Money, care and wellbeing

Presentation to:

5th Annual National Counsel and Care Conference

27 January 2010

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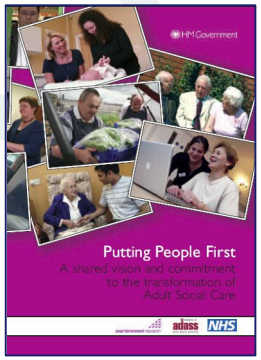
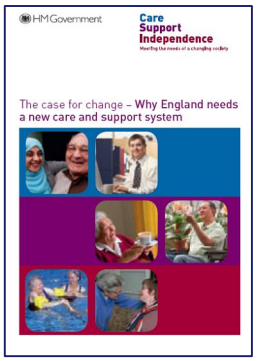
Agenda

- Why we are here today
- The FSA's role in improving financial capability
- Our research into links with wellbeing
- Financial capability and your work
- Future plans for the FSA and the care sector

Why we are here today

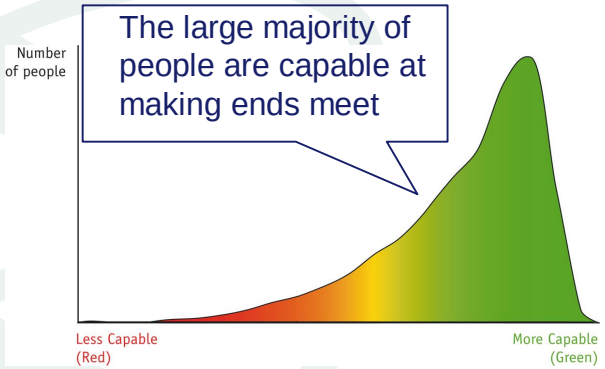
- Financial capability as the third life skill after literacy and numeracy
- Helping to prevent debt
- Strong link between mental ill-health and money difficulties
- Personalisation of care means ensuring recipients are financially capable.

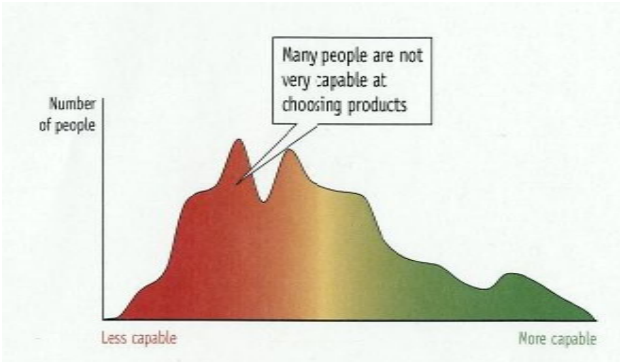


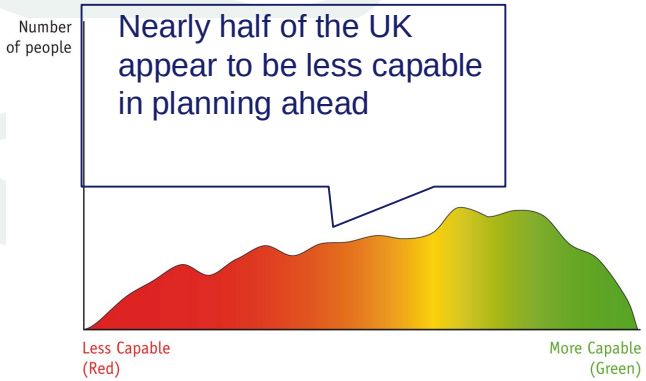


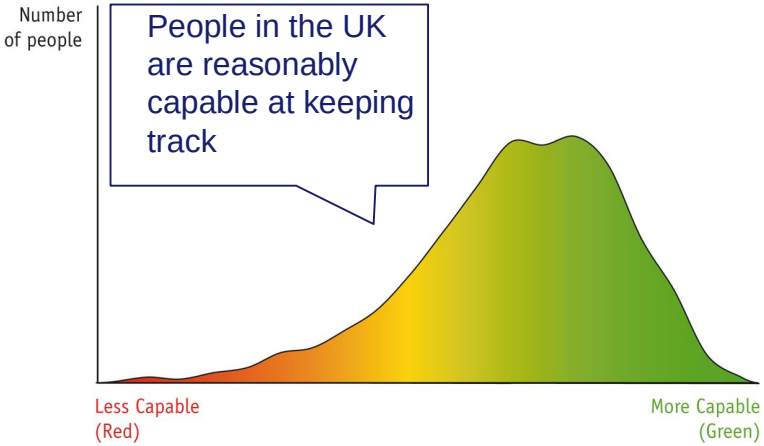
The problem

- Baseline survey 2006 showed a gap between confidence, knowledge and action
- Financial capability correlates with age and education but not income









Our strategy

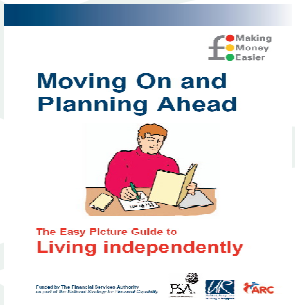
National Strategy for Financial Capability

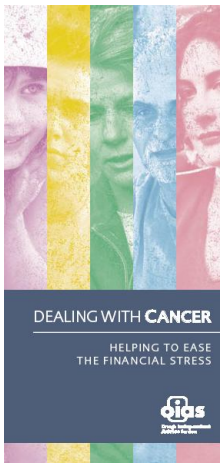
Moneymadeclear
No selling. No jargon. Just the facts.

young people & money

Universal

FINANCIAL CAPABILITY
parent's guide to money





Targeted

Information, Advice & Guidance

Our approach

FSA

The right information

- Tailored to the needs of particular groups
- e.g. entitlements, responsibilities

The right time

- Life stages and trigger points
- e.g. births / marriage / retirement / ill health

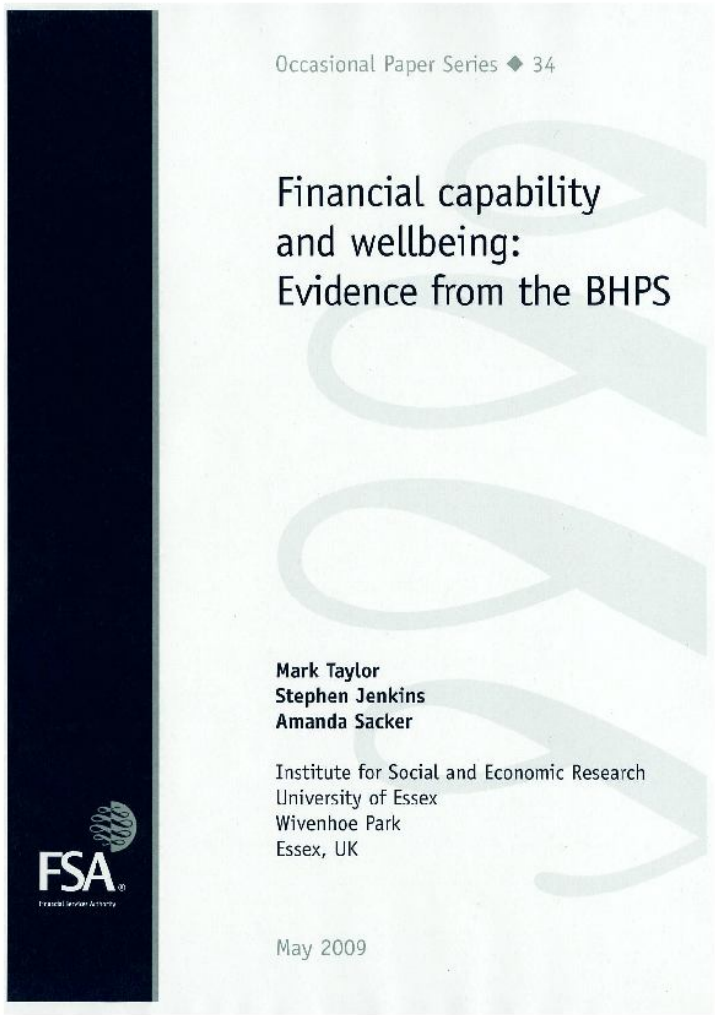
The right place

- Trusted intermediaries
- e.g. Third sector, midwives, health visitors etc

Embedding financial capability

- **Our Financial Capability work involves government, voluntary sector, financial services and employers**:
- **Integral to public policy in helping to:**
  - Prevent debt
  - Reduce stress/ Improve wellbeing
  - Reduce crime through illegal borrowing
  - Establish a ‘social safety net’
- **Requires working collectively to maximise effectiveness of strategy**
- **Starting early – financial curriculum**

The FSA and Wellbeing


Occasional Paper Series ◆ 34

Financial capability and wellbeing: Evidence from the BHPS

Mark Taylor
Stephen Jenkins
Amanda Sacker

Institute for Social and Economic Research
University of Essex
Wivenhoe Park
Essex, UK

May 2009

- Midwives - the birth of the research
- Improving people's ability to manage their money improves their psychological wellbeing;
- Our intuitive link between financial capability and wellbeing now has an empirical basis;
- This research shapes our thinking and provides a robust business case to government to mainstream financial capability; and
- Financial capability as part of empowering people to make informed choices about their money

www.fsa.gov.uk/occpapers/op34.pdf

Findings from our research

An improvement in financial capability leads to an improvement in psychological well-being

Moving from LOW to AVERAGE levels of financial capability

Psychological Wellbeing: 5.6% ↑

Life Satisfaction : 2.4% ↑

Anxiety/ Depression : 15% ↓

- The relationship is magnified for the **divorced and the unemployed;** 8.8% increase in psychological wellbeing

Financial capability supporting your work

Shared belief in the importance of wellbeing

↓

Delivering support on personal finances

- Health inequalities
- Independence and control
- Personalisation of care
- Local Government's Wellbeing Power
- New Horizons

Other ways we support health and social care professionals

Workplace support

- **We have a programme of delivering seminars to employees in the workplace, covering financial capability issues**
- **We have delivered this already in a health context**
- **Free resource for employers to help empower employees especially during times of tight or reducing budgets**

"I now write everything down that I spend in a month. This has made me think about my spending. Last month alone I saved £150.00, so thank you".

"Shopping around for insurance products - saved £200 so far - and taking a packed lunch more often - probably saved about £20 per week".

Future Plans for FSA

1

The needs of the individual

- How can we work with health practitioners to help identify and engage with the financial capability needs of the individual?
- How do we ensure that we address mental wellbeing as well as mental health issues?

2

Supporting practitioners

- Workplace training?
- Provision of materials / support?

3

Working with you

- How can we best get involved in your work?
- What more can we do to engage with you?

Money Guidance

- **Money Guidance is information and guidance offered to consumers**
- **Provided on the telephone, on the web and in face-to-face appointments (face-to-face service being phased in over time)**
- **0300 500 5000* / www.moneymadeclear.fsa.gov.uk**
- **New national money guidance service available to all**
- **Announced by Government in the Pre-Budget report**
  - Launching spring 2010
  - Impartial, Sales and Jargon free
  - Just the facts
  - Confidential

***calls cost no more than 01 or 02 UK-wide call and are included in inclusive mobile and landline minutes**

Useful web pages

Moneymadeclear (consumer website)

www.moneymadeclear.fsa.gov.uk

Intermediaries website

www.fsa.gov.uk/financial_capability/

What About Money (targeting the under 25s)

www.whataboutmoney.info/

Contact details

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