more aware that they could and how to switch providers even if most had not actually switched.
- ✓ A number of secondary beneficiaries reported that they were saving more by setting by setting a savings target, opening savings accounts and switching providers.

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1 Introduction

Community Money Mentors is a three-year financial education programme (2015-18) run by Toynbee Hall. The programme aims to promote financial inclusion across London by influencing financial behaviour and capability of partner organisations and local residents. It sits within a broader framework of activities and programmes at Toynbee Hall to tackle financial exclusion by influencing social policy, informing policy and practice of financial institutions, and providing free advice and support to financially excluded households. This includes Financial Health Exchange, a national forum for financial inclusion, and Capitalise, a partnership of agencies providing free debt advice across London.

Specifically, the Community Money Mentors programme consists of three elements:

28	Partner organisations undergo capacity building for financial inclusion policy and practice by assessing current practice and providing good practice recommendations
280	Money mentors trained in personal finance management and mentoring through a 60 hour nationally recognised qualification
2,000	People in the community receiving support from Money Mentors by sharing information and support around personal finance management

The programme builds on the Community Money Mentors programme Toynbee Hall ran in Tower Hamlets from 2012 to 2015. The programme was funded by the Big Lottery Fund as part of the Financially Inclusive Tower Hamlets strategic programme and aimed to enhance financial capability and reduce financial inclusion. The evaluation of the original programme concluded that it had "significant impact on the financial capability, behaviour, confidence and well-being of participants, regardless of academic history or income level."[1]

This document presents the results of the 2015/16 evaluation of the current Community Money Mentor programme. The report details the impact on partner organisations, the Money Mentors and secondary beneficiaries drawing on survey data, focus groups and interviews. The document is organised into four sections:

- *Section 2:* Literature review
- *Section 3:* Evaluation aims, objectives and methodology
- *Section 4:* Impact on Money Mentors, secondary beneficiaries and partner organisations
- *Section 5:* Conclusions and recommendations
- *Appendix A:* Sample demographics

2 Literature review

Financial exclusion – the inability to access affordable and appropriate financial services – is a pressing and persistent issue for low-income households across the UK. Without the ability to access mainstream financial products, these households have to pay more for goods and services, and experience difficulties in accessing employment opportunities. Many also have to resort to high cost credit products or unlicensed moneylenders leaving them at risk of over-indebtedness with associated impacts on health and wellbeing. Based on research, Toynbee Hall estimates that the

[1] Williams, S. and Simpson, R. (2015) "The Money Mentors Programme – An evaluation report by Toynbee Hall," January 2015, p. 7

poverty premium in Tower Hamlets associated with financial and social exclusion is over £1,000 per year.[2]

The lack of financial capability – "the skills, knowledge and behaviours individuals need to make informed decisions and take positive action about their finances"[3] – is one factor contributing to financial exclusion. Financial capability is related to financial literacy: "the ability to make informed judgements and take effective decisions regarding the use and management of money."[4] Financial literacy is not in itself the desired outcome from decision-making, but rather the process of making meaning from contextual knowledge with the use of financial skills. Financial capability is not only financial literacy and having the necessary knowledge to make sense of and manipulate money in its different forms, but also it refers to having the right skills, attitude and confidence to deal with everyday financial matters, make the right choices, and apply knowledge and understanding across a range of contexts including both predictable and unexpected situations.[5]

Financial education is one important tool in promoting financial capability and can be defined as:

> *the process by which financial consumers and investors improve their understanding of financial products, concepts and risks, and through information, instruction and/or advice, develop the skills and confidence to become aware of (financial) risks and opportunities, to make informed decisions, to know where to go for help, and to take other effective actions to improve their financial well-being.*[1]

In addition to the elements of information, instruction, and advice, financial education is the process by which financial literacy is acquired and is an input "intended to increase a person's human capital, specifically financial knowledge and/or application."[6] Numerous studies have been conducted of the impact of a wide range of financial education programmes on financial capability in the UK.

It is difficult to generalise in terms of the overall impact of financial education. The programmes evaluated vary from small-scale community-based tutoring to financial education incorporated into school curriculum and the evaluations range from large-scale, longitudinal scientific studies to smaller qualitative studies. Large-scale academic survey-based studies find that financial education has small or negligible effects on long-term financial behaviour.[7] Most individual UK project evaluations identify a number of effects on financial inclusion: [8]

- Enhanced money management habits (e.g. reduced impulse buying, increased use of budgeting);
- Increased propensity to save; and
- Increased confidence and knowledge

[2] Toynbee Hall (2014). "The Poverty Premium in Tower Hamlets – A report by Toynbee Hall", May 2014
[3] Finney, A. & Hayes, D. "Financial capability in Great Britain, 2010 to 2012," Office for National Statistics, June 2015.
[4] Noctor *et al*. (1992) 'Financial Literacy: A Discussion of Concepts and Competences of Financial Literacy and Opportunities for its Introduction into Young People's Learning', report prepared for the National Westminster Bank, National Foundation for Education Research, London
[5] Delgadillo, L. M. (2014) 'Financial Clarity: Education, Literacy, Capability, Counseling, Planning, and Coaching', *Family and Consumer Sciences Research Journal*, Vol. 43, No. 1, pp. 18–28
[6] Huston, S. (2010) 'Measuring financial literacy', *The Journal of Consumer Affairs*, 44: 2, pp. 296–316
[7] Fernandes, D. et al (2014) 'Financial Literacy, Financial Education, and Downstream Financial Behaviors', *Management Science* 60(8): 1861-1883
[8] E.g. Collard, S. (2012) Quids in: The impact of financial skills training for social housing tenants, Personal Finance Research Centre, University of Bristol; Rocket Science UK Ltd for Citizens Advice (2012) Final report: Evaluation of MoneyActive financial capability project

There are two salient lessons from the literature and evaluations of financial education programmes:

- Research shows that the effects of financial education tend to dissipate over time.[9] Therefore, financial training should address specific issues and be immediately applicable in day-to-day decision making.[10] Moreover, people receiving financial education require ongoing training and coaching to change behaviour.
- Financial education also works less well in assisting households making complex decisions, as they will require assistance and advice in assessing options.

It is important to keep in mind these lessons in evaluating the impact of the Community Money Mentors programme. To some extent, they are already built into the design of the programme. To make the programme applicable and relevant for local residents, Toynbee Hall consulted with local communities about their training needs and preferences when developing the original programme. The course also covers a range of immediately applicable skills and knowledge, such as using price comparison websites, shopping and budgeting.

3 Evaluation aims, objectives and methodology

This independent impact evaluation has assessed the impact of the first year of the Community Money Mentors programme on three groups:

1) the longer term changes of policy or practice among partner organisations following the capacity-building provided by Toynbee Hall;

2) the shorter-term impacts on Community Money Mentors (future evaluations will consider longer-term impacts by interviewing and surveying money mentors);[11]

3) the impact on behaviour change among secondary beneficiaries and the wider community (as these beneficiaries pass on, or not, skills and knowledge within their community)

The methodology consisted of three main methods:

Method	Group	Number of respondents
Survey	Community Money Mentors	35
Focus groups	Community Money Mentors	15
Qualitative interviews	Secondary beneficiaries	8
	Partner organisations	2

In addition, we reviewed and helped develop the survey and other programme data collection tools in collaboration with Toynbee Hall.

Money Mentors Survey

The Money Mentors were asked to complete a questionnaire on a range of topics relating to money management skills, attitudes and behaviour at the start of and on completion of the training. Sixty-four mentors completed the first survey, while forty-nine filled in the second survey. We were able to identify 35 mentors who completed both surveys. The final sample is described in Appendix A. We

[9] Fernandes, D. et al (2014) 'Financial Literacy, Financial Education, and Downstream Financial Behaviors', *Management Science* 60(8): 1861-1883; Brancati, C. U. and Franklin, B. (2016) What works? A review of the evidence on financial capability interventions and older people in retirement. International Longevity Centre for the Money Advice

[10] Brancati, C. U. and Franklin, B. from International Longevity Centre for the Money Advice (2016) What works? A review of the evidence on financial capability interventions and older people in retirement

[11] Given that the money mentors only completed the training in the spring of 2016 (in line with the project plan), we cannot yet measure the long-term impact.

conducted descriptive comparative analysis of the pre and post-training data to determine if the programme had had any effects on the mentors. Ultimately, the sample was too small to test for statistical significance of differences. It will be possible to perform such tests once a new wave of surveys has been conducted. The study does not rely on a control group, as it is complicated and costly to sample a group of people similar to the treatment group in all aspects except for the training. Instead, comparisons are made with national benchmark data where possible and appropriate. The survey was developed by Toynbee Hall with advice and input from the University of Salford.

Community Money Mentors Focus Group

We conducted three focus groups with participants of the Community Money Mentor programme in the London Boroughs of Croydon, Lambeth and Newham. Fifteen community money mentors participated in the focus groups (three men and twelve women). Of the participants, two were self-employed having a number of various seasonal jobs, five were in full-time employment and eight are unemployed. Almost all of them were working or volunteering on community development, partly because of the support provided by Toynbee Hall to enable them to access such opportunities. The purpose of the focus groups was to understand how the training had affected the participants and the nature and extent to which the mentors shared information with their peers (and any difficulties in doing that). Specifically the focus groups focused on the experience of undertaking the training, its effect on behaviour, skills and confidence, and the nature and extent to which the participants shared information with their peers.

Qualitative interviews – secondary beneficiaries and partner organisations

We conducted qualitative interviews with two groups:

- *Secondary beneficiaries:* We conducted telephone interviews with eight secondary beneficiaries[12] focusing on a) the nature of the advice provided by the Money Mentor, b) the outcome and impact of that information or guidance on behaviour, skills and confidence, and c) if the mentor had shared any information with other people.
- *Partner organisations:* We interviewed managers of two partner organisations, one of which had undergone the financial inclusion audit. These interviews focused on changes in policy or practice of the organisations implemented due to the training provided by Toynbee Hall.

4 Impact

Drawing on all three sources of data – from the money mentors survey, focus groups and qualitative interviews with partner organisations and secondary beneficiaries – we discuss the impact of the Community Money Mentor programme on the Money Mentors, the secondary beneficiaries and partner organisations.

4.1 Impact on Money Mentors

The purpose of the training programme is to promote financial inclusion among Money Mentors by:

- Increasing their financial resilience
- Increasing their wellbeing
- Enabling positive change in household finance management
- Decreasing their expenditure and

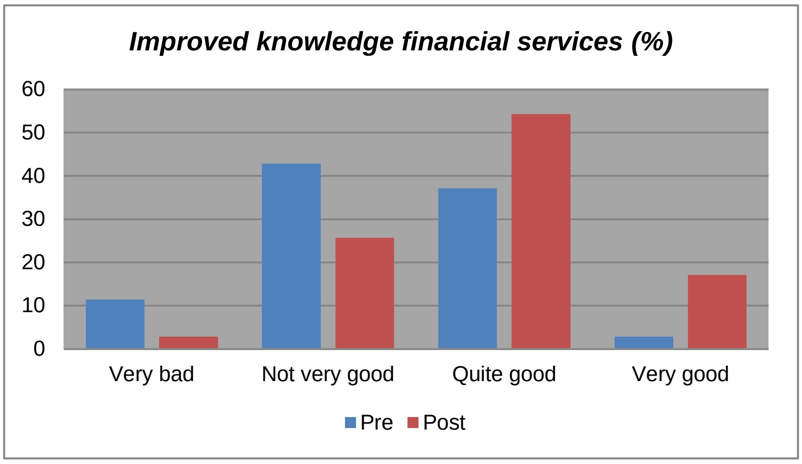
[12] The people interviewed consisted of one self-employed person, two part-time employees, one full-time employee, two students, one recent graduate and a retired person. They were mostly close relatives of the money mentors.

➢ Improving their access to appropriate financial products and services

The training may bring about these changes by a combination of increased knowledge, skills, awareness and confidence.

Knowledge and skills

The chart below compares the mentors' knowledge of financial products and services, including bank accounts, energy tariffs and mobile phone contracts prior to and after attending the training.



Not surprisingly respondents stated that their knowledge increased following the training. The proportion of Money Mentors who classed their knowledge as quite good or very good increased from 40 to over 70%. In comparison, national data suggests that financial knowledge has deteriorated since 2006. According to the 2006 FSA and 2015 Money Advice Service (MAS) financial capability surveys, the percentage of people being able to read bank statement balance correctly and understand inflation fell by 13% and 19% respectively. There was a slight increase in the proportion calculating the balance after interest rate was added correctly from 61 to 64%.

The increased knowledge was not limited to financial products. During the focus group discussions, many participants were genuinely surprised about what they learnt. For example, Sharon was surprised to learn the difference between different types of debt. Similarly, Liz thought she learnt a lot about security.

"I had to list all the priorities if you are in debt, what is important. There were things like television, that is important in a way because it is seen as a tax, but I would see it probably leisurely. We had to list what is priority A and what is priority B. TV licence, you could be jailed for that!"
Sharon, Money Mentor

"we learnt a lot of things, how to protect everything, sometimes people do things, we need money quickly, just enter PIN, and that's it then. We need to cover everything…the safest way is PayPal [for internet purchases], I didn't know before that."
Liz, Money Mentor

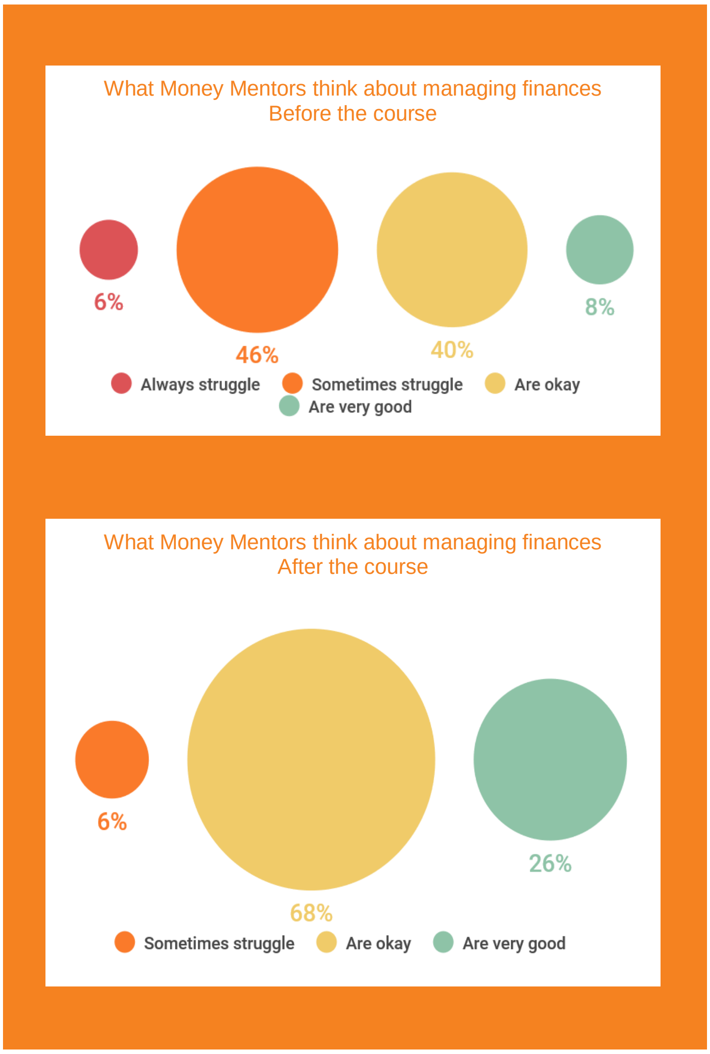
However, for focus group participants, enhanced factual knowledge about products and money management were secondary to increased awareness and changing their approach to day-to-day money management. Moreover, factual information is easily forgotten as noted by Sarah:

> *"maybe a small, little booklet with bullet points would have helped, something more manageable in terms of all the things that we have learned on the course. Like a summary booklet, especially when we were doing the survey, I was thinking, o gosh what have we learned?"* (Sarah, Money Mentor)

Many of the secondary beneficiaries could also not remember all the information when they were interviewed.

Money management

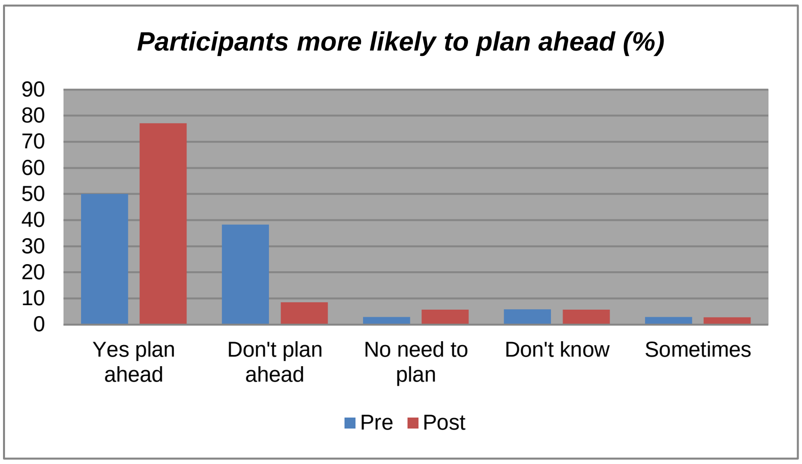
Effective personal finance management through keeping track of current expenditure and planning future spending is a core skill. Without it, it is difficult to set aside money for savings and to plan and carefully consider future purchases. Related to that, the Money Mentors were asked how well they managed their finances.



The reported improvement in the management of finances was considerable. The percentage of Money Mentors reporting always or sometimes struggling fell from over 60% before the training to 6% after the training. Similarly there was a fivefold increase – from 6% to 26% – in Money Mentors who thought their management was very good. Related to this, there was also an increase in the proportion being able to pay their bills most of the time or always from 83 to 94%, suggesting an increased level of control over their finances. Nationally, there are indications that household finance management is improving, though not by as much as the Money Mentors. For example, the proportion of households reporting that keeping up with bills and credit cards without difficulty increased from 53% in 2012-14 to 58% in 2014-15.[13] This compares with an increase from 46 to 56% of Money Mentors always paying bills on time.

Planning ahead is an essential part of effective finance management. The chart below compares the extent to which the Money Mentors plan ahead for large and expected costs (birthdays, weddings etc.) before and after their training.

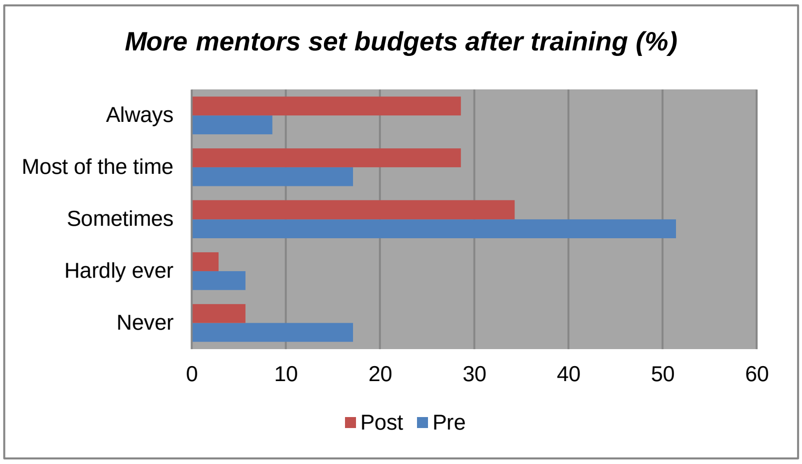
[13] Wealth and Assets Survey, Office of National Statistics



There was a marked increase in the proportion planning ahead from 50 to 77%. Similarly the proportion of Money Mentors not planning ahead at all fell fourfold from nearly 40 to under 10%. There is no equivalent national figure for this but in 2013 just shy of 70% UK households reported that they planned for the future.[14]

Budgeting is central to the idea of planning ahead. The Money Mentors were asked if they set a monthly or weekly budget.

There was a considerable change from the start to the end of the training. Only a quarter of the participants set a budget most of the time or always before undertaking the training. On completion of the training nearly 60% reported using weekly or monthly budgets, constituting a more than a doubling. We have not found any longitudinal data on budgeting but in 2013 47% of UK households reported using a personal budget.[15] This means that the Money Mentors were below average prior to but surpassed it by the end of the course.



The focus group also reported taking a more conscious and planned approach to their finances. One of the triggers for this change was a class exercise to monitor their own spending during a period. According to Fatima:

> *"another thing that stood out was your monthly expenditure, what you spend, what is actually coming out of your account…it is a real eye opener at what you are spending, where you can save money. You actually don't realise when…you are spending it"* (Fatima, Money Mentor)

Bill was shocked by how much he was spending on small, non-essential items:

> *"When I looked at how much I'd spent in a week buying little bits of rubbish…but I've stopped doing that now. I try and keep a budget as well each week and each month and I see how much I spend in and how far off target I am."* (Bill, Money Mentor)

[14] Financial Capability Survey, Money Advice Service
[15] Financial Capability Survey, Money Advice Service

There was one lesson that resonated with and was mentioned frequently by focus group participants, which they stressed had changed their approach to shopping and money management: do I want it or do I need it. Deborah said it changed the way she and her daughter shopped:

> *The biggest thing and it is such a simple thing to do: do I want or need it? ... I find that most of the time I just wanted it*
> Deborah, Money Mentor

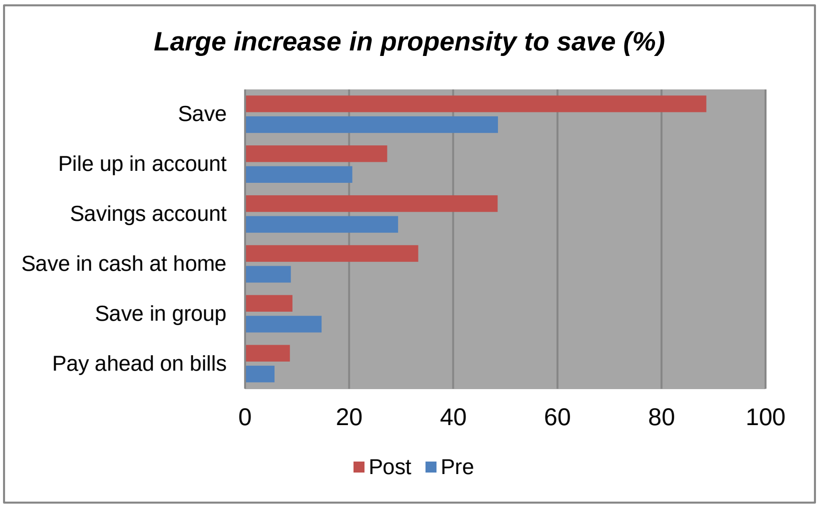
Savings

Enhancing the savings habit is an important element of mitigating the Poverty Premium through making households more resilient. There was a significant increase in the proportion of Money Mentors saving.

While just shy of 50% of Money Mentors reported saving at the start, by the end nearly 90% claimed to be saving. The largest increases in terms of methods were putting money into savings accounts and saving in cash at home. This is supported by an increase in the proportion agreeing with the statement that they put aside money for a rainy day. Nationally the proportion of households saving every month increased from 53% to 56% between 2013 and 2015,[1] a less marked improvement compared with the Money Mentors.

The increased propensity to save is corroborated by the discussions in the focus groups. For Steve, the course raised his awareness of the importance of saving:

> *"Simple thing. Just putting money aside now and again. Even after two years, if I need to buy one big thing. Two years of saving is usually the proper way."* (Steve, Money Mentor)



The focus group discussions suggest the increasing savings rate is linked to two aspects. The first is the notion that saving even small amounts can make a difference. On being made aware of that, Julie immediately changed her saving habit:

> *"What she [trainer] said about one pound a day, save one pound a day, I have been saving one pound a day… So that perspective, I think it has changed me."* (Julie, Money Mentor)

The second aspect is that budgeting and planning enabled saving by setting a target for saving and reducing non-essential spending. Liz stressed the importance of this:

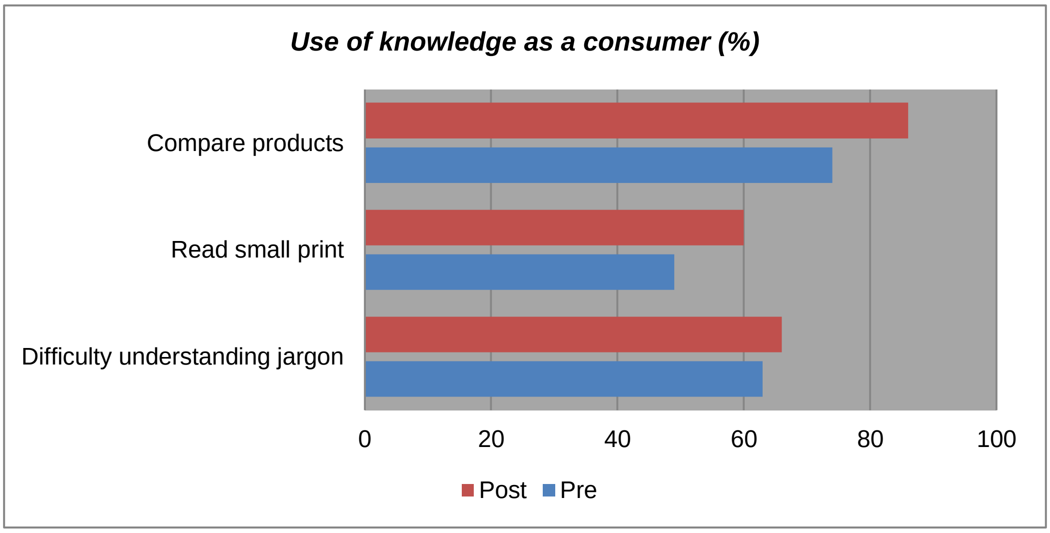
"You know what you spend week after week and what your actual budget is for the month so you're not kind of, you know, you can get savings" (Liz, Money Mentor)

Some participants believed that the training also helped reinforce existing savings habits and boosted financial confidence. Amanda felt that the course underpinned what she already knew:

"After this course, I was feeling much more confident because all the time I was saving money… [Trainer] gave loads of examples and I was feeling more confident because I did everything in correct way." (Amanda, Money Mentor)

Shopping around

Making participants more informed consumers is an important goal of financial education. This may enable them to select products and services that are cheaper and more appropriate for their circumstances. A precondition for this is being able to understand the terms and conditions of products and carefully considering other options. The chart below compares the proportion of participants agreeing with statements related to consumer knowledge and behaviour before and after the training.



Around 85% mostly agreed, agreed or strongly agreed that they compared different products before committing to one compared with 74%. The ability and knowledge to compare products is vital part of being an informed consumer and benefiting from better deals. In comparison, 78% of UK households report checking different supplier tariffs before signing up to a supplier.[16]

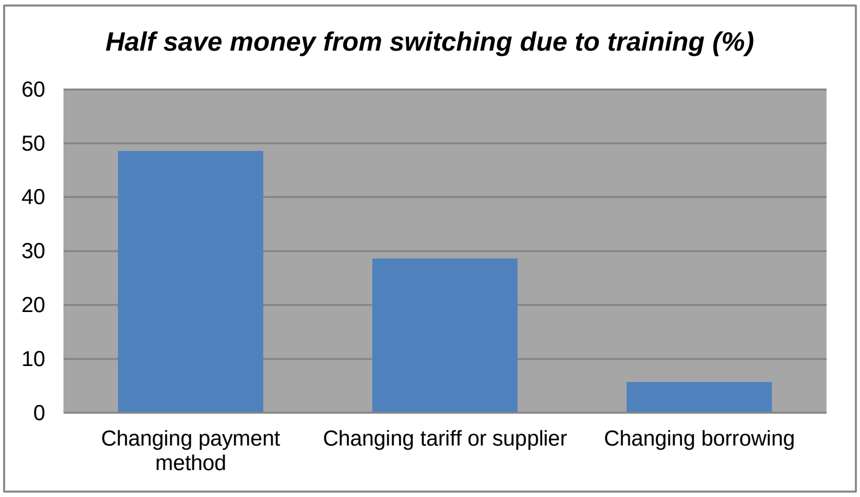
[16] Financial Capability Survey, Money Advice Service

Reading the small print on a contract is also part of being an informed consumer. The percentage of Money Mentors agreeing (fully, mostly or agree) with this statement increased from 49% to 60%. More generally, some focus group participants reported increased confidence in questioning firms and authorities because they felt more informed about their rights.

Reading the small print

A final aspect relating to being an informed and empowered consumer concerns the ability to understand jargon and technical language. The training appears to have had little effect on how the Money Mentors feel about technical terms and jargon. In fact, the percentage of people that agree (including strongly and mostly agree) with the statement that ‘I find it difficult to understand the technical terms and jargon used about money and in contracts’ increased slightly from 63 to 66%.

Apart from better planning and saving more, encouraging households to shop around for the best supplier and using the cheapest payment method is an important way of increasing disposable income. Hence, at the end of the course, the Money Mentors were asked if they had switched payment method, tariff, supplier or borrowing as a result of the training.



£30

saved per month by switching

Just over half of the Money Mentors responding to the survey reported saving money from switching as a result of the training. Of the 23 instances where the respondent had specified an amount the total monthly saving amounted to £705, an average of £30 per switching incidence. Most of this saving resulted from changing payment method. This is corroborated by the increase in using direct debit to pay for gas and electricity from 31 to 51%. There was also a drop in the use of pre-pay cards from 34 to 26%.

Although the evidence suggests a positive effect of the programme on switching, it is important to acknowledge that the increase in switching may also be a part of a national trend towards switching. In 2015, 6m switches were made in the UK energy market constituting a 15% increase on 2014.[17]

[17] “More than 6million households switched energy firm in 2015, as 15% more hunt out a better deal on bills”, This is Money.co.uk, 22 February 2016

Switching and shopping around were also frequently mentioned in the focus groups. Participants, such as Melissa, had never thought about switching or challenging their existing providers before attending the course:

"In my case, I accepted that British Gas was the provider, and I never thought about going elsewhere. Now, I question, there must be another provider out there" (Melissa, Money Mentor)

The greater awareness was, in part, driven by having the knowledge and tools to search for alternatives. Susan used comparison websites more as a result of the training:

"I'm going on the compare sites now a bit more and checking what kind of deals …I've got cheaper car insurance through that" (Susan, Money Mentor)

However, many participants felt the most important change was that they were felt confident in challenging large providers and institutions. Liz felt that the training had changed her mind-set in terms of challenging larger institutions:

I think it has changed my life phenomenally ... I feel now that I have the confidence to approach them, challenge them and to say it is not going to be like that, let's have another look at that and I can't afford that

Liz, Money Mentor

She specifically pointed to three aspects that had enabled her to approach and challenge these institutions: knowing her rights, knowing how to question decisions and understanding who to approach in the hierarchy.

Similarly, Sandy felt that the course empowered her to challenge existing providers, include credit card and mobile phone providers, to offer them a better deal:

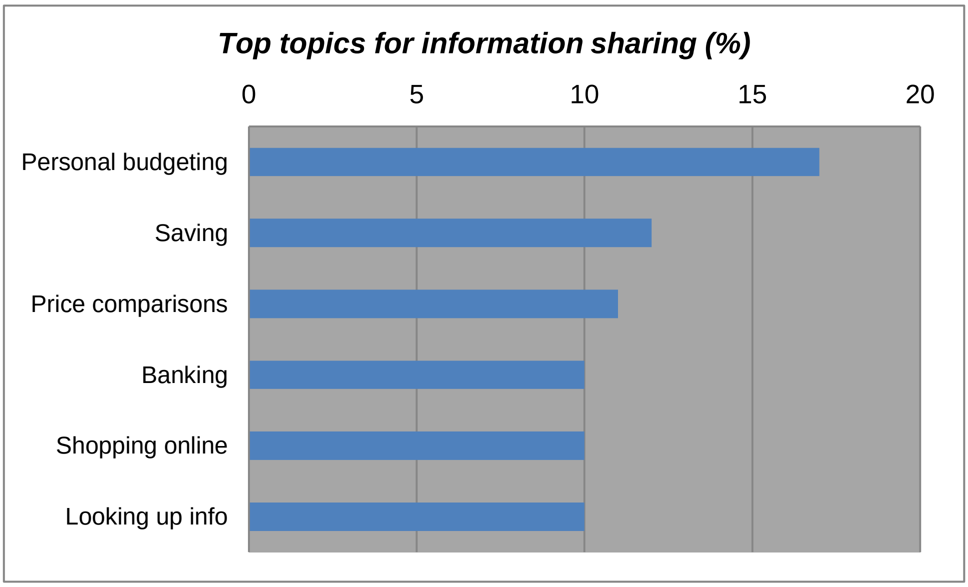
"I went for a contract for a new phone, and they initially told me a price and…I said, you definitely have to have something cheaper…and he found out that the phone could be cheaper…I wouldn't have thought that I had that right before to question…So I think that is the result of the course" (Sandy, Money Mentor)

4.2 Impact on secondary beneficiaries

It is perhaps not surprising that participating in a financial education course leading to a formal qualification would lead to a change in knowledge, attitudes and behaviour concerning money management. However, an important aspect of the training of the Money Mentors was that they would share their knowledge and expertise with their peers. Indeed, nearly 60% of the respondents wanted to do the training to share information with their peers. To date the Money Mentors report having shared information with over 1,500 people.

In the focus groups, the Money Mentors reported that they most commonly shared information with family, friends and neighbours. It was noted by some participants that sharing information with people they did not have a relationship with could be difficult. Similarly, a selection of participants wanted more specific guidance on how they could share information, including who to target and how to approach them, and more opportunities to volunteer to pass on what they had learnt. According to the data collected by the Money Mentors on the information they pass on, 30% were friends, 26% family members, 14% clients or customers and 11% neighbours.

According to the data reported by the Money Mentors, there were six topics on which they were likely to share information.



17% of secondary beneficiaries received information on personal budgeting; 12% received information on saving; 11% on using internet for price comparison; and 10% each on banking, shopping online and looking up information. The secondary beneficiaries we interviewed reported receiving information and advice on the following topics:

- Money management and budgeting, including how to avoid overspending, not spend everything straight away and only spending on what they need rather than want;
- How to save money on shopping, including where to shop, planning ahead of shopping and buying cheaper brands;
- Saving, such as how to save and having an aim for saving;
- How to shop around and comparing rates, including awareness of alternatives

The secondary beneficiary interviews suggest that this guidance and information had four main impacts:

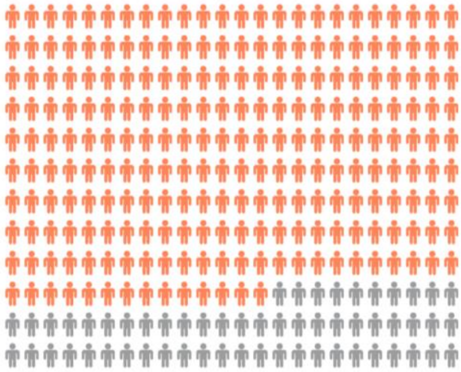
- Enhanced confidence and control: The interviewees felt that the advice on budgeting, curbing unnecessary spending and generally being more conscious in allocating money meant that they were more confident in managing their finances. They felt that they had more control over their spending.

- Saving money on shopping: The Money Mentors gave the secondary beneficiaries a range of tips on how to take a more planned and conscious approach to their weekly shop. This included planning ahead by writing a list before going shopping, considering if a purchase is necessary or just something one wants, and selecting cheaper brands and supermarkets. As a result, the secondary beneficiaries reported saving money on their shop, reducing unnecessary spending and making their money last longer (rather than spending it in one go).

- Increase switching: The guidance provided to the secondary beneficiaries resulted in increased awareness of switching even if it had not led to actual switching. The advice, the interviewees felt, made the recipients realise that there are other options they can consider apart from simply going with what they already use and know. They were also given tips on how to do searches and what to look for.

- Increased saving: As a consequence of the advice and information on setting a target for saving, budgeting to include savings as well as spending, opening savings accounts and switching providers to benefit from cheaper deals, a number of the interviewees reported that they were saving more. One respondent noted that he was now saving £50 more a month, whilst another interviewee said she now had built up a considerable amount. Apart from putting money into savings accounts, people were also saving by putting money onto Oyster cards and other means of saving.

The secondary beneficiaries differed in sharing what they had learnt with other people. Some had not shared because they did not feel confident enough in their own skills, they had not had the time or it had not come up in conversation. Others had reported sharing tips with friends and relatives. One secondary beneficiary had told her mother about energy saving and she changed provider as a result. According to the data collected on secondary beneficiaries by the Money Mentors, 80% said they would share what they had learnt with others.



80% of secondary beneficiaries would share what they had learnt

It should be noted that the secondary beneficiaries we interviewed were mainly close relatives (especially children and spouses) to whom the money mentors had provided advice on a more sustained basis. Hence, we did not capture the effects of one-off or less sustained guidance and support to the same extent. Because we contacted the secondary beneficiaries 3-6 months after the event, many could not recall receiving the information or support. Yet, they may have made immediate changes to their behaviour. In future evaluations, we propose contacting secondary beneficiaries within a month of receiving the advice.

4.3 Impact on partner organisations

An important component of the programme was to build the capacity of partner organisations to increase their ability to support low-income households with personal financial management. As part of this, Toynbee Hall aims to undertake a Financial Inclusion Opportunities Exchange (FIOE) to identify areas of improvement and provide 10 hours of financial inclusion training to members of staff. In addition, partner organisations can use Money Mentors to support the provision of debt and money advice.

We have only interviewed the managers of two partner organisations to date. This is because only one partner organisation had completed an FIOE at the time. There are currently three partner organisations that are undertaking FIOE. Moreover, it will take more time for the partner organisation to make changes in policy and for any impact of these changes to materialise. Hence, there is not sufficient data for a conclusive assessment of the effect of the capacity building.

One of the organisations interviewed had been subject to a FIOE, while the other had received training from Toynbee Hall prior to the current Community Money Mentor programme. The manager of the partner organisation that had not undergone a FIOE stressed that Toynbee Hall had provided useful support when the organisation was set up:

"We have done some work with Toynbee Hall previously anyways. We were setting up [name of partner organisation] with them. So they helped have a conversation with us, set up, train our staff about different aspects of money management." (Manager, Partner organisation)

Specifically, Toynbee Hall had provided the organisation with introductory training on financial inclusion:

"So we just did a two day taster course if you like, introduction to financial inclusion, and that is where the relationship formed" (Manager, Partner organisation)

The manager of the partner organisation undertaking the FIOE saw it as a very useful exercise for two reasons. First, it was useful to have someone from the outside to examine current activities strategically:

"It was really fantastic to have someone externally audit us… It was good to have someone from the outside to do that and step back. Because a lot of times it is just reactionary, we just do things because we need to do them and we know it helps clients and whatever. It was good to have that…and then just come up with some strategic ideas." (Manager, Partner organisation)

Second, the flexible way in which it was conducted was seen to be very conducive for small, busy organisations:

"I think we just have really good communication. I found it very relaxed and that's what important for an organisation that is super busy… I just think it was just a very easy transition into doing it" (Manager, Partner organisation)

At the time of the interview, the organisation had not yet incorporated any of the recommendations because it was in the process of updating its business and strategic plan. However, the organisation was in the process of changing its monitoring processes as a result of the audit:

"We have changed some of our information sheets, we are going to change some of the things on the display in the reception. I am just at the moment looking at re-doing our business and strategic plan. A part of that is looking at the outcomes framework, and we have built in the financial capability, whereas before we might have just not focused on that." (Manager, Partner organisation)

5 Conclusions and recommendations

Overall the analysis of the Community Money Mentor programme suggests that it has had a number of positive outcomes and impacts. The training has had four main effects on the Money Mentors:

- Increased knowledge: The percentage of Money Mentors that reported having good or quite good knowledge of financial products and services nearly doubled from 40% to 71%. The Money Mentors taking part in the focus groups listed a number of knowledge they had obtained, including priority and non-priority debts, prioritising spending and online shopping.

- Improved money management skills: The proportion of Money Mentors reporting being okay or very good at managing their money more than doubled from 43% to 94%. Related to this, the propensity to do weekly/monthly budgeting (from 57% to 83%) and to plan ahead (49% to 77%) increased too. The focus group participants felt that the class exercises to monitor their spending made them more aware of how much they could save on cutting non-essential spending.

- Enhanced savings habit: *There was* a near doubling in Money Mentors saving (from half to nearly 90%). The focus group discussions suggest that the mentors realised the value of saving even small amounts on a regular basis. Furthermore, just over half of the sample reported having saved money by changing payment method, tariff, supplier or borrowing.

- Increased confidence: The focus group participants strongly felt they were more confident in challenging large institutions and companies. They reported being more aware of their rights as consumers and opportunities to switch. Many said they had challenged existing service providers to lower their offer or had switched provider.

Compared to the overall population, the Money Mentors started at a lower level of financial capability but saw greater improvements in financial skills and knowledge. In some cases, they even surpassed the national average by the end of the course.

Because the evaluation only looked at the first year and one cohort of the Money Mentor training programme, it is too early to analyse the long-term impact and if the programme will have the same effect on future cohorts. Having more data will also make it possible to test for statistical significance of the effects in future evaluations.

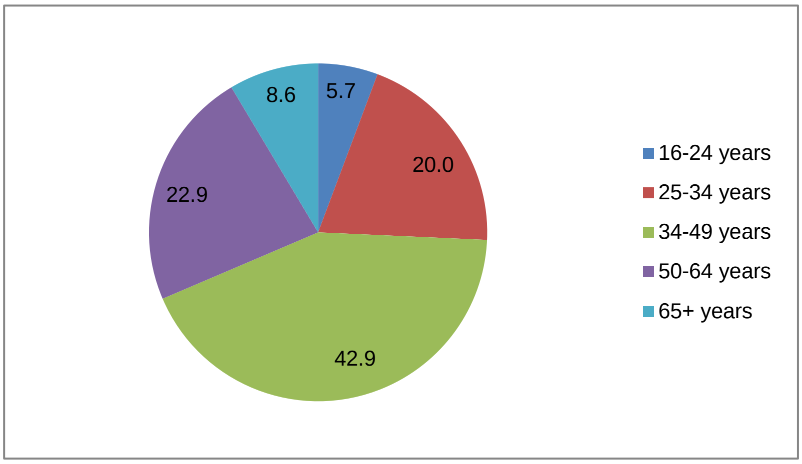
Hence, we make only a limited number of recommendations concerning the programme and the evaluation methodology:

- **Greater involvement of partner organisations in use of Money Mentors:** The focus groups and the interviews with partner organisations suggest that the follow-up of Money Mentors by the partner organisations could be improved. The Money Mentors often wanted more opportunities to volunteer and provide mentoring services in a more organised fashion. Some called for more guidance as well as more opportunities.

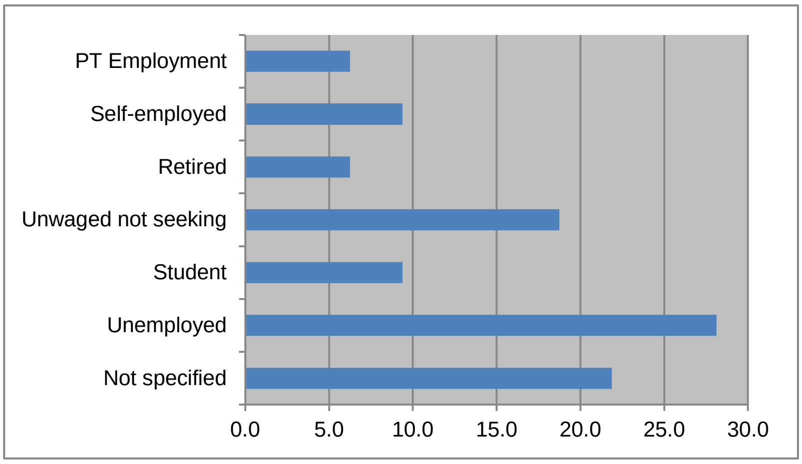
- **Need to improve our understanding of secondary beneficiary impact:** Although we have been able to ascertain the impact on secondary beneficiaries, we believe this part could be enhanced in two ways. First, we propose that group interviews are conducted of a selection of money mentors and secondary beneficiaries with whom they have provided sustained information and advice. Second, we propose contacting the secondary beneficiaries one month after they have received the advice to increase the sample size.

Appendix A: Sample demographics

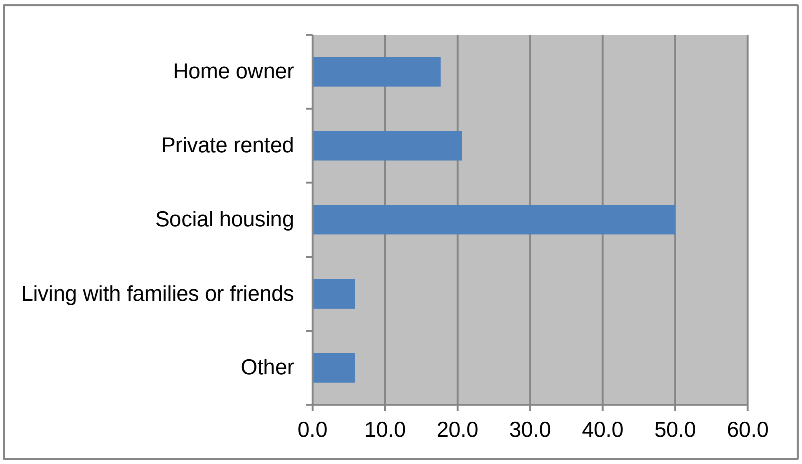
This section provides an overview of the demographics of the Money Mentors that participated in both the pre –and post-training survey.



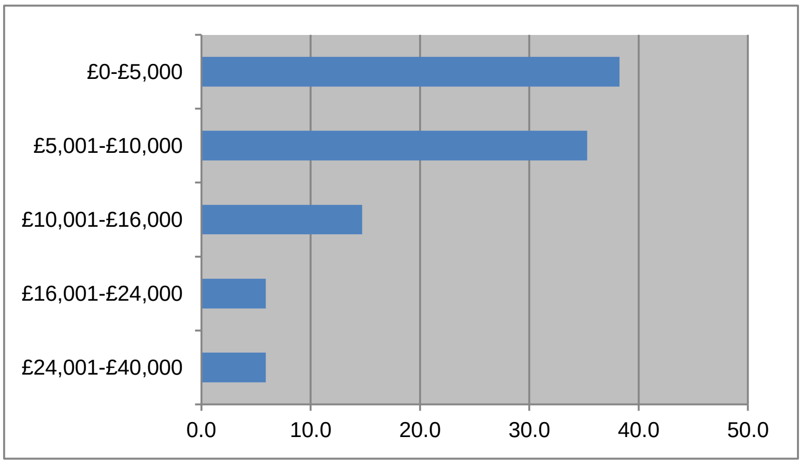
The single-biggest group in terms of age is 34-49, which account for over 40% of the sample. This is followed by the 25-34 and 50-64 age groups.



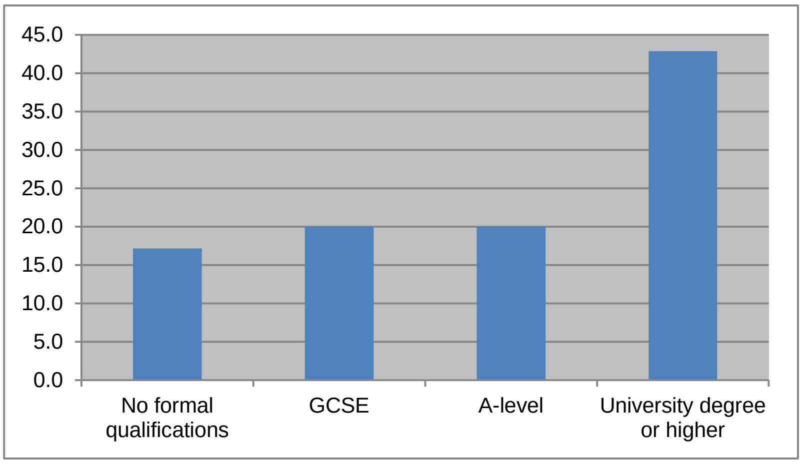
Around 28% of the sample is unemployed, whilst around 15% are self-employed or employed. In comparison, only 6% of the economically active population in London is unemployed, indicating that the programme reaches into deprived and vulnerable groups.



Half of the respondents live in social housing. This compares with around 17% nationally. Nearly 20% were homeowners compared with around 60% nationally.



Also the data on household incomes suggests the sample is more deprived than the overall population. The household income of over 90% of the sample was below the national median income of around £25,000. Nearly 40% reported an income of less than £5,000.



Just over 40% had a university degree of higher. Around 17% had no formal qualifications at all.