Money & Pensions Service

The UK Strategy for Financial Wellbeing

2020–2030

Five ambitious changes to help people make the most of their money and pensions

The UK Strategy for Financial Wellbeing on a page

We believe: **A financially healthy nation is good for individuals, communities, business and the economy**

See pages 4–6, 9–10

Our vision: **Everyone making the most of their money and pensions**

Our shared **Agendas for Change– the five ways we will drive change at scale, working with others**

See pages 14–33

2030 National Goals

We encourage organisations of all sizes and from all sectors to help deliver these goals

See page 11

	Financial Foundations	Nation of Savers	Credit Counts	Better Debt Advice	Future Focus
Who	Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
Goal	National Goal **2m more** children and young people **getting a meaningful financial education.**	National Goal **2m more** working-age 'struggling' and 'squeezed' people **saving regularly.**	National Goal **2m fewer** people **often using credit for food & bills.**	National Goal **2m more** people **accessing debt advice.**	National Goal **5m more** people **understanding enough to plan for, and in, later life.**
Outcome	Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.

Cross-cutting lens: **gender**

Cross-cutting lens: **mental health**

See pages 34–36

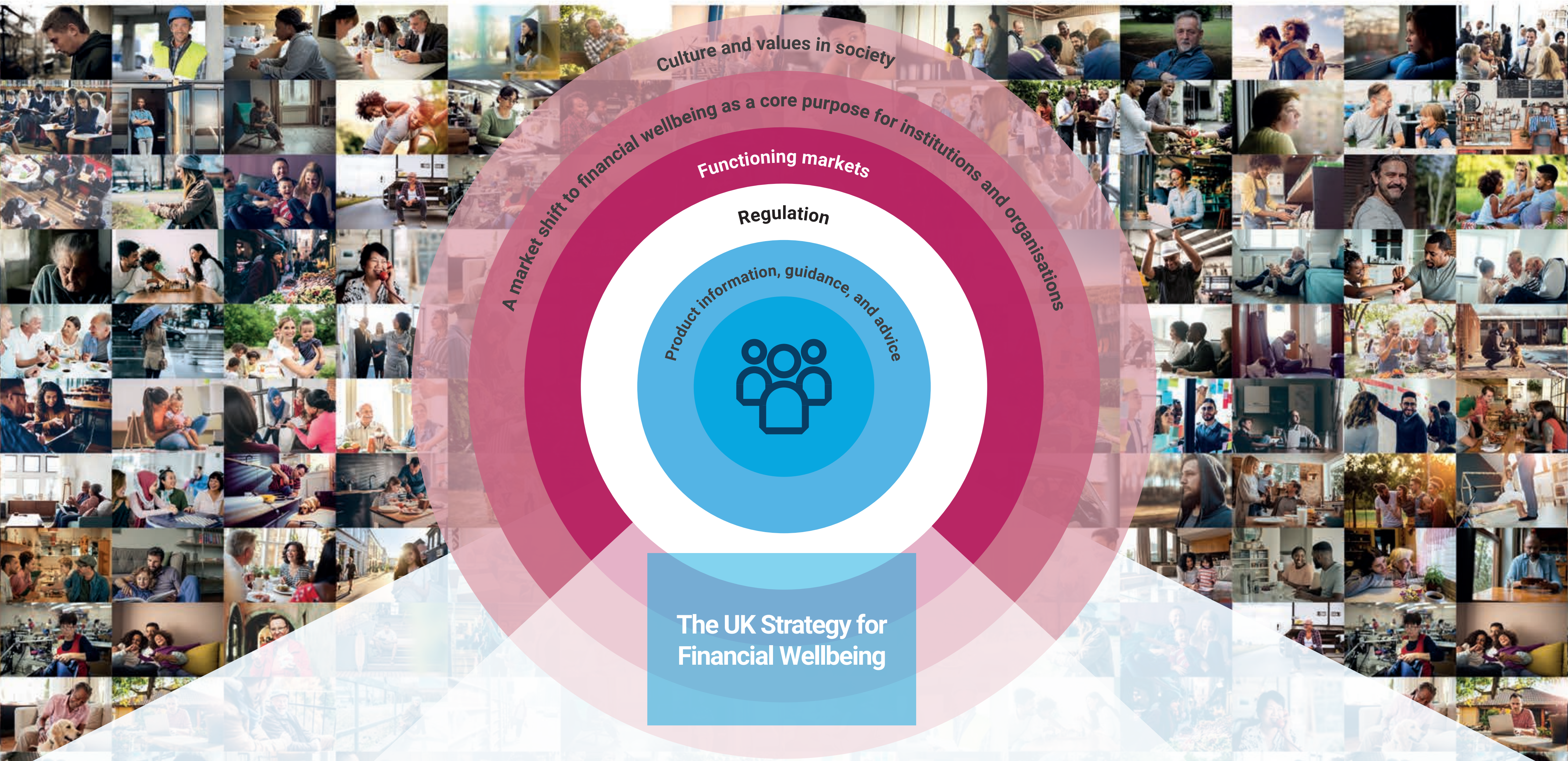
See page 13

Activation period → Northern Ireland delivery plan + Scotland delivery plan + Wales delivery plan + England delivery plan + **MaPS Toolkit to support partners**

Statistical notes and definitions start on page 42, including an important note about the goal for 'Future Focus'

This strategy and the wider system

We believe that a financially healthy nation is good for individuals, communities, business and the economy. A successful strategy will need to influence a wider system of regulations, products, services and culture.



The work of the UK Strategy for Financial Wellbeing must support the individual, but this can only take place within a wider system. The more effective the strategy is at influencing the wider system, the more it can help individual people. For example, providers must design financial products so even those with low literacy and numeracy skills can understand them. They should also tailor them to support people with unpredictable lives and incomes. That is why the Money and Pensions Service (MaPS) will involve regulators, financial services and other leaders, as well as voices for cultural change, in delivering this 10-year strategy.

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Joint foreword

Financial wellbeing is good for individuals, communities, business, and the economy. But poor financial wellbeing, affecting tens of millions of people, is holding the UK back.

11.5m people have less than £100 in savings to fall back on. 9m people often borrow to buy food or pay for bills. 22m people say they don't know enough to plan for their retirement. And 5.3m children do not get a meaningful financial education.

According to the Organisation for Economic Co-operation and Development, figures like these place the UK well down the rankings of G20 countries, behind France, Norway, China, Indonesia and many others.

The Money and Pensions Service has been tasked with coordinating a national strategy to address the problem.

Thousands of organisations work to deliver financial education, help people manage their money day-to-day, or offer support in a financial crisis. There has long been a need for one body to agree a simple, clear set of common goals, and provide an effective mechanism to focus everyone's efforts. The 2018 law that set up the Money and Pensions Service (MaPS) gave us this role. This strategy sets out how we will deliver our strategic function.

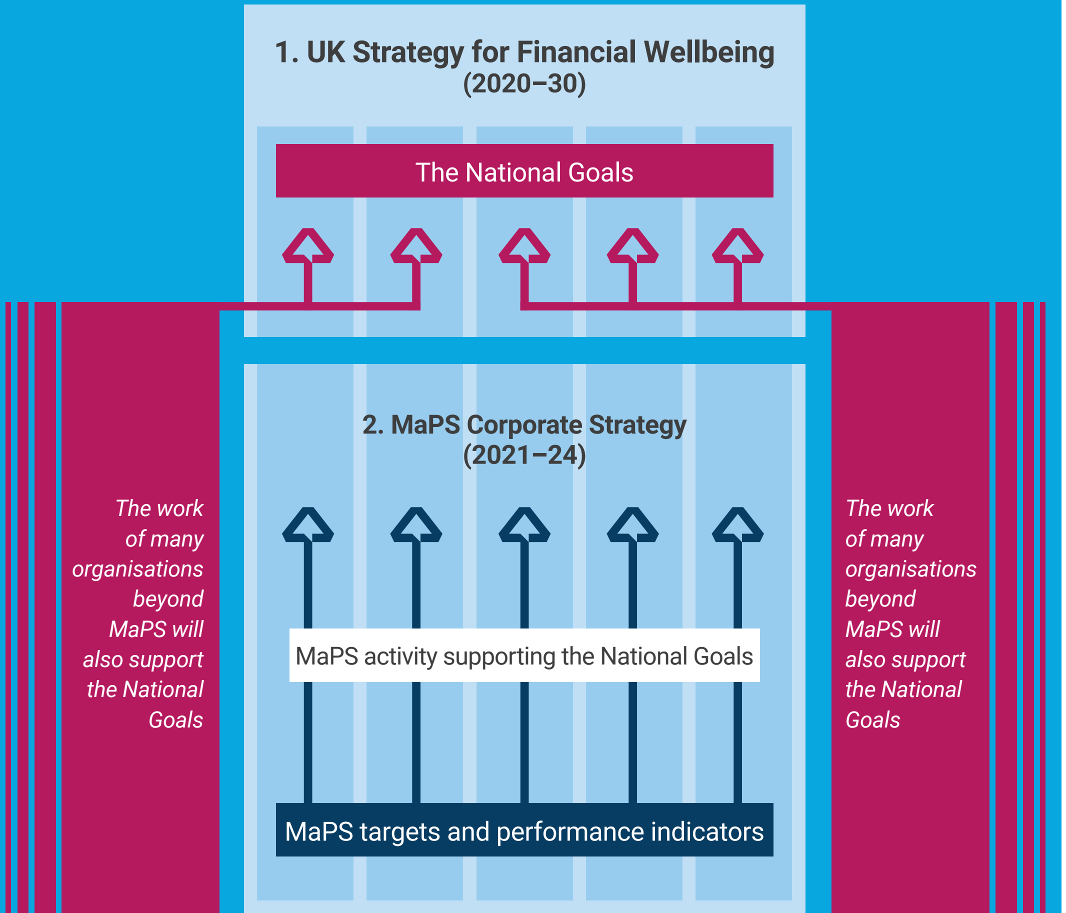
When we came into existence on 1 January 2019 we decided it was important to listen carefully to a wide range of views before we set out any National Goals or plans. In April, we published a summary of the evidence we have about financial wellbeing in the UK. We then set out to listen to what you had to say. We had conversations with more than 1,000 leaders and frontline staff across the UK. We received written submissions of remarkable detail and quality from 39 expert organisations. We also made the most of expertise from staff and volunteers who worked in our predecessor organisations.

This document now sets out the views of the MaPS Board about what it will take to significantly improve financial wellbeing in the UK.

Two aligned strategies to guide MaPS

A common vision:

Everyone making the most of their money and pensions



This document, the UK Strategy for Financial Wellbeing, sets out the goals we believe all organisations should work on between 2020 and 2030. Our forthcoming Corporate Strategy will detail the work MaPS will do both to coordinate the UK Strategy and to combine, improve and deliver guidance and advice services.

For 2020/21 we will have an interim corporate plan. This will be a stepping-stone to the full delivery of the UK Strategy.

We are building on the previous Financial Capability Strategy. We are also making positive changes based on what we have heard from the frontline.

The Money Advice Service published a *Financial Capability Strategy for the UK* in 2015. It then began to build evidence, and talk to stakeholders to develop key themes. All the good work since 2015 has made its way into this document, but we are now taking this further.

- You told us to start with the customer, focus on outcomes, and set clear goals. So we have set five key outcomes, each with a priority measure and a 2030 National Goal.
- You told us that MaPS would need to be 100% behind the strategy. So we commit that the MaPS Corporate Strategy will be designed in service of the five outcomes of the UK Strategy. Both strategies will deliver on a single vision: everyone making the most of their money and pensions (the diagram on the left shows how they fit together).
- You told us to prioritise. We strongly agree that even at the level of a 10-year national strategy, success will only come if we all focus. So we have set out which customer outcomes are priority areas for this strategy, and explained which are not.
- You told us it wasn't clear what the previous strategy asked partners to do, or what support they could count on. So we have set out a new 'Agendas for Change' approach, with a 'toolkit': a collection of support services, guidance, evidence and materials for partners to use.
- You told us governance and accountability were unclear under the previous strategy, and that they did not address the needs of all four nations in the UK. So we have set out a new governance structure that clearly identifies the MaPS Board as accountable for the strategy. There will be delivery plans for all four nations.

We have called this new strategy *The UK Strategy for Financial Wellbeing*. We think the easily understood word *wellbeing* will help us to draw in a wide range of public, private and voluntary sector partners.

This strategy fits into a wider system of regulations, products, services and culture. It can only be fully effective if the system better supports individuals.

We are clear about our focus on helping people to be more confident and empowered when it comes to money. But we do not believe that the only key to a financially healthy nation is individuals making better financial decisions.

We argue for a balanced approach. As well as financial education supported by all, we need ethical firms, a compatible regulatory framework, and empowered and capable consumers.

In our view, building consumers' financial responsibility and financial wellbeing should be a strategic goal for the financial services sector.

This will mean financial services embracing a change in corporate purpose and culture to focus on individual financial wellbeing. Resources will need to be rebalanced from crisis support to prevention. Consumers will need simple, affordable products and the required information to make better decisions.

In short, we believe system changes are just as important as building people's individual capability. They are key to the success of this strategy. Changing products, services and regulations can all improve the fundamentals of financial wellbeing.

The activation period after the publication of this strategy will be a critical period to build momentum, and will shape the MaPS Corporate Strategy.

Directly after publishing this strategy, we have important work to do with you. We want to establish delivery plans for each of the five outcomes of the strategy and for each of the four nations of the UK. At the same time, we will be thinking about how to transform MaPS into the organisation you need, one that can enable and support ambitious work from hundreds of organisations over the next decade. We will publish our three-year Corporate Strategy about a year from now. It will respond to the investment priorities you shape. And it will set out how our guidance services will also be transformed to support the five outcomes.

Thank you for the remarkable support you have shown during the formulation of this strategy. We both look forward to deep working relationships with you that we believe can – and will – transform financial wellbeing in the UK over the next ten years.

Sir Hector Sants
Chair of the Money and Pensions Service

Caroline Siarkiewicz
Acting CEO of the Money and Pensions Service

How we have listened, and used evidence, to develop this strategy

Source	Evidence reviewed
Adult Financial Capability Survey (Building Blocks analysis)	Nearly 6,000 UK adults.
FCA Financial Lives	Nearly 13,000 UK adults.
Savings Evidence Review & Savings Thematic Review	~50 pieces of evidence (both internationally and in the UK– adult survey data, large-scale public datasets and qualitative research).
Children and Young People Financial Capability Survey	2016: nearly 5,000 UK children aged 4–17. For each child interviewed, a parent or carer was also interviewed. 2019: nearly 4,000 UK children aged 7–17. For each child interviewed a parent or carer was also interviewed (findings available later during 2019).
British Cohort Survey Analysis (longitudinal survey)	Nearly 17,000 GB adults.
Talk, Learn, Do	Process evaluation: 10 stakeholders, 15 practitioners, 20 parents. Impact evaluation: 238 parents (138 TLD group/100 control group).
What Works Fund	Nearly 37,000 UK adults accessing 65 projects across the UK; £11.3 million invested in grants over two years.
Annual Debt Advice Need survey	~20,000 in 2018, ~10,000 in 2019 (UK adults 18+).
Retirement Planning Evidence Review	~60 pieces of evidence from across the UK (qualitative research studies, large-scale datasets, consumer surveys, research undertaken to test interventions and prototypes).
Review by the Retirement Planning Steering Group	~50 pieces of evidence (qualitative and quantitative researches).
Wealth & Assets Survey	Nearly 20,000 GB households.
Studies in Australia, Canada, Ireland, Norway and New Zealand	Norway ~2,000 adults; Ireland ~1,500 adults; Canada ~2,000 adults; New Zealand and Australia ~5,000 adults.
Credit Thematic Review Credit rules-of-thumb	28 pieces of UK evidence, including evidence reviews, nationally representative adult surveys and research undertaken to test interventions, and ~1,100 UK adults aged 18–24.

The UK Strategy for Financial Wellbeing

We have worked hard to base our conclusions on robust evidence, and to harmonise different views in the choices we set out in this strategy.

We made sure we understood people's real needs and problems. We brought together data and evidence on what consumers need from the three previous organisations, our Evidence Hub and international sources.

We reflected on lessons learned. We published lessons learned from the previous financial capability strategy and reviewed it with people who were involved throughout.

We spoke with UK and devolved Governments about what is important to them. We met regularly with our sponsor department DWP and its close partner HM Treasury to understand their policy positions on key matters. We had similar conversations with DfE, the Government Equalities Office and the devolved governments.

We reviewed what the law says about our duties and functions. We reviewed and took full account of the statutory duties given to MaPS, as well as other legal duties such as the Public Sector Equality Duty.

We listened to 1,000+ stakeholders to hear what they think is important. We consulted with leaders, people from different sectors, frontline staff and experts up and down the UK.

Read the full analysis in our separate listening report.

From their insight and operational data ...

The Pensions Advisory Service contributed to our evidence base.

Pension Wise contributed to our evidence base.

The Money Advice Service contributed to our evidence base.

10 'deep dive' sessions
These sessions gathered experts on special topics:

- Lessons learned
- Debt advice funding
- Pensions
- Vulnerability
- Credit unions
- Employers
- Retail banking
- Financial education
- Women's finances
- Game-changing ideas

Stakeholder 1-2-1s
We met with public, private and voluntary sector leaders.

39 written submissions
We received and analysed more than 600 pages of evidence submitted by stakeholder organisations.

Listening events
We held events in:

- Belfast
- Birmingham
- Bristol
- Cardiff
- Dartford
- Edinburgh
- Leeds
- London
- Manchester
- Peterborough

We consulted with our people.
We received written inputs from around 80 MaPS colleagues and held open consultation sessions with many more.

What are the goals of the Strategy?

This section sets out how we reached conclusions about measures, priority groups and National Goals for the Strategy.

Financial wellbeing definition → **Five priority measures** → **National Goals and outcomes**

We propose a simple definition of financial wellbeing. To bring this to life, and give focus, we have prioritised five wellbeing measures for the strategy to both track and change. Taking population surveys and other data, we have worked out who most needs help for each measure. Finally, we have debated and now propose five headline National Goals, one against each measure. These goals then drive towards the outcomes the strategy is aiming to achieve.

Notes

A financially healthy nation is good for individuals, communities, business and the economy

People who experience individual financial wellbeing are less stressed about money. This in turn has positive effects on their health, relationships and work.

Financial wellbeing is good for communities. Financial stress – and its knock-on effects for mental health, relationship breakdown and physical health – creates costs for hospitals and others to repair broken lives. For example, avoiding an episode of adverse mental health saves £600–800 per person, depending on the condition.

Employers also benefit from financial wellbeing. People who enjoy good financial wellbeing are more productive at work. If they are not, employers suffer too. According to a 2014 survey by Barclays, the lost productivity could impact businesses' bottom line by as much as 4%. And in 2016, the UK economy lost £120.7bn and 17.5m hours to financial stress. In 2018, 11% of UK workers reported they had experienced a fall in productivity at some point over the preceding three years as a result of their personal financial situation.

> **Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered.**
> *MaPS financial wellbeing definition*

Businesses also benefit. If people don't fall behind with bills and payments, businesses have healthier profits and cashflow, and don't need to write off debts. And people who have financial wellbeing will spend in a way that is sustainable.

The wider economy also benefits from the future focus of people who enjoy financial wellbeing. When people are able to set aside money towards their future, if it is saved in a cash account, it can be lent to businesses, and if it is invested, it boosts the productive parts of the economy. Private pension wealth identified in the last Household Wealth and Assets Survey was £5.4 trillion, or 42% of the then household wealth of the UK. Of that pension wealth, 69% was invested in the UK and 31% abroad. So even a small change in future focus could add hundreds of billions to wealth invested in economically productive assets across the UK. And as people spend sustainably in their retirement, this is positive for them and the community in which they live.

Over the period 2020–2030, a key role for MaPS will be to widen the range of leaders committed to improving financial wellbeing in public, private and voluntary sector organisations.

This strategy sets out where we recommend the focus of their efforts should be.

Notes

Defining financial wellbeing:
five priority measures to focus the strategy

We define financial wellbeing as follows. **Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered.**

But how can this be measured and where should the UK Strategy prioritise? We used the data we have about thousands of people across the UK to answer these questions, so that the strategy has a clear, measurable and memorable focus.

The brief was that the five measures should capture whether everyone is targeting the fundamentals of financial wellbeing and changing it for the better. We began by looking at very large surveys: the financial capability surveys of adults in 2015 and 2018, of children and their parents in 2016 and 2019, and our debt survey of 2019. We were looking for behaviours that had strong statistical links with financial wellbeing.

To help us interpret the data in these large surveys, we also looked at smaller, more qualitative pieces of research into particular themes. These themes included savings, financial confidence, and parents and their attitudes to money. Lastly, we looked at evidence of what works to change financial wellbeing. This came from our Evidence Hub, which contains more than 300 of the most significant pieces of evidence worldwide.

Foundations

Measure

Getting a meaningful financial education

From our children, young people and parents research we are certain that we need to understand children's experiences both in school and at home. So our measure covers children who get the benefit of a meaningful financial education in either a school or home environment.

Day-to-day

Saving regularly

There is widespread agreement that saving is a good thing. There is also compelling evidence that people who have a savings habit are more likely to display other behaviours that we associate with financial wellbeing, regardless of the amount they save. The savings habit both increases resilience and increases the 'future focus' of savers.

Managing credit

The trade-offs associated with credit are sufficiently distinctive for it to need its own measure, although it does have clear links to decisions people make about savings. Our chosen measure is about *not* using credit for everyday essentials.

Accessing debt advice

Most people in the UK are not over-indebted, but the problem still affects many millions of people and there is a large gap between those who need debt advice and those who get it. A more supportive and easier-to-access debt advice system can help people to resolve debt problems earlier.

Looking ahead

Making good decisions about future wellbeing

Saving and putting aside money for later life are similar behaviours, but people can approach these tasks with different mindsets. They need to be measured separately. We have considered, and ruled out, measures of how much people have saved. These are very hard to gather. It is even harder to judge what is the 'right' amount for an individual.

These five measures have been prioritised from a longer list of 21. We believe that focus is very important. We also recognise that prioritisation should be open to challenge, and should be updated in the light of new data. So we will keep all the priority areas for the strategy under review, and formally review the strategy in 2023.

As a notable example, we reviewed whether one of the five key measures should be about **whether people have insurance or life assurance products.** It is important for most people to have one or more from a range of these products (for example pet insurance, travel insurance, contents insurance, life assurance, to name just a few). But it is also very difficult to generalise (and then measure) which are the right products for individuals to hold. Doing this means going into particular circumstances for each person surveyed. And even if a single measure could be found, we do not believe that focusing everyone's attention on it would have as great an impact on financial wellbeing as focusing on the five measures identified above. It is important to note, however, that although we don't think it should drive one of the five National Goals of the strategy, there is still a role for public financial guidance to provide answers to questions about insurance and life assurance products. Our Corporate Strategy will set out our approach.

Setting National Goals, to deliver five financial wellbeing outcomes

We have set the ambition of the UK Strategy to deliver large-scale change, over a 10-year period, to achieve five outcomes, for those we have identified as most in need. We believe a high level of ambition will stimulate creative solutions and inspire visionary leaders from different sectors, organised under five 'Agendas for Change.'

We propose goals that deliberately go beyond what we can foresee taking place in the next two to three years, to produce important outcomes. This is a challenging stretch for ourselves and the wider sector to consider. Such goals cannot be achieved simply by the Money and Pensions Service funding more delivery. They can only be met by new solutions and new collaborations between organisations. We also need the work of everyone involved in the strategy to stimulate much more investment in financial wellbeing.

The National Goals will be affected by what happens in the wider economy and demographics. They will also interact with each other. For example, success in the first three goals should cut the need for debt advice, a component of the fourth goal. We have not tried to build a complex macro-economic model to make precise 10-year forecasts. However, we are confident that the goals are large enough for their effects to be measured through general population surveys. Progress can be tracked and will be visible by 2030.

Agenda for Change	Financial Foundations	Nation of Savers	Credit Counts	Better Debt Advice	Future Focus
Most in need	Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
Measure and baseline	48% receive a meaningful financial education = 4.8m children and young people	57% save regularly = 14.7m adults	17% borrow for food or bills = 9m adults	32% have accessed the debt advice they need = 1.7m adults	45% say they understand enough to plan for later life = 23.6m adults
The National Goals	National Goal **2m more** children and young people getting a meaningful financial education by **2030**	National Goal **2m more** working-age 'struggling' and 'squeezed' people saving regularly by **2030**	National Goal **2m fewer** people often using credit for food & bills by **2030**	National Goal **2m more** people accessing debt advice in **2030**	National Goal **5m more** people understanding enough to plan for, and in, later life by **2030**
Outcome	Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.

During the activation period:

Challenge groups will consider the goals and propose milestones along the 10-year journey that will measure progress.

Individual goals, consistent with the National Goals, will be set for Northern Ireland, Scotland, Wales and England.

How will the strategy be delivered?

This section sets out how we will make change happen.

Activation period → **Agendas for change** / **Cross-cutting lenses** → **Mobilising others** / **MaPS delivery** → **Toolkit: multi-sector** → **Toolkit: sector-specific**

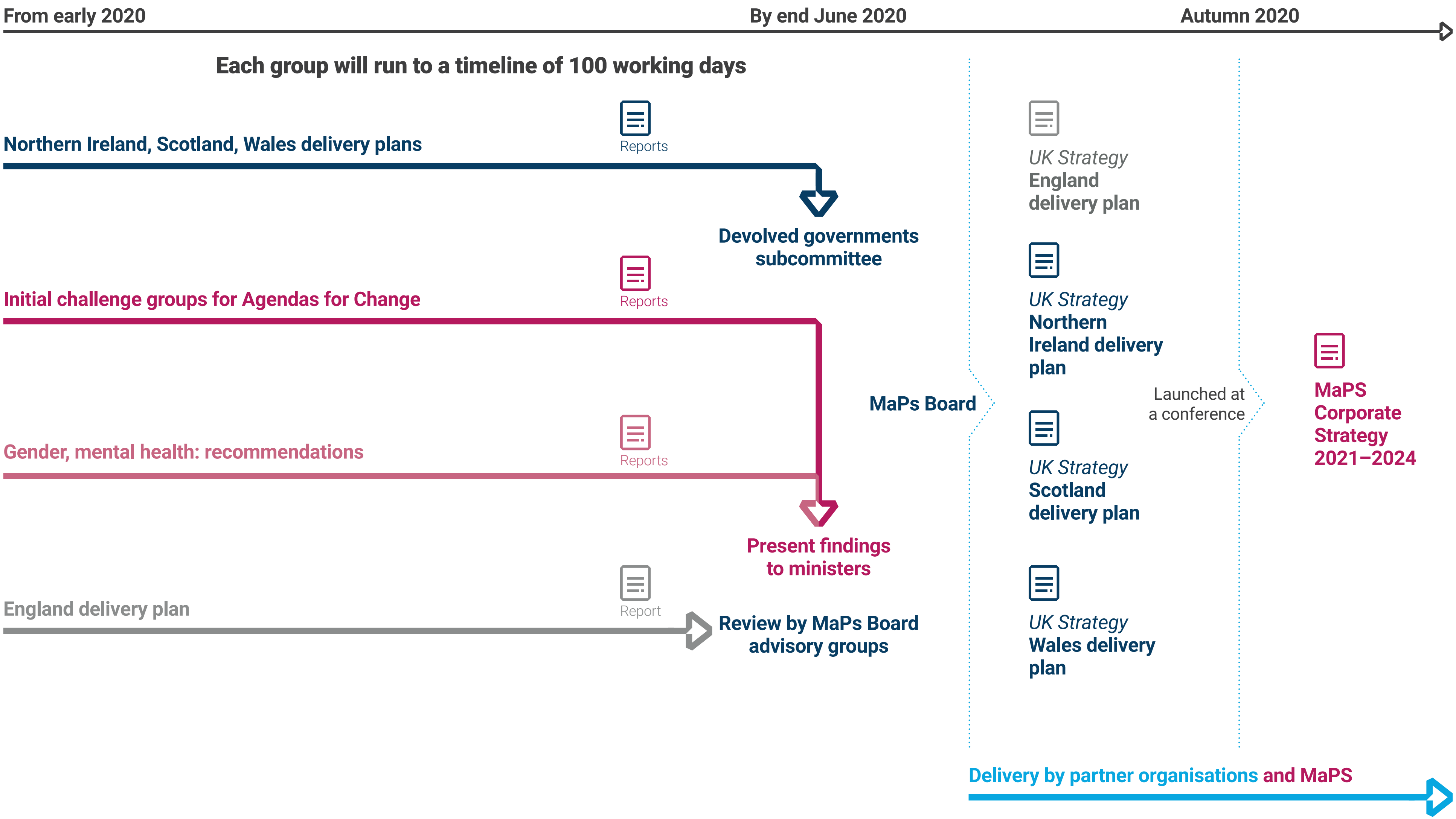
In the first few months after publishing the strategy, we will run an activation period. During this time, we will co-create delivery plans with stakeholders to drive the outcomes.

We propose to mobilise partner organisations through what we call 'Agendas for Change'. These will be multi-year programmes. They will deliver the outcomes through a range of approaches, each of which will have multiple access points for partner organisations, both large and small. Each Agenda for Change will help organisations to deliver their own aims as well as the National Goals. Agendas for Change will be adapted to delivery circumstances in the four nations.

In addition to the 'Agendas for Change' approach, we set out in this section how governance will work. We detail how MaPS' spend will support the strategy. And we introduce our plans for a toolkit to assist organisations across the voluntary, public and private sectors as they contribute to the strategy.

The activation period

Over the first half of 2020, we will work with leaders and experts from across the public, private and voluntary sectors. Together, we will set out clear, ambitious plans for how we can deliver the five measures and outcomes. What stakeholders say will then help shape MaPS' Corporate Strategy for the following three years.



Agenda for Change: **Financial Foundations**

The National Goal

2020
4.8m children
and young people

2030
6.8m children
and young people

What will be the outcome from this Agenda for Change?
Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.

How we will measure improved financial wellbeing

In a regular children and young people survey we will measure the percentage of children and young people who say:

- **they recall financial education at school they considered useful, and/or that:**
- **their parents gave them regular money, set rules about money and gave them responsibility for spending decisions.**

In our most recent survey 48% **(4.8m)** said **yes to one or both statements.**

Our National Goal is for this to **increase to 6.8m children and young people by 2030.**

What will 'Financial Foundations' mean for children and their adult lives?

Experiences and learning about money when we're young can have a direct impact on the ability to manage money later in life. Children start to learn vital money skills and habits between the ages of three and seven. As young people develop into their teens, they benefit from being given increasing responsibility for managing and making choices with money. This way, they learn the skills they'll need for living independently.

Too many young people are entering adulthood without being prepared for the money-related realities that lie ahead. Fewer than three in ten 14- to 17-year-olds plan ahead for how they'll buy things they need, and one in ten 16- to 17-year-olds have no bank account at all. Of those who have accounts, 30% have never deposited money.

Education about money makes a difference. We want to increase the reach and impact of financial education in schools and homes. Parents, carers and people working in youth and community settings all have a role to play, especially to help those who lack role models or find it hard to engage with formal learning.

Targeting the UK Strategy on children most in need

It's important to note that the limitations of surveying mean we can only survey the experiences of children between the ages of seven and 17. But starting early is important, so we want 2m more children between the ages of five and 17 to get a meaningful financial education. In England, we expect to focus first on school leavers. In Northern Ireland, Scotland and Wales, we may have different initial priority age groups. We expect to develop debt advice services to help some parents who express an interest in improving family conversations about money, alongside getting their own finances back on track.

Notes

The changes we want to see

- **In schools and further education colleges:** we want more teachers to have the confidence, skills and knowledge to teach financial education. We also want more schools and colleges to be able to deliver memorable financial education, to different year groups, as part of a coherent 'whole school' approach.
- **In homes:** how parents show, teach and talk about money has a huge influence on children. We want more children to get experience and responsibility for managing money at home. This includes opportunities for spending and budgeting (such as using a bank account). Every child should receive or handle money regularly, even if only a small amount.
- **In the community:** extra help is needed to make sure children in more vulnerable circumstances get a meaningful financial education. This means targeted support for children in care and leaving care, young carers and disabled young people. We want to see leaders of organisations that work closely with children and young people trained and supported. They can then deliver effective financial education for children and families.

How change could happen at scale

We have three hypotheses about how change could be achieved at scale:

- **More investment in effective interventions.** Delivery is not reaching enough children and young people. And even promising services are not always targeted at those most in need. Of the 10.1m children and young people in the UK, we believe just under a third are reached through any intervention at all. Through the UK Strategy, we will boost funding from a range of sources into evidence-based approaches to financial education.
- **Scaling up well-designed solutions.** Financial education can make an impact and we have an increasingly detailed understanding of what makes it successful. Over the next 10 years, we will develop these effective approaches so that they can be delivered and sustained across the nations of the UK. This requires a supportive infrastructure of networks, tools and frameworks.
- **Financial education is better understood and valued in schools, among parents and carers, and in the wider community.** This means going beyond raising awareness to communicating with, and engaging, educators, parents and community services. We need to connect people to tools, resources and other practical sources of help. Through the UK Strategy, we will promote practical opportunities for children to learn more and gain valuable experience in managing money – including pocket money. And we will build evidence as we go.

The activation period

We will bring together influential and relevant stakeholders and partners. They will be set the UK Strategy challenge of how to make sure that 2m more children and young people receive a meaningful financial education.

They will also consider specific, short and medium-term proposals such as:

- **Planning a new collaboration on financial education between UK Finance and MaPS.** Bringing together financial services firms to develop shared priorities that secure high-quality learning about money for all children and young people.
- **Developing a collaborative pocket money campaign to reach children and parents.** Focusing on giving children and young people more responsibility for their money and opportunities to make age-appropriate money decisions.
- **How to further develop MaPS' existing work on three 'pathfinder' projects that increase the scale of financial education.** These are building more evidence and experience where we know the biggest impact can be made. They fill gaps in:
  – provision for parents;
  – teacher training; and
  – support for 16- to 17-year-olds.

Agenda for Change: **Nation of Savers**

The National Goal

2020
14.7m people

2030
16.7m people

What will be the outcome from this Agenda for Change?
People will get a savings habit, build cash reserves to help with short-term emergencies, and have a clearer future focus in their financial lives.

How we will measure improved financial wellbeing

In our regular adult survey, we will measure the percentage of working-age 'struggling' and 'squeezed' people **who say they save every month or most months.**

In our most recent survey 57% **(14.7m people) said they do this.**

Our National Goal is for this to **increase to 16.7m people by 2030.**

Notes

What will a 'Nation of Savers' mean for people?

All our evidence shows that a more widespread habit of regular saving would be transformational for the nation's financial wellbeing:

- People will have some level of resilience for when a financial shock hits them. Many of them will not need to seek debt advice who otherwise would need to.
- The shift in attitude needed for a savings focus will have other positive effects on financial wellbeing. These include a sense of control and a future focus about personal finances.

We recognise that credit and savings are often, but not always, closely linked. So this Agenda for Change has close links with the next, 'Credit Counts'. It is also linked to 'Future Focus', although getting people to save into very long-term products, such as pensions, requires a different set of enablers and measurements.

We do not ignore the fact that for many people, insurance and life assurance products are the only things that can protect them against catastrophic, rather than small, risks. However, we still believe that the overall call for a regular savings habit is the most important message.

Targeting the UK Strategy on people most in need

There are 11.1m working-age people in our 'financially struggling' and 'financially squeezed' target groups who don't save regularly. They have a mix of low-to-moderate incomes. Some claim benefits.

Among our target group, 14% have no savings at all, 12% have savings of £1–£99, and 19% have savings of £100–£499.

Many of these people are juggling the challenges of a busy working life, variable income, and a young family. This is precarious as 71% of adults receive unexpected bills every year. The breakdown of a car or domestic appliance could mean calling on costly, short-term credit. It could even tilt people into a debt crisis.

The changes we want to see

- **More people saving:** success will be measured by people who save every or most months.
- **Systems change:** websites, apps and other systems that people use daily need to change. We want it to be much easier to put money into savings, no matter how small the amount, and for people to have to think twice about taking it out.
- **Engagement:** we want more people to engage with the future focus that saving requires. We want them to be confident that saving is worthwhile and secured by the financial system.
- **Cultural change:** we want to change the national conversation, so saving is seen as valuable and attractive. We also want to focus that conversation on banked savings, rather than money-saving tips. Otherwise, money saved tends to be spent on other items.

How change could happen at scale

We have three hypotheses about how change could be achieved at scale:

- **A game-changing shift in the ease of saving (money in the bank) driven by automation, integration and technology.** We believe that changes to systems could make significant differences to the rates of saving by providing nudges and even auto-enrolment schemes. One of the most significant areas is payroll savings. The 'sidecar savings' field trial, funded by MaPS, the JPMorgan Chase Foundation and BlackRock, and being delivered by NEST Insight, is central to our thinking on automated savings. This concept of a savings buffer being built up by people auto-enrolled in pensions savings seems promising. If evidence demonstrates it has a positive impact on financial wellbeing, it could be adopted voluntarily by employers. It could even be taken up as a development in law and policy. This could bring about massive change that is easy and manageable for millions of working people.
- **A sector-wide programme, including multiple forms of messaging direct to consumers, could promote a savings habit and say why it is valuable.** This could occur at many levels. The rollout of the Standard Financial Statement in debt advice, with its savings element, is a good example. This is challenging the idea that people who are over-indebted don't have the capacity or will to get a savings habit. Over the long-term in the national media, we want to persuade influencers to start focusing on the habit and the value of banking savings rather than spending them elsewhere.
- **Government initiatives have a significant role to play.** Help to Save is a major initiative for people on low incomes. Six million young adults will inherit savings from the former Child Trust Funds over the next seven years. Both provide infrastructure that can extend the reach of a savings habit into new sections of the population.

The activation period

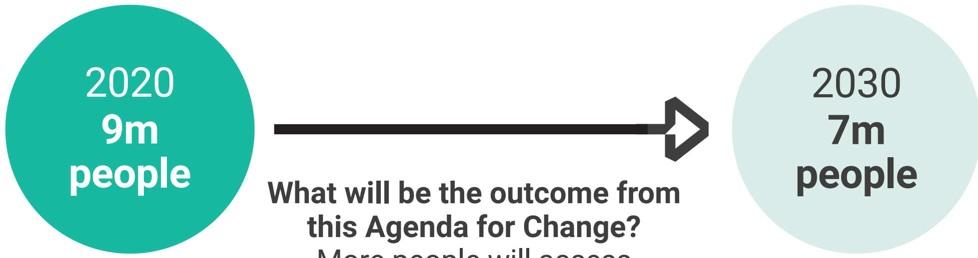
We will bring together influential and relevant stakeholders and partners who will be set the UK Strategy challenge of how to ensure that 2m more 'struggling' and 'squeezed' people save regularly.

They will also consider specific, short and medium-term proposals such as:

- **Greatly increasing the scale and take-up of payroll saving schemes.** If employees opt to have their savings deducted from payroll at source, it is easy for them to get the habit. Although payroll deducted savings are available, take-up is low. We would like to explore proposals to bring this offer to hundreds of thousands more employees within two years.
- **Planning an impactful social campaign.** What is the 10-year plan for changing the national conversation about savings in the media?

Notes

The National Goal



What will be the outcome from this Agenda for Change?
More people will access affordable credit, and more people will make informed choices about borrowing.

How we will measure improved financial wellbeing

In our regular adult survey we will measure the percentage of people **who say they often borrow to buy food or pay bills because money has run out.**

In our most recent survey 17% **(9m people) said they do this.**

Our National Goal is **to cut this to 7m people by 2030, with a significant proportion of these people paying less for the credit they use.**

What will 'Credit Counts' mean for people's lives?

Credit helps people balance their spending. But regularly using credit to buy everyday essentials, such as food, or pay off other borrowing are clear signs of lower financial wellbeing. Credit might be used because some people have no other way to pay for these essentials, but others do have choices. Overall, this issue affects 9m people.

In our vision for 2030, those who have no choice but to use credit will pay less for that service. They will be able to cut the very high repayment costs which add to their financial burden.

Where people have options, but are using credit more out of habit, we would like to see them encouraged to engage with the true costs of revolving credit. This will reduce their servicing costs and free up disposable income that could be better used to improve their financial wellbeing.

Targeting the UK Strategy on people most in need

There are 9m people who often use credit for everyday essentials such as buying food or paying bills.

- Of these, 1.8m in the 'financially struggling' segment will feel they have no other options for everyday essentials. More affordable credit will help them, even if it can't address all their financial wellbeing needs.
- There are then 7.2m people, many in the 'financially squeezed' segment, who might benefit from becoming more aware of the (often hidden) cost of credit. We are looking to help them engage more with their borrowings, especially where their wellbeing could then be improved.

The changes we want to see

- **More low-cost credit:** new forms of low-cost credit will be available in the market, and existing forms will become more accessible.
- **Better tools to manage credit:** consumer interfaces with credit will become more focused on repayment, the total cost of credit, and build in elements of savings and budgeting.
- **Informed and empowered consumers:** consumers will be more mindful about the pros and cons of credit and savvier shoppers on price.
- **Creditors supporting borrowers more:** a wider range of interventions will take place at an earlier stage when bills and commitments are missed.

How change could happen at scale

We have four hypotheses about how change could be achieved at scale:

- **Regulation**: the FCA has made a number of advances to protect consumers from harmful lending practices. We believe this work should continue as we understand more about the lives of those in vulnerable circumstances.
- **Product design**: there is a great opportunity to use technological advances to design products. These will better support the needs and preferences of consumers and their choices and behaviours. They will help drive longer-term financial wellbeing.
- **Awareness**: customers could make better choices for their long-term financial wellbeing if they were more aware of the different options. Choices need to be presented more clearly, making decisions easier.
- **Availability**: more availability of affordable credit choices would make a significant difference to the financial wellbeing of those in the most vulnerable circumstances in society.

The activation period

We will bring together influential and relevant stakeholders and partners who will be set the UK Strategy challenge of how to ensure that 2m fewer adults use credit for everyday essentials.

Fair4All Finance has been set up to increase the financial resilience and wellbeing of those in vulnerable circumstances in England and Wales. The initiative makes suitable, affordable financial products and services readily available, with a focus on increasing access to affordable credit. Fair4All Finance are creating a sector Theory of Change with stakeholders. During the activation period, Fair4All Finance will develop a detailed action plan with stakeholders to deliver the key outcomes identified. MaPS will support this initial exercise. We will look in particular at how awareness of credit choices and suitable debt advice can be developed to support the delivery of outcomes in the Theory of Change.

Stakeholders will also consider specific, short and medium-term proposals such as:

- **Personalised payment schedules in social housing.** Can we build on the Rentflex concept? (This is the proven principle of a personalised schedule for social housing costs, offered alongside free financial guidance.) Could we develop proposals for scaling it to hundreds of thousands of tenants within two years? And how could the principle be seeded into the private rented sector, student accommodation marketplace, and other sectors, such as utilities and Council Tax, that serve our target audience?

Agenda for Change: **Better Debt Advice**

The National Goal

2020
1.7m people

2030
3.7m people

What will be the outcome from this Agenda for Change?
People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.

How we will measure improved financial wellbeing

In our most recent survey **1.7m people said they had received debt advice**, and we estimate (from the same survey) that a **further 3.6m people needed debt advice because they had been regularly missing payments throughout the last six months.**

Our National Goal is to see the number receiving the debt advice they need **increase by 2m.**

What will 'Better Debt Advice' mean for people's lives?

9m adults are over-indebted, either missing payments or feeling like keeping up with their bills is a heavy burden. Being over-indebted has a significant impact on individuals' mental health and overall wellbeing. Over-indebtedness also has a significant impact on society as a whole. Within the 9m people, we have concluded that 5.3m people need debt advice. Our vision is to make sure that more of those who need debt advice get it. And wherever possible, we want to cut the number of people that need debt advice in the first place.

However, capacity in the debt advice sector is severely limited. People seeking debt advice often struggle to access it. By 2030, debt advice will be available to 2m more of those who need it. Building on the findings of the independent Wyman Review, this will be achieved in three ways: through more effective use of a range of channels; how we design services; and by making sure the debt advice funding model is adequate, fair, sustainable and transparent.

Debt advice can be life-changing. But due to the increasing complexity of cases and inconsistent quality, some people leave the debt advice process without a suitable solution. They continue to miss bill and credit payments. Our vision is that advice can increasingly resolve everyone's problems quickly and effectively. We also want to shift the culture in advice seeking, removing the taboo about seeking help and getting more people into support earlier. The Breathing Space scheme is the springboard to achieve this.

Targeting the UK Strategy on people most in need

Our latest figures show that 5.3m adults in the UK need debt advice. Around half of those that need debt advice are younger (just 26% of the UK population is aged 18–34, but 48% of the 5.3m are within that age group).

They are more likely to be struggling with their mental health, with 51% saying they have had mental health problems within the last 3 years (21% in the whole population). And they are more likely to have a disability (42% of those that need debt advice, 27% across the UK).

Many of the 5.3m are working (75%), and within the 5.3m the majority have lower household income (earning less than £20,000). They are much more likely to be renting (33% in social rented accommodation and 20% in private rented, compared to 14% and 13% across the UK population).

The changes we want to see

- **Supply and demand will move closer together:** delivering on the direction set by the Wyman Review, debt advice will be available to more of those who need it, underpinned by a fair and sustainable funding model.
- **Quality of outcomes:** everyone who seeks help will get high-quality advice and there will be appropriate options for every person advised, including those whose essential expenditure is higher than their income. (MaPS heard the feedback from debt advisers that it can be challenging to marry up high-quality advice and a drive for higher volumes of people served. We intend to consider this further in our Corporate Strategy and will set out our specific approach to commissioning in due course.)
- **Earlier access:** building on the Breathing Space scheme, getting help with debt problems will become the norm, with more customers seeking or being referred into appropriate support at an earlier stage.
- **Development and implementation of a sector-wide approach to data, evidence and reporting:** an approach will be implemented that reduces duplication, enables a coherent understanding of impact, and helps foster improvement at all stages of the client journey.
- **Progressive creditor practices:** creditors will design products and services in a way that reduces the likelihood of over-indebtedness occurring in the first place. And it will become a norm for creditors to make effective referrals to debt advice and engage collaboratively with the debt advice process when people do fall into arrears.

How change could happen at scale

We have two hypotheses about how change could be achieved at scale:

- **A new target operating model for the sector.** This will follow the direction of travel in the Wyman Review and implement the target operating model agreed with the sector in late 2018. We will achieve this through sector-wide infrastructure and approaches. These will include PACE (Piloting Adviser Capacity and Efficiency), the Breathing Space scheme and the move to a more sustainable long-term funding model. We also want to make sure that being a debt adviser continues to be an appealing, aspirational profession. This means being able to keep and recruit the required skills in the sector and provide adequate training, development and good practice sharing. We know the key areas of focus for this Agenda for Change cannot deliver real change in isolation from each other. MaPS will seek to continue to coordinate a coherent plan for delivery across the sector.
- We want **fewer customers to need debt crisis support** in the long run. This requires:
  – shifting the negative culture around seeking advice to a positive one and delivering the preventative measures set out elsewhere in the strategy;
  – enabling better-designed services, built around more rounded advice, including enhanced money guidance and onward referrals from debt advice to help people deal with other underlying issues; and
  –promoting creditor good practice in supporting those at risk of, or experiencing, financial problems.

The activation period

We will bring together influential and relevant stakeholders and partners who will be set the UK Strategy challenge of how to make sure that 2m more adults can access debt advice.

They will also consider specific, short and medium-term proposals such as:

- **Developing a set of recommendations for a new funding model.** A joint Financial Conduct Authority/MaPS taskforce will produce a set of recommendations on a fairer and more sustainable funding model – seeking input from the sector throughout the process.
- **Setting out how we will deliver the new debt advice target operating model, including establishing action plans for the elements of the PACE model that haven't yet been mobilised.** Built and delivered in collaboration with the debt advice and creditor sectors, the PACE model will put the client at the heart of services.
- **Working with HM Treasury and the Insolvency Service.** We will work together to ensure that the Debt Advice Agenda for Change aligns with Breathing Space and the Statutory Debt Repayment Plan.
- Measuring the need for debt advice. This is a complex task, different from assessing supply or demand. Different measures and opinions exist across the sector. We will **undertake a major review of all the available statistics and make recommendations** to share with the sector.

The National Goal

2020
23.6m people

2030
28.6m people

What will be the outcome from this Agenda for Change?
People will engage with their future and be empowered to make informed decisions for and in, later life.

How we will measure improved financial wellbeing

In our regular adult survey, we will measure the percentage of all adults **who say they know enough to make decisions for, and in retirement and later life.**

In our most recent survey 45% of people aged 18–64 said they knew enough about pensions to make decisions for retirement – the goal above is based on this percentage, applied to the whole adult population, as we currently lack data for 65+ year-olds. This is therefore an inference. **To move from inference to a final figure, we will survey people aged 65+ using a comparable measure and will complete the measurement during the activation period.**

Our National Goal is **to raise the measure by 5m people by 2030.**

Notes

What will 'Future Focus' mean for people's lives?

As people approach later life, they need to know how much they should be saving into their pension and what options they have for accessing it. But behavioural bias research shows that people live for today. They find it hard to make trade-offs between spending now, saving for the short term, having safety-net savings and planning for later life.

Automatic enrolment has successfully created millions of new pension savers, through a passive approach. Pension freedoms now give more options and flexibility. But to get the best out of them, people need to know more and be confident making choices, so a shift from passive to active engagement must take place. However, the language of pensions products is still intricate and confusing, for even highly literate and numerate people.

In later life, a new set of challenges emerges, yet people bring similar behavioural biases to these choices. Later life means preparing for difficult facts and probabilities of later life: death, decline, making or updating a will or power of attorney and funeral planning. People must take good decisions as some of these later life issues arise. Addressing these issues requires a confident and informed future focus, surrounded by a supportive system.

This Agenda for Change therefore needs to support people with information, guidance, and nudges. They will assist those who can benefit from it to be informed and confident consumers of regulated financial advice; make good choices between present and future; and confidently navigate the products and laws that can help them as they move through different stages. But we must do so without rolling back any of the gains that auto-enrolment has achieved through inertia.

Targeting the UK Strategy on people most in need

Of the 40m working-age people, 22m say they don't know enough to plan their retirement. We want all of these people to have the support they need to make informed decisions for their retirement. Many say they don't know enough:

- 66% of 18–24 year-olds;
- 64% of working-age women; and
- 48% of those approaching retirement age (55–64).

In addition, there are 12m people aged 65 and over, the fastest-growing cohort of the population. Among them, 5.4m are aged 75 and over. They have to grapple with managing their pension pot alongside other issues most of them have not faced before.

In the early years of the strategy, the primary focus should be on people aged between about 50 and 70. They are engaging with the implications of pensions freedoms for their later-life decisions.

Notes

The changes we want to see

- **More people connecting with their pension and confident in their choices:** enabling people to make active choices and get help at the right time and different life stages.
- **Systems and products that support consumers:** removing barriers which prevent people from making decisions and taking action. Enabling people to access the services and products they need, when they need them.
- **A cultural and attitudinal change towards long-term savings:** making conversations about pension savings normal so people take ownership of their pension and build trust between consumers and industry.
- **People facing the issues that arise in much later life with more knowledge and confidence:** understanding what they need to consider (especially over the age of 75); what options are available to them; and putting later-life financial and health choices in writing while they still have the physical and mental capacity to do so.

How change could happen at scale

We have three hypotheses about how change could be achieved at scale:

- **Developing guidance packages that work alongside tools like the proposed MaPS Pensions Dashboard to help people take action when needed.** Delivered across all channels, and focused on specific life events, such as parental leave and divorce, these could be touchpoints to engage people about long-term savings.
- **Working with industry, regulators and government to translate standards and regulations for consumers, to exploit all opportunities for engagement.** A range of organisations should support the industry to develop products and services with the customer at the heart of design, and help create systems and exploit new technologies that are accessible and meet consumer needs.
- **Working with partners on campaigns to increase confidence, engagement and trust in systems and processes that are there to help in much later life.** These need to normalise conversations about planning for illness, bereavement, cognitive decline and death. Part of this work will be ensuring consistent and simple language is used across the sector to communicate with consumers consistently in a way that is understandable and relatable.

The activation period

We will bring together influential and relevant stakeholders and partners who will be set the UK Strategy challenge of how to ensure that five million more adults say they know enough to make decisions in and for later life.

They will also consider proposals such as:

- **People accessing their long-term savings** (short-term focus)**,** especially implementing the consumer-focused recommendations from the FCA's Retirement Outcomes Review and through work such as the 'stronger nudge' trials, to look at scenarios for pension savers in ten years time to anticipate their changing needs.
- **Improving engagement with long-term savings** (medium- to long-term focus). Alongside the development of the proposed MaPS Pensions Dashboard, other ideas to be considered include:
  – mid-life MOTs (looking at life events and stages that could be touchpoints to connect people with their long-term savings);
  – a simplified annual statement so that people can understand what they have and what they might need to help them make informed retirement decisions; and
  – improving consistency of language across the sector to help demystify pensions saving and retirement options.
- **Looking at the unique needs of people in later retirement (**medium- to long-term focus), especially key needs for later life decisions, and how to drive positive outcomes.

Notes

Cross-cutting lenses: vulnerability and inclusion

As the organisation coordinating the UK Strategy, MaPS has legal duties. We must make sure we support those most in need: 'bearing in mind the needs of people in **vulnerable** circumstances'. Additionally, we have a Public Sector Equality Duty to be **inclusive**. This means taking account of the needs of people with protected characteristics, such as disability or their gender. We will build this inclusive thinking into delivering the strategy, promoting it to partner organisations.

Vulnerability and inclusion examples	Key Statistics
1. **Physical and mental health**	■ 16% of working-age adults have a disability ■ One-quarter of adults in any year experience at least one mental health disorder
2. **Personal circumstances**	■ 6.5m people are carers ■ There are 792,000 young people aged 16–24 who are not in education, employment or training
3. **Age**	■ The number of people over the age of 85 is predicted to double in next 25 years
4. **Financial crime**	■ Almost one in five adults has been a victim of financial abuse
5. **Gender**	■ Women aged between 55–64 have just 37% of the median private pension wealth of men
6. **Digital inclusion and capability**	■ 11.9m people don't have the basic digital skills for day to day life in the UK

During the listening phase we worked with a range of stakeholders to design a set of principles to support the UK Strategy and the statutory objective to bear in mind the needs of people in vulnerable circumstances:

- We will focus our resources on those whose current circumstances mean they are either suffering financial detriment or have a significant probability of suffering financial detriment in the future.
- We believe that people currently in vulnerable circumstances are those who are especially susceptible to financial detriment for themselves or their family due to one or a combination of the following reasons:
  – a personal characteristic such as gender, a serious mental health condition or cognitive impairment;
  – the impact of a recent life event such as a bereavement; and
  – a low level of skills needed for good financial capability.
- Our work with consumers in vulnerable circumstances will aim to improve their ability to manage money and pensions and to reduce the risk of financial detriment.
- We will ensure all MaPS services are accessible to people with protected characteristics, including those people with disabilities and long-term physical and mental health conditions.

Challenge groups to look at these issues during the activation period

From a financial wellbeing perspective, vulnerability and inclusion are important common factors to consider. Given this, we will take a phased approach to the delivery plans. Our listening exercise and evidence review both pointed to the significant gaps in financial outcomes between women and men. The same is true for people who are experiencing mental health problems, compared to those who are not. Although we believe the data is incomplete, we are sure each Agenda for Change should look carefully at gender and mental health in the first phase.

Cross-cutting lens: gender

Women and money

What do we know about the evidence?

Financial engagement measures – awareness, confidence, feelings, experience and trust – show women are significantly less financially engaged than men.

Just 36% of women think they understand enough about pensions to make decisions about retirement. That's compared to 54% of men. Building on a range of analysis from stakeholders including the Insuring Women's Futures programme, we believe differences in engagement impact all aspects of women's relationship with money: financial management, debt, savings, pensions and investing. The difference in women's financial wellbeing at pensionable age is then the cumulation of many financial disadvantages women face throughout their lifetimes. The most important of these is the gender pay gap, but there are many others that need to be addressed.

What could help to close the gap?

We believe many possible prompts could be created through public, private and voluntary sector services that would improve financial wellbeing for women. These would also benefit men. We see value in trying different ways of engaging women and men with money and pensions, starting from disaggregated data and measuring the results. In time, these approaches could inform organisational financial wellbeing strategies, to make them more inclusive and sensitive to women's circumstances and attitudes. We want the information, guidance, advice and services women receive to be relevant to their financial lives, and drive positive outcomes.

Cross-cutting lens: mental health

People experiencing mental health problems

What do we know about the evidence?

People experiencing mental ill-health fare much worse with debt and credit.

	Have a diagnosed mental health problem	Rest of UK population
Are over-indebted	**36%**	11%
Missed payments in 3+ of last 6 months	**27%**	8%
Have used any form of short-term, high-cost credit in last 6 months	**24%**	8%
Have experienced emergency issues (e.g. court summons, bailiffs) in last 6 months	**23%**	6%

More people experience mental health problems than receive a formal diagnosis – and we believe that the wider group is also more likely to suffer poor financial wellbeing than people who do not experience mental health problems. This is why we think people experiencing mental health problems is the right group to target across our Agendas for Change.

Building on the work of the Money and Mental Health Policy Institute we want more organisations to build mental health awareness into their service delivery.

What could help to close the gap?

The most obvious and immediate target for change is debt advice delivery. We know many people experiencing mental health problems seek help here. We also see our Agenda for Change on managing credit (Credit Counts) as an opportunity to promote service design that better supports people experiencing mental health problems.

The new mental health specific element of the proposed Breathing Space in particular creates an opportunity to reach and serve those experiencing mental health problems, as well as building stronger partnerships between the debt advice and mental health sectors.

As with gender differences, gathering more and better data at points of contact with all types of services will be an important foundation for work over the 10-year strategy period.

Additionally, we will work across all the Agendas for Change to identify and build in opportunities to protect consumers from fraud and scams.

Helping everyone to focus on the same goals

To deliver the strategic measures and outcomes, MaPS will work with other organisations. We will adopt an efficient and flexible governance structure, providing a toolkit for stakeholder organisations to use. We will also commission and fund delivery from our own levy funding in helping to deliver the outcomes. This page sets out the governance structure for the UK Strategy.

MaPS Board

Permanent advisory groups

- Devolved Governments (Board Subcommittee)
- Children and Young People Advisory Group
- Adult Advisory Group
- Debt Advice Advisory Group
- Research Advisory Group
  - Leading academics and other experts who advise on MaPS research

Delivery Groups

- MaPS Executive Leadership Team
- Challenge groups to activate the strategy
  - Each challenge group will report to a MaPS Executive Team member, or be co-chaired by one.
  - Each will have objectives to be achieved within a particular timescale.
- Northern Ireland, Scotland, Wales and England forums
- Debt Advice Operational Group

As well as formal governance, MaPS will use additional informal mechanisms to mobilise others, including:

- Sitting on, or chairing, other taskforces, commissions and groups
- Advocacy at conferences and events
- Running conferences and events that fill particular gaps
- E-newsletters
- Publishing best practice and updates on a business-to-business website
- Participating in social media forums

Delivery by MaPS

We will mobilise partners through governance, support them with a toolkit and fund delivery to consumers that will contribute significantly to the National Goals. MaPS does not anticipate that this will ever be at a level that makes it the most important driver of change directly to consumers. However, MaPS does expect that all its guidance and debt advice services will contribute to the five priority measures and outcomes. We will also be able to fund other strategically significant delivery to prove a business case, attract matched funding or shape markets.

£81m: 64% of 2019/20 budget

Service delivery:

- money guidance (digital/telephone/ print)
- pensions guidance (digital/telephone)
- debt advice

£25m: 20% of 2019/20 budget

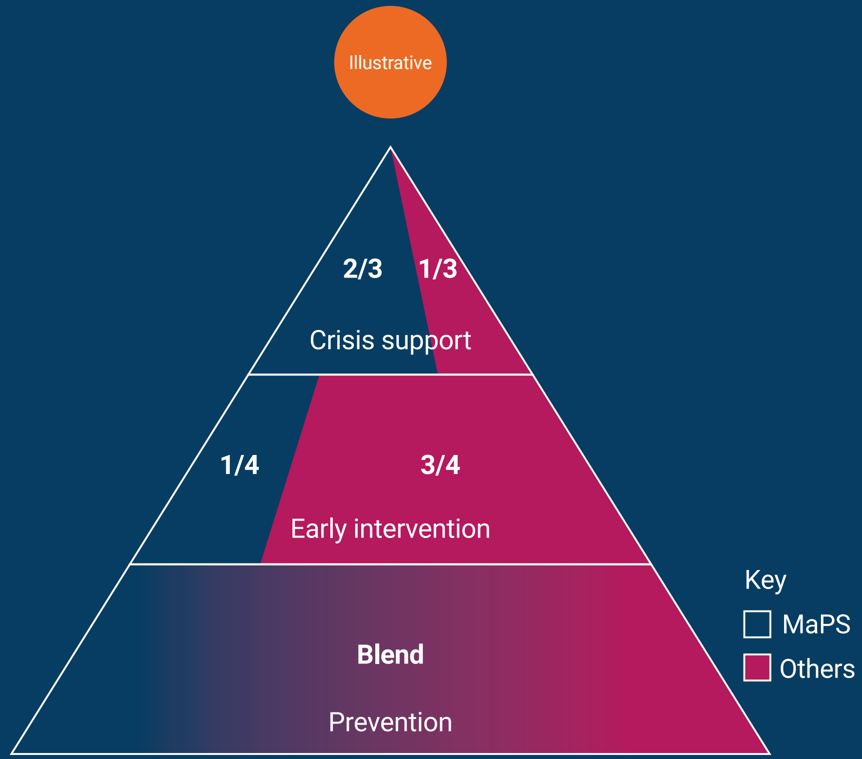
Strategic pathfinders and other projects, including:

- Children and young people pathfinders
- Savings and credit adult pathfinders
- Piloting Adviser Capacity and Efficiency (PACE)
- 'Stronger nudge' trials for pensions guidance
- Proposed MaPS Pensions Dashboard

For 2019/20, the proportions we are spending on: service delivery (guidance and debt advice services), driving forward the emerging themes of the UK Strategy, and overheads, are as above.

Having published the UK Strategy, we are developing a corporate plan for 2020/21 and a Corporate Strategy for 2021–24. This will set out how we will support the Agendas for Change and the toolkit for the UK Strategy.

Resources dedicated to financial wellbeing



To think about how to share resources in the future, MaPS has considered the 'pyramid' model used often in public health interventions. In our listening exercise, many stakeholders identified the importance of increasing investment into preventative work to build people's financial resilience. They also acknowledged the problems attracting funding for these type of interventions when there is a pressing need for crisis support. The guiding approach for the UK Strategy is that we need to make sure that – collectively as a sector – we are getting the balance right between prevention, early intervention and crisis support.

Above is an illustration. It shows how, when the delivery plans for the UK Strategy, and the MaPS Corporate Strategy are combined, resources might divide across the pyramid. MaPS has a key role to play in commissioning debt advice. Naturally, our resources are weighted towards crisis support. However, another key role for MaPS in coordinating the strategy is to work collaboratively with stakeholders to direct suitable resources across prevention, early intervention and crisis support to achieve the National Goals.

The MaPS Toolkit – multi-sectoral support offers

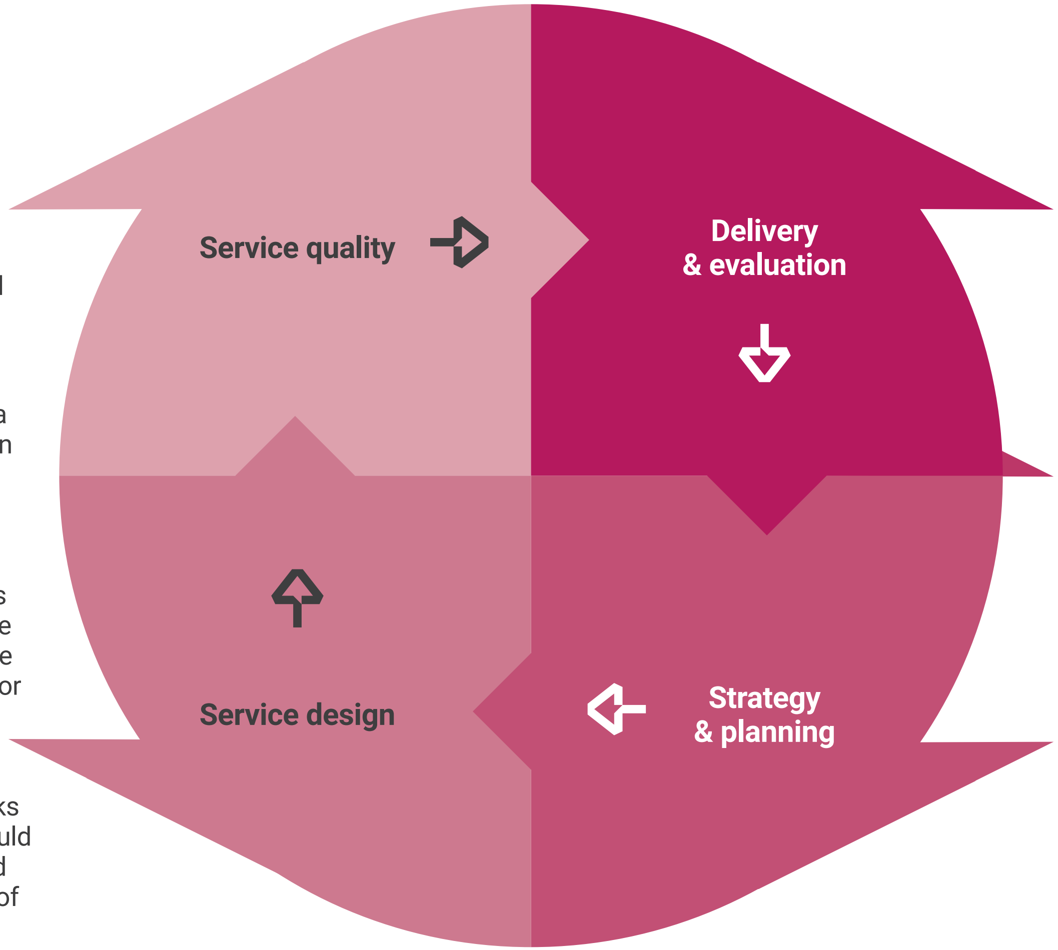
This page sets out MaPS' initial thoughts about its 'toolkit'. The toolkit will provide easy-to-use support services, which will help a wide range of organisations from the public, private and voluntary sectors to be as effective as possible in delivering the UK Strategy. We will welcome views from the challenge groups on the precise shape and ambition of this toolkit. We particularly want to consider how the toolkit can support organisations to undertake even more small-scale initiatives in local communities, applying the Agendas for Change to local needs.

Supporting frontline skills

MaPs could provide practitioner skills support for both money guidance and debt advice frontline workers. Each could be linked to a skills framework. Support will include communication and development of the framework; assessment methods, quality-assured resources; and training.

Co-funding innovation

Since 2016, MAS and then MaPS ran a Financial Capability Lab. This has been successful in devising and piloting product features that have then been developed and tested by financial services firms. If we always work to complement the work of other centres of innovation, the Lab's scope could be expanded to cover the needs of private and voluntary sector providers. If so, for all aspects of service design, it would produce new ways in which products and services can enhance financial wellbeing. And through the What Works Centre approach (see right), MaPS could also encourage others to innovate and help them evaluate the effectiveness of innovation projects they have run.



Making public guidance available to everyone

As MaPS updates its digital public guidance, it could make it available for everyone to re-use.

Building evidence and sharing it for everyone's benefit

MaPS could build on the success of the What Works Fund, applying to move from affiliate status to be a full member of the What Works Network. It could fund evaluations of what works; continue to maintain the world's leading library of evidence; and provide evaluation tools for partners to measure what works consistently and effectively. This would help partner organisations to continually improve their delivery and their strategic decision-making.

Focusing policy expertise

MaPS could develop long-term views of the policy changes needed to make a success of the UK Strategy. Our work could include feeding in data and insights, co-creating new viewpoints and solutions, and working with partners on specific issues.

The toolkit will form part of MaPS' corporate plan for 2020/21. During the activation period, MaPS will listen to the views of potential partners about these offers. We will also look at suggestions about further offers that could enhance the toolkit, such as *Talk Money, Talk Pensions* week, and a challenge prize fund.

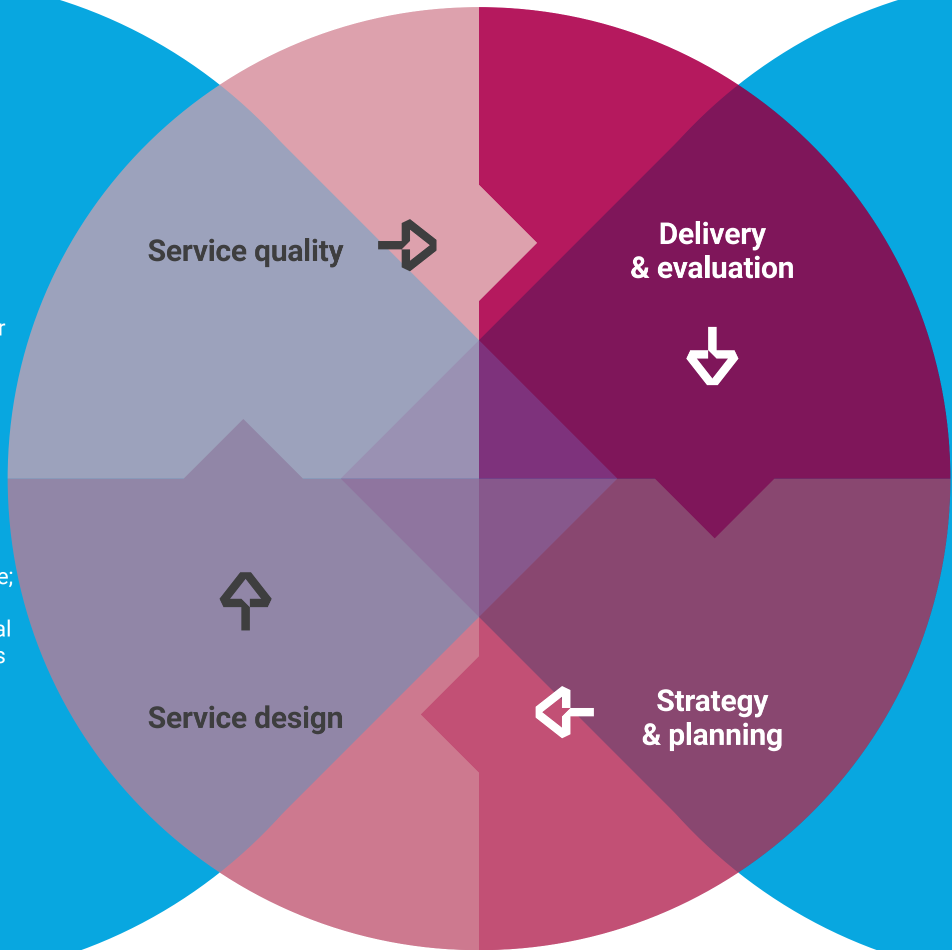
The MaPS Toolkit – supporting specific sectors

As well as the multiple sector toolkit described on the previous page, we see two specific clusters of organisations that could greatly benefit from offers developed by MaPS as part of a special toolkit. These offers would need to help throughout the delivery cycle, from strategy to evaluation.

Workplace proposition

More and more leading employers are becoming interested in financial wellbeing as a driver of productivity, employee engagement and employer differentiation in the marketplace. Over the 10 years of the strategy, we could see a major shift in the value employers place on good guidance information on intranets; excellent signposting to advice; payroll savings schemes; and financial nudges to people at critical moments.

A challenge group will drive this thinking further in the activation period, establishing a 'Workplace proposition'. The group will consider: best practice; issues and barriers to adoption across the UK workplace; innovations for driving the five National Goals; how to scale and how to build the business case; the role of government; and what support is needed to drive this forward.



Financial services strategy

Financial services play a leading role in helping to improve millions of peoples' financial lives. We want to see more evidence of financial wellbeing at the centre of firms' core purpose. We believe this will help to drive significant, sustained change in improving the financial wellbeing of the nation.

Progress is being made. For example, a 2019 MaPS report highlighted how some retail banks are building financial wellbeing features into products and services. Now, there is significant opportunity to do more to help improve financial wellbeing across the UK. MaPS will work with the sector to build greater and more consistent understanding of financial wellbeing as a mainstream focus in a business. It will also support the sector with tools and resources to support better financial wellbeing.

Page-by-page notes and sources for the statistics used in this document

Page 1
The UK Strategy for Financial Wellbeing on a page

Detail about all goals is given in the next column under the notes for page 11.

Page 4
Joint foreword

'11.5m people', '22m people', '9m people': Money Advice Service, Financial Capability Survey (2018).

'5.3m children': MaPS, *Children and Young People Financial Capability Survey* (2019 forthcoming).

'According to OECD': OECD, G20/OECD INFE report on adult financial literacy in G20 countries (2017).

Page 9
A financially healthy nation

'Adverse mental health has an estimated value of £600–800 per person': Money Advice Service, The Economic Impact of Debt Advice (2018).

'In 2018, 11% of UK workers reported': Centre for Economics and Business Research, Financial wellbeing and productivity: A study into the financial wellbeing of UK employees and its impact on productivity (2018).

'In 2016, the UK economy lost £120.7bn and 17.5m hours': CIPD, Employee financial well-being: why it's important (2017).

'£5.4 trillion, or 42% of the then household wealth of the UK. Of that pension wealth, 69% was invested in the UK and 31% abroad': ONS, Wealth in Great Britain Wave 5:2014 to 2016 (2018).

Page 11
Setting National Goals

'48% receive a meaningful financial education': MaPS, *Children and Young People Financial Capability Survey* (2019 forthcoming).

'57% save regularly', '17% borrow for food or bills', 45% say they understand enough': Money Advice Service, Financial Capability Survey (2018).

'32% have accessed the debt advice they need': MaPS, *Debt Need Survey* (2019 forthcoming) combined with ONS Population estimates for the UK (mid-2018). Figures regarding debt advice access are based on 10,000 interviews. Access figures are based on consumers reporting receiving debt advice in the last year.

'4.8m children and young people', '9m adults', '23.6m adults', '1.7m adults', '14.7m': Money Advice Service, Financial Capability Survey (2018), survey percentages converted to numbers of people using ONS, Population estimates for the UK (mid-2018).

Important note for the 'future focus' baseline and goal: Currently 45% of people aged 18–64 say they know enough about pensions to make decisions for retirement – the goal above is based on this percentage, applied to the whole adult population, as we currently lack data for 65+ year-olds. This is therefore an inference. We will survey people aged 65+ using a comparable measure and will complete this measurement during the activation period.

'Struggling' and *'squeezed'* segment sizes come from MaPS, *Financial Resilience Segmentation* (2019 forthcoming). The MaPS segmentation splits the UK into three main segments:
- 'Financially cushioned' – the most financially resilient group with the highest levels of income and savings and the lowest proportion of over-indebted. They are the most highly engaged with their finances.
- 'Financially squeezed' – often working-age and with significant financial commitments but relatively little provision for coping with income shocks. They are digitally savvy.
- 'Financially struggling' – these people struggle to keep up with bills and payments and to build any form of savings buffer. They are the least financially resilient and the most likely to be over-indebted.

MaPS is currently refreshing the segmentation documentation, but expects the refreshed version will still reflect the broad conclusions of the Money Advice Service's earlier version.

Page 14
Financial foundations

'48%': MaPS, *Children and Young People Financial Capability Survey* (2019 forthcoming).

'4.8m': derived from ibid, combining percentage with ONS Population estimates for the UK (mid-2018).

Page 15
Financial foundations

'Fewer than three in ten 14- to 17-year-olds plan ahead for how they'll buy things they need, and almost one in ten 16-to 17-year-olds have no bank account at all. Of those who have accounts, 30% have never deposited money': MaPS, *Children and Young People Financial Capability Survey* (2019 forthcoming).

Page 17
Financial foundations

'10.1m children and young people' (aged 5–17): ONS, Population estimates for the UK (mid-2018).

'We believe just under a third are reached through any intervention': Money Advice Service, CYP Provision Analysis (2018).

Page 18
Nation of Savers

'61% save regularly': Money Advice Service, Financial Capability Survey (2018).

'15.7m': derived from ibid, combining percentage with ONS Population estimates for the UK (mid-2018).

Page 19
Nation of Savers

'11.1m working-age people in our 'financially struggling' and 'financially squeezed' target groups who don't save regularly.': Money Advice Service, Financial Capability Survey (2018), MaPS segmentation and ONS, Population estimates for the UK (mid-2018).

'Among our target group, 14% have no savings at all, 12% have savings of £1–£99, and 19% have savings of £100–£499': Money Advice Service, Financial Capability Survey (2018), MaPS segmentation.

'71% of adults receive unexpected bills': Money Advice Service, Unexpected Costs (2013).

Page 21
Nation of Savers

'Six million young adults will inherit savings from the former Child Trust Funds over the next seven years': ShareFound, Analysing the Child Trust Fund scheme on its 16th Birthday (2018).

Page 22
Credit Counts

'17%': Money Advice Service, Financial Capability Survey (2018).

'9m': derived from ibid, combining percentage with ONS, Population estimates for the UK (mid-2018).

Page 23
Credit Counts

'9m': derived Money Advice Service, Financial Capability Survey (2018), and ONS, Population estimates for the UK (mid-2018).

'1.8m' and *'7.2m'*: ibid, combined with MaPS segmentation.

Page 26
Better Debt Advice

'1.7m' and *'3.6m'*: MaPS, *Debt Need Survey* (2019 forthcoming) combined with ONS, Population estimates for the UK (mid-2018).

Figures regarding debt advice access are based on consumers reporting receiving debt advice in the last year.

We define 'regularly' in our *Debt Need Survey* (2019 forthcoming) as people who have missed payments in 3 of the last 6 months, and who across the last 6 months say have been in arrears always/most/some of the time.

Page 27
Better Debt Advice

'9m adults', '5.3m people' MaPS, *Debt Need Survey* (2019 forthcoming), combined with ONS, Population estimates for the UK (mid-2018).

'9m adults are over-indebted': defined as either: missing payments (in 3 or more of the last 6 months); or feeling like keeping up with their bills (and credit commitments) is a heavy burden, from MaPS, *Debt Need Survey* (2018).

Figures regarding debt advice access are based on consumers reporting receiving debt advice in the last year.

All other figures from MaPS, *Debt Need Survey* (2019 forthcoming).

Page 30
Future Focus

'45% say they know enough': Money Advice Service, Financial Capability Survey (2018), based on people aged 18–64 only. We will survey people aged 65+ during the activation period and revise figures accordingly as needed to reflect the total adult population.

'23.6m adults': derived from ibid, percentage converted to numbers of people using total adult population from the ONS, Population estimates for the UK (mid-2018).

Page 31
Future focus

'22 million of the 40m working-age people': Money Advice Service, Financial Capability Survey (2018) combined with ONS, Population estimates for the UK (mid-2018).

'66% of 18–24 year-olds say they don't know enough and; 64% of working-age women; 48% of those at retirement age (55–64)': Money Advice Service, Financial Capability Survey (2018).

'12m people aged 65 and over' and *'5.4m aged 75 and over'*: ONS, Population estimates for the UK (mid-2018).

Page 34
Cross-cutting lenses: vulnerability and inclusion

'16% of working-age adults have a disability': Family Resources Survey (2011/2); FCA, Occasional Paper No.8: Consumer Vulnerability (2015).

'One-quarter of adults in any year experience at least one mental health disorder': NHS 2007 figure, ibid.

'6.5m people are carers': Carers UK, ibid.

'There are 792,000 young people aged 16–24 who are not in education, employment or training': ONS, Young people not in education, employment or training (NEET), UK: August 2019 (2019).

'The number of people over the age of 85 is predicted to double in next 25 years': Age UK (2013), FCA, Occasional Paper No.8: Consumer Vulnerability (2015).

'Almost one in five adults has been a victim of financial abuse': Refuge, Money Matters: Research into the extent and nature of financial abuse within intimate relationships in the UK (2015).

'Women aged between 55–64 have just 37% of the median private pension wealth of men ': Pensions Policy Institute, Understanding the Gender Pensions Gap (2019).

'11.9m people don't have the basic digital skills for day to day life in the UK': Lloyds, UK Consumer Digital Index 2019 (2019).

Page 35
Cross-cutting lens: gender

'Just 36% of women think they understand enough about pensions to make decisions about retirement, compared to 54% of men': Money Advice Service, Financial Capability Survey (2018).

Page 36
Cross-cutting lens: mental health

All figures from MaPS, *Debt Need Survey* (2019 forthcoming).

The UK Strategy for Financial Wellbeing

2020–2030

Money & Pensions Service

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