
ROLE OF STAKEHOLDERS IN FINANCIAL EDUCATION AND AWARENESS CAMPAIGNS

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Engage senior representatives of key stakeholders

The FSA's National Strategy on Financial Capability is overseen by, a Steering Group of Senior Representatives of Stakeholders

John Tiner (Chairman)	Chief Executive	FSA
David Harker	Chief Executive	Citizens Advice
Deirdre Hutton	Deputy Chair FSA Board & Chair	Food Standards Agency
John Cridland	Deputy Director General	CBI
John Gummer MP	Chairman	AIFA
Luqman Arnold	Chief Executive	Olivant & Co
James Purnell MP	Minister of State for Pension Reform	DWP
Ron Sandler	Chairman	Pfeg
Sir David Clementi	Chairman	Prudential plc
Ed Balls MP	Economic Secretary	HM Treasury
Lord Adonis	Minister for Schools Standards	Department for Education and Skills
Karen Thompson	Chairman and Chief Executive	AOL UK
Tony Wadsworth	Chairman and Chief Executive	EMI Music UK

Identify the problem

- The FSA commissioned a comprehensive Financial Capability Survey to measure the financial capability of the UK population and to provide a baseline to measure future changes
 - over 5,300 in-depth interviews
 - representative of the UK population
 - covering people’s understanding, attitudes and behaviour
- We will repeat every 4 to 5 years

The FSA's Survey indicated particular groups with lower financial capability

- Under-40s typically much less capable, but carry much greater personal responsibility than their parents' generation
- Older people generally more capable, but poor at choosing products
- Financially excluded
- And the following can be predictors of lower financial capability
 - Not being a home owner (eg living in social housing)
 - One parent families
 - Being unemployed

This helps to indicate who are likely to be key partners

Need to work in partnership

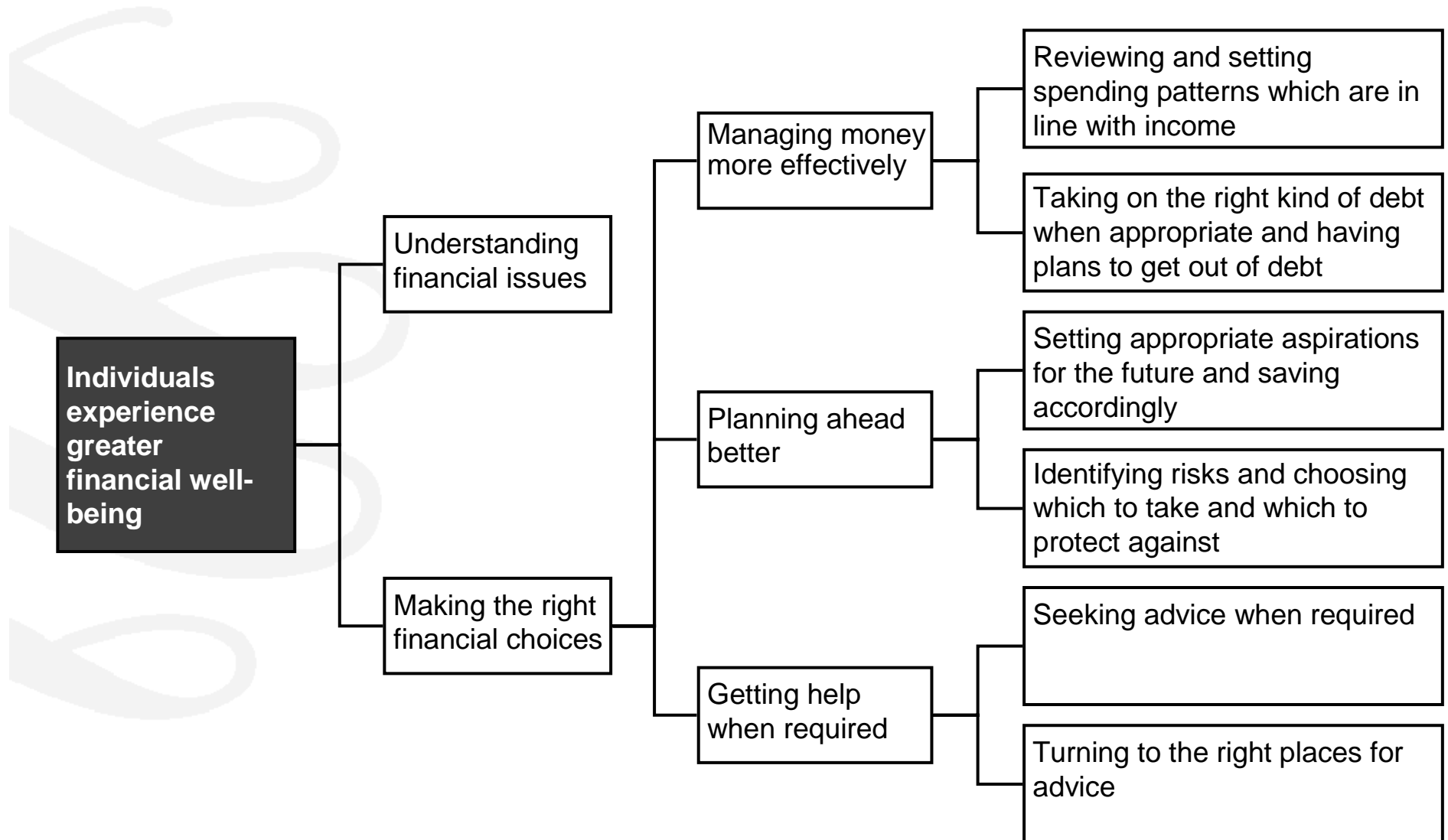
- Improving financial capability requires large-scale behavioural change (and unlike seat belts and anti-drink driving campaigns, no 'sanction' for those who don't comply)
- No single organisation can improve financial capability on its own
- Need to reach people, in ways with which they will engage, through a multiplicity of channels

Who has an interest?

Improved financial capability is a win/win for:

- government/citizens
- financial services providers/consumers
- teachers/pupils
- universities/students
- employers/employees
- voluntary sector organisations/clients
- health professionals/clients

Improving Financial Capability will benefit individuals



There are clear benefits for the savings/protection industry

The savings/protection industry will benefit from improved financial capability

Consumers buy more savings and protection products that suit their needs

Consumers have more discretionary spending money

Consumers understand the benefits of savings and protection

Consumers buy fewer inappropriate savings and protection products

Consumers are more likely to seek high quality advice

Consumers are better able to judge what is good advice

Distribution costs are lower

Consumers are more likely to identify for themselves when they should buy a product

Consumer - facing staff can spend less time on educating customers about products etc

And there are clear benefits for the lending industry

The lending industry will experience greater profitability from improved financial capability

Consumers take on more appropriate levels of debt

Consumers understand when and what type of debt to take on

Consumers proactively approach lenders rather than waiting to be sold to

Consumers are more likely to pay back their debt

Consumers avoid taking on too much debt

Consumers budget for repayment

Consumers seek advice before their debts become unmanageable

Employers benefit from helping their employees to improve their financial capability

- Those with money worries liable to under-perform or to have time off sick (with stress, etc)
- Helps to reinforce key messages about total reward packages for staff
- Enhances employer's reputation for looking after employees' welfare

How can partners help?

Drawing up materials

- eg for schools or for consumers

Providing trained advisers

- eg in universities, on voluntary sector premises

Delivering seminars

- eg in workplaces

Providing funding

- especially from CSR budgets

Making tools/materials available through websites

Seconding staff

Use a variety of means to engage people

- Use a variety of approaches
- Avoid “worthy but dull”
- Trusted intermediaries can be very useful
- Be positive (“make the most of your money” not “how to solve your money worries”)
- Example from the FSA’s workplace project.....

Make the Most of Your Money – the employee's experience

Launch



- *MMYM* is launched by management, with local publicity & HR messages
- Employee gets *MMYM* educational material
- **This is an educational programme, not a sales exercise**

Receipt of educational material



- After reading this material, the employee will receive an invitation to a one-hour workplace seminar. This brings the booklet to life.

Attendance at seminar



Employee:

- Attends seminar at work
may ask questions at seminar.
- Meets our objective by learning and changing behaviour

Be ambitious

The FSA intends to reach more than 10 million people over 5 years:

- 4m employees in the workplace
- 1.8m children in 4,000 of the 6,000 schools in England
- Around 2 million young students in higher education
- Around 1 million young people not in training, education or employment
- 1.5m new and prospective parents
- 4m annual visits to the FSA website

It will take time..... but success breeds success

- It will take several years to have a significant impact
- But create a bandwagon which people want to join – and where those who have joined want to upgrade to first-class status!

We can make a real difference to people's lives

Go for it!