The Financial Inclusion Centre

Promoting fair, inclusive financial services

LONDON CITIZENS MONEY MENTORS PROJECT:

PROJECT EVALUATION BY THE FINANCIAL INCLUSION CENTRE

REPORT CONTENTS

EXECUTIVE SUMMARY

Introduction and background

- As part of its response to the financial crisis, London Citizens developed a pilot project to test the effectiveness of the peer-to-peer approach to improving financial capability – the **Money Mentors** project. Specifically, London Citizens set a target to equip a total of 4,500 year 10 and 12 students in selected schools across London with financial skills, knowledge, confidence and experience which they could then use to teach sound financial management practices to their families and peers.

- It is important to note that the Money Mentors project was a first stage ***pilot*** scheme. With this in mind, The Financial Inclusion Centre (The Centre) was asked to evaluate the effectiveness of Money Mentors as a financial capability intervention and to identify lessons to be used to develop a second stage, larger Money Mentors 'Academy' project.

- The Centre used a combination of quantitative and qualitative assessment techniques to assess the effectiveness of Money Mentors and looked at the impact on two broad aspects of financial capability: financial behaviours, confidence and attitudes towards money matters; and financial literacy and aptitude. It is important to note the limitations and caveats. The limited resources available and the short timescale mean that it has not been possible to undertake longitudinal analysis and we had to rely on self-reporting. Nevertheless, we are confident that the combination of evaluation techniques provides us with a meaningful evaluation framework to assess the effectiveness of Money Mentors.

Key findings

- We undertook two different forms of assessment: i) a sample of students took a set of 3 financial literacy tests to monitor the impact of Money Mentors on financial behaviours and attitudes, and financial aptitude and knowledge; and ii) qualitative assessment in the form of observational visits and focus groups with students in a sample of schools.

Key findings from financial literacy test: impact on financial behaviours and attitudes

- In our view, there was a significant improvement amongst students – certainly in terms of attitudes towards financial matters. Comparing Test 1 with Test 2, an improvement was noted on every aspect of the test relating to behaviour, confidence and attitudes. Taken across the board, the average improvement was 0.7 points on a scale of 1-5.

- The key points we would highlight are significant improvements in: levels of reported confidence in dealing with financial products and services; the numbers of students reporting that they find financial products and services less confusing; levels of awareness of financial products, and the degree to which students became open to learning about money; and numbers of students intending to take action and adopt positive financial behaviours.

- Moreover, the findings from Test 3 suggest that these improvements have been sustained to a large degree even if there was some fall off from the peaks reported in Test 2 (which is not surprising). Although, we have to note the limitations of self-reported surveys/ tests, the qualitative research we undertook seems to support the view that much of the noted improvement was sustained over the summer.

- In many cases, there was a notable improvement – for example, on students saying they felt they had greater ability to keep finances under control and had more confidence about drawing up a budget.

- In the areas relating to *intentions* to do something – for example, intention to draw up a budget, the improvement in scores was also particularly good. But, as we explain below, we think it is unlikely that these intentions were necessarily followed up with the same level of action indicated by the test results. However, this is not unexpected given the nature of the challenges facing those engaged in financial capability. It is recognised that it is very difficult to ensure that consumers actually change their behaviour even if they say they intend to.

- It suggests to us that the Money Mentors approach is very effective at inspiring confidence and prompting positive behaviours. The intensive, innovative and energetic style of teaching seems to be very effective at encouraging healthy consumer scepticism about financial products and consumption generally – it seems to make connections to students' lives.

- However, the intensive one-day approach followed by the original Money Mentors project may not be appropriate for persuading students to undertake practical tasks that require a degree of planning and discipline – ie. tasks such as budgeting. We would suggest that it is very difficult to teach practical tasks in such an intensive format and this would be better delivered using a structure which allowed for regular contact (this will be built into the Academy project).

Key findings from financial literacy test: impact on financial aptitude and knowledge

- The questions in the tests were designed to specifically reflect the Money Mentors curriculum as well as test general financial knowledge. However, we also included questions which required students to calculate compound interest in order to make comparisons between different financial offers – this captures assessment of numeracy skills.

- As the summary results suggest (see Table 4), the Money Mentors programme seem to have had a real impact on certain aspects of financial knowledge. However, in other areas, the results were mixed.

- For example, with regards to knowledge of APR, the percentage of respondents who got the correct answer rose from 63% to 83%. Similarly, the percentage getting the answer on knowledge of AER increased by 16%. What is also very encouraging is that the results suggest that this improvement in knowledge was maintained.

- Intriguingly, with regards to the questions involving compound interest, the percentage getting the right answer in Test 2 actually fell compared to Test 1. However, the percentage getting the answers right rose again in Test 3 with the result that there was no meaningful change between the results at Test 1 and Test 3. We think this can be explained by this due to the intensive nature of the day long course and the nature of this type of question. Calculating the effects of compound interest to choose a product requires much greater mental effort than recalling the meaning of a financial term. So it would perhaps not be surprising that students at the end of a very intensive day were less able to perform such calculations in a test environment or possibly didn't have the energy or desire to make a good attempt at the question.

- Overall, we conclude that the Money Mentors approach is very effective at inspiring confidence and prompting positive behaviours, and is successful at improving knowledge of financial terms. The intensive, innovative and energetic style of teaching seems to be very effective at imparting knowledge of financial products – it seems to make connections to students' lives. However, the intensive one-day approach may not be appropriate for improving general financial aptitude and numeracy skills. In many cases, there may be significant issues to overcome with general numeracy and literacy levels in schools. Moreover, we would suggest that it is very difficult to teach practical problem solving in such an intensive format and this would be better delivered using a structure which allowed for regular contact and allowed students to improve financial aptitude using practical examples (this will be built into the Academy project).

Key findings from qualitative assessments

- The 'quantitative' assessment of financial capability was complemented by qualitative assessment of key elements of the programme. This qualitative assessment was undertaken through a combination of: observation of the training programme in seven schools by Centre staff (one-third of students were covered by the observational visits); and interviewing a sample of the students in five of the schools following the summer holidays in a focus group setting using structured questions.

- There was some variation in views between the focus groups in the different schools. This is to be expected. However, notwithstanding this proviso, overall the majority of the students across the groups said that they found the Money Mentors day useful, interesting and kept them engaged.

- Although there were some exceptions, generally, the students were of the view that the Money Mentors programme improved their confidence, provided reassurance and increased interest in money matters. Money Mentors day made them realise that money can be very complex and they need to be 'clued up' and sceptical about advertisements. In particular, the elements of the programme they found most useful were those that: showed how complex finances could be; explained the pitfalls of credit and what terms such as APRs mean; and explained how to spend wisely and shop around more effectively.

- With regards to financial behaviours, the focus groups were positive in most cases – this reinforced the results from the financial literacy tests. The key points to highlight include:
  - Money Mentors encouraged the majority to take on board the need to save, and to think about saving in future rather than using credit cards straight away;
  - the debt session had made them think that they don't want to be in debt in future;
  - many thought they were already good at shopping around – especially clothing and online, but Money Mentors had reinforced messages and provided helpful tips;
  - numerous examples of good practice and conscious decisions to shop around were given such as mobile phone shopping, food shopping (made people think about the costs of food they were buying and how healthy – issues of quality of food and value), and clothes shopping (seen as good example of using their new financial awareness);
  - Money Mentors also encouraged students to consider more carefully the terms and conditions they were signing up to – the 'hidden small print' problem;
  - Money Mentors encouraged many to think about shopping more carefully and become more sceptical, rather than shop 'mindlessly'.

- Responses on budgeting were not so positive. Some did draw up a budget and intend to stick to it. However, the overall attitude was that they didn't see the need to budget or didn't have the practical skills to draw up a budget. The overall attitude seems to be that rather than draw up a detailed budget they save sometimes and simply spend less when they think they need to (in a sense an informal type of mental budgeting rather than formal budgeting).

<u>Overall views/ ideas for improvement:</u>

- Overall, the impression from the focus groups was that students thought the Money Mentors programme was good and was set just about right. Many students thought it would be boring or 'rubbish' but were very surprised, and would recommend to other young people. It 'opened their eyes to finance' and gave them a better understanding of 'how the real world works'.

- Our impression is that the majority of the students across the groups found the Money Mentors day useful, interesting and kept them engaged. The Money Mentors approach with the use of competitions, a lively style of learning, and the use of real life examples was very much appreciated. The Money Mentors themselves were particularly praised.

- However, there were a number of criticisms and helpful ideas for improvement including:
  - some thought it was a bad time of year to do it (people had left after exams and less focused);
  - a number thought too much information was crowded into a one-day session;
  - the need for a booklet/ checklist/ website students and families could use after the Money Mentors programme was finished;
  - a checklist of danger signs to help spot when family/ friends are in financial difficulties;
  - the need to pass on information to family and friends should have been stressed;

- while some want less information and coverage, some wanted more detailed advanced sessions on specific issues such as surviving at university, how to use a bank account, renting, understanding utilities bills, salaries and tax, and consumer rights;
- having follow up sessions to check progress/ provide ongoing guidance; and
- the need to overcome language barriers if families are to be engaged.

<u>Overall summary</u>

- The evaluation suggests that the Money Mentors approach is effective at teaching students about products and financial terms. Understanding of concepts and definitions of terms such as APR improved considerably.
- However, with regards to financial decisions and choices that require calculations or understanding of concepts such as the effect of compound interest, intensive one-off interventions may not be very effective. Improving this aspect of financial capability probably requires more sustained approach using practical examples.

INTRODUCTION AND BACKGROUND

As part of its response to the financial crisis, London Citizens developed a 'Money Mentors' pilot scheme to test the effectiveness of peer-to-peer teaching of money management as a financial capability intervention.

The aim of Money Mentors was to 'cascade' money management and general financial capability skills into communities by using peer-to-peer teaching methods.

30 undergraduate Money Mentors were recruited from 8 higher education institutions in and around London

The Money Mentors taught students using a financial literacy programme developed by Moneysavingexpert.com and education charity Credit Action[1]. Specifically, the Money Mentors programme curriculum taught the following:

1. budgeting skills;
2. credit;
3. banks and shopping around; and
4. money saving tips.

The undergraduates were split into two teams and paid the London Living Wage for duration of an intensive four week crash programme. The Money Mentors were taught about money matters and teaching techniques.

The intention of the pilot scheme was to test the effectiveness of the London Citizens Money Mentor's approach to financial capability. Specifically, London Citizens set a target to equip a total of 4,500 year 10 and 12 students in selected schools across London with financial skills, knowledge, confidence and experience which they could then use to teach sound financial management practices to their families and peers. A list of the 16 participating schools can be found in Annex I.

With this in mind, The Financial Inclusion Centre (The Centre) was asked to evaluate the effectiveness of Money Mentors as a financial capability intervention. It is important to note that The Centre was asked to evaluate this specific financial capability intervention, not assess the effectiveness of financial capability *per se*.

It is also important to note that the Money Mentors project was a first stage ***pilot*** scheme. So, the Centre was asked to evaluate Money Mentors pilot project as an intervention and to identify lessons to be learned. These lessons have been used to develop a second stage Money Mentors 'Academy' project.

[1] http://www.creditaction.org.uk/

The Centre used a combination of quantitative and qualitative assessment techniques to assess whether the Money Mentors resulted in improvements in financial capability. We assessed the impact on two broad aspects of financial capability:

- financial behaviours, confidence and attitudes towards money matters; and
- financial literacy and aptitude.

Acknowledgments

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The evaluation was undertaken and report written by Mick McAteer, Director, Gareth Evans, Research Director, and Anna Gavurin (Researcher) from The Financial Inclusion Centre.

SECTION 1: EVALUATION FRAMEWORK

EVALUATION OBJECTIVES, KEY RESEARCH QUESTIONS, AND METHODOLOGY

Evaluation objectives

The Centre defines financial capability as more than narrow financial literacy. According to our definition, a consumer is considered financial capable if s/ he has:

- the necessary financial skills/ literacy/ numeracy;
- the confidence to use these skills;
- the propensity to put these skills/ confidence into practice – ie. adopt positive behaviours (such as saving, actively switching/ comparing prices, managing debts etc).

Therefore, The Centre takes the view that for a financial capability intervention to be effective it has to achieve the following:

- the financial skills/ literacy and numeracy of target groups has to be improved;
- recipients must have the confidence to use these acquired skills;
- the attitudes of target groups must be changed;
- recipients must then have the propensity and discipline to put the skills into practice by changing behaviours and taking action;
- overall, a culture of self-determination and financial self-reliance should be promoted;
- the intervention has to be cost-effective – in terms of numbers reached and influenced.

London Citizens sums this up as Capability, Confidence, behavioural and cultural Change (the 3Cs model). Therefore, this is the framework we have used to evaluate whether Money Mentors has been effective.

Research questions

Taking this into account, to evaluate the overall success of Money Mentors project the Centre developed a series of key research questions:

i) Specifically, has the programme equipped 30 undergraduate students with the knowledge, abilities, confidence, and setting to teach and inspire thousands of student Money Mentors to take control of their own and their families' finances?

ii) Specifically, has the project delivered on its stated target of reaching 4.500 students?;

iii) Has the programme resulted in improvements in financial capability (defined as financial literacy, money management skills, and confidence in dealing with money matters) amongst the three target groups?;

iv) The extent to which the Money Mentors approach to peer-to-peer financial education impacts on target groups' openness to learning about money matters;

v) The extent to which the programme promotes an attitudinal change amongst students – do they actively identify themselves as "Money Mentors" to other young people in their school and neighbourhood;

vi) The effect that intensive financial literacy training has on the spending and saving habits of target groups - has the programme encouraged positive financial behaviours in the year 10/ 12 students and families leading to measurable improvements in financial well-being (for example, saving money on utility bills, shopping around)?;

vii) Crucially, the overall sustainability of the programme – the extent to which target groups retain the information they're taught and promotes longer term positive behaviours and attitudes;

viii) Cost effectiveness of Money Mentors – using basic metrics such as cost per pupil reached.

The Centre was asked to evaluate the programme at the following stages:

- the immediate aftermath of the programme; and
- 2 months after completion of project.

Evaluation methodology

The Centre set out to evaluate the impact of the project on each of the three participating/ target groups:

i) The undergraduates delivering the programme;

ii) the year 10/ 12 students; and

iii) where possible, families and communities of the students in the schools involved.

It is understood that London Citizens undertook a parallel evaluation of the teaching experiences provided during the programme.

It proved not possible in the end to evaluate the impact of the intervention on communities. Insufficient family/ community members turned up on the day to allow for evaluation.

The core of the programme to be evaluated is whether financial capability amongst the target groups has improved. Financial capability is taken to mean financial literacy, money management skills, confidence in dealing with money matters, and positive behaviours and attitudes.

To test the effectiveness of the teaching programme, the Centre used a financial literacy test to evaluate whether the financial capability of the undergraduates and year 10/12 students had been improved.

The financial capability test

The financial capability test was devised by The Centre to reflect the curriculum taught by Money Mentors.

The test covered two broad aspects of financial capability:

- financial behaviours, confidence and attitudes towards money matters; and
- financial literacy and aptitude.

Three separate tests were developed (see Annex II for copies of the tests).

An appropriate sample of undergraduates and year 10/12 students was evaluated:

i) prior to the programme starting to provide a baseline for comparison;

ii) at the end of the day long training session; and

iii) 2 months after the end of the programme on return from summer holidays. So, at this point, the year 10 students had become year 11, and year 12, year 13.

With the limited resources available, it was not possible to objectively evaluate the pre-programme level of financial capability of families and communities. We would have needed to have access to profiling information and most probably translation facilities to ensure proper comparability, and setting up of control groups[2].

The aim was to train 4,500 students. However, the resources to test 4,500 students at each of the 3 stages were not available (this would require analysing 13,500 tests). Therefore, The Centre where possible sought to ensure that a representative sample of students was tested - in this case, **500** students at each of the 3 stages using the financial literacy test The Centre developed.

The sample size represented more than 10% of the total number of students expected to participate in the programme. The sample of students was selected to ensure that represented the schools and communities who were the targets of the Money Mentors project.

Given the logistics involved, it was not possible to set up control groups of students who had not participated in the Money Mentors programme. Therefore, the evaluation compares the effectiveness of the Money Mentors approach on students who participated.

[2] The original plan envisaged suitable numbers of parents and other community 'VIPs' coming into the schools at the end of the day to allow The Centre to use a questionnaire to assess their financial capability. This would have allowed us to apply a before and after test. However, getting enough parents and other community VIPs to attend at the end of the programme proved difficult. This should be addressed in the Academy project as regular contact will be maintained between London Citizens, community leaders and community members over a longer period.

Qualitative assessment

The 'quantitative' assessment of financial capability was complemented by qualitative assessment of key elements of the programme and identification of specific techniques which can be used to learn lessons for the larger project[3].

This qualitative assessment was undertaken through a combination of:

i) observation of the training programme in seven schools by Centre staff (Mick McAteer and Gareth Evans). One-third of students were covered by the observational visits.; and

ii) interviewing a sample of the students in five of the schools following the summer holidays in a focus group setting using structured questions.

A copy of the structured questions can be found in Annex III.

Economic impact

An attempt to infer the tangible economic benefit of the programme was also made. We asked students in the 3rd financial test whether their families had changed financial behaviours.

However, it was not possible to obtain any meaningful information about the direct economic benefit of Money Mentors on communities as the opportunity for setting up and maintaining direct contact with family or community members did not arise. Ideally, we would be in a position to directly and continuously survey a representative sample of families in the community. However, the budget did not allow for this as we would probably require translation services given the profile of the communities in which the schools are based.

It should be noted that this is being addressed in the design of the second stage Money Mentors Academy project.

Caveats and limitations

It is important to note the limitations and caveats. Clearly, the limited resources available and the short timescale mean that it has not been possible to undertake longitudinal analysis. Moreover, the limited resources and lack of direct access to local communities meant that we were unable to monitor directly whether the Money Mentors approach resulted in financial savings for families and communities.

Furthermore, we had to rely mainly on self-reporting by survey respondents. We are conscious of the limitations of self-reporting as self-reported improvements in attitudes and behaviours does not necessarily translate into actual changes in behaviour.

[3] It is important to note that, while The Centre was primarily there to evaluate the project and remained objective, the lessons learned were used to improve the structure of the second stage project – the Money Mentors Academy.

However, despite these limitations, we are confident that the structure of the financial literacy quiz means that we have been able to provide a meaningful assessment of the impact on confidence, attitudes, and intentions.

Furthermore, these limitations have been addressed for the second stage project - the Money Mentors Academy programme. The intervention takes place over two years and regular contact with members of communities will be a key feature of the intervention and evaluation.

SECTION 2: EVALUATION RESULTS

KEY RESULTS FROM FINANCIAL LITERACY TEST

KEY RESULTS FROM QUALITATIVE ASSESSMENT

KEY RESULTS FROM FINANCIAL LITERACY TEST

In this section, we summarise the key findings from the quantitative analysis which was based on the financial literacy test taken by samples of students at 3 stages:

1. pre-training: on the morning of the programme;
2. post training: at the end of the day; and
3. 2 months later once students had returned to school.

See Annex X for copy of 3 tests we used to evaluate impact on students behaviours and attitudes.

The financial literacy test sought to evaluate the impact of Money Mentors on two broad aspects of financial capability:

- **Financial behaviours and attitudes;** and
- **Financial literacy and aptitude** (including numeracy).

The stage 1 and 2 tests were structured to measure the immediate impact of the Money Mentors intervention. The stage 1 pre test and stage 2 post test contained questions that allowed us to directly compare the impact on behaviour and literacy/ numeracy.

Test 3 was structured to see whether the impact had been sustained throughout the summer period.

All of the questions relating to financial behaviours in Test 3 are not directly comparable with Tests 1 and 2. Test 3 was structured differently as we were trying to establish whether there was evidence of changes in behaviour in the previous 2 months. However, the questions were designed to allow links to be made across all 3 tests.

Therefore, in terms of presentation, we summarise the results on financial behaviours and attitudes in two parts – a comparison of Test 1 and 2 results, and separate analysis of Test 3 results.

The questions relating to financial literacy/ numeracy in Test 3 are directly comparable to those questions in Tests 1 and 2. Therefore, in terms of presentation, we are able to summarise the results of all 3 tests in one table.

SUMMARY OF FINDINGS ON FINANCIAL BEHAVIOURS AND ATTITUDES

In this section, we summarise the key results on financial behaviours, confidence and attitudes towards money matters. This aspect was tested by comparing the results from the questions in part 1 of the financial literacy tests.

The first evaluation we undertook was to compare the impact of the intensive one-day Money Mentors course on financial attitudes and behaviours. Students completed Test 1 in the morning before the programme started and Test 2 at the end of the day.

Students were asked to rate on a scale of 1 to 5 their response to the following questions summarised in Table 1, below.

With questions 1 - 3:

1 = never, 2 = not likely, 3 = maybe, 4 = usually, 5 = definitely/ always.

With questions 4 - 10:

1 = strongly disagree, 2 = slightly disagree, 3 = neither agree/ disagree, 4 = slightly agree, 5 = strongly agree.

Table 1: financial attitudes and behaviours

	Test 1	Test 2		change
q1. Intend to save when buying something	3.3	4.1		0.8
q2. Intend to draw up a budget	1.9	3.8		1.9
q3. Intend to compare prices	3.4	4.3		0.9
q4. More confident when dealing with money/ finances	3.6	4.0		0.4
q5. Find financial products/ services complex and confusing	3.1	2.7	(decrease positive)	0.3
q6. Find financial products/ services boring	3.1	2.7	(decrease positive)	0.4
q7. Easy to talk to family and friends about money	3.7	4.0		0.3
q8. Confident about drawing up a budget	3.0	3.9		0.9
q9. Able to keep finances under control	3.2	4.0		0.8
q10. Confident about helping family and friends	3.2	3.9		0.7
Average				0.7

On <u>every</u> aspect of the test, relating to behaviour, confidence and attitudes, an improvement was noted. Taken across the board, the average improvement was 0.7 points on a scale of 1-5.

In our view, this is a significant improvement – certainly in terms of attitudes towards financial matters.

In many cases, there was a notable improvement – for example, on students saying they felt they had greater ability to keep finances under control and had more confidence about drawing up a budget.

In the areas relating to *intentions* to do something – for example, intention to draw up a budget, the improvement in scores was particularly good. But, as we explain below, we think it is unlikely that these intentions were necessarily followed up with the same level of action indicated by the test results.

However, this is not unexpected given the nature of the challenges facing those engaged in financial capability. It is recognised that it is very difficult to ensure that consumers actually change their behaviour even if they say they intend to.

In addition, we looked at the 'net balance' of students reporting positively in the 2nd test taken at the end of the day. To do this, we did the following:

- for questions relating to 'intentions', we analysed the percentages who reported that they would 'usually' or 'definitely' take a course of action with the percentage who reported the y would 'never' or 'not likely' to take a course of action;
- for questions relating to confidence and attitudes, we analysed the percentages reporting that they strongly or slightly agreed with statements with the percentages who strongly or slightly disagreed; and
- stripped out those who were non-committal and who reported that they 'maybe' will take action or neither agreed or disagreed.

The results are summarised in Table 2, below.

Table 2: financial behaviours and attitudes

	1= never	2= not likely	3= maybe	4= usually	5= definite/ always	net balance
q1: intend to save	1%	5%	17%	35%	42%	71%
q2: intend to prepare monthly budget	3%	8%	25%	31%	33%	53%
q3: intend to compare prices/ shop around	2%	3%	15%	28%	52%	75%

	1= strongly disagree	2= slightly disagree	3= neither agree/ disagree	4= slightly agree	5= strongly agree	net balance
q4: more confident dealing with money matters	2%	4%	17%	50%	27%	70%
q5: find products complex and confusing	11%	33%	31%	19%	6%	-20%
q6: find money matters boring	19%	23%	33%	16%	8%	-17%
q7: easy to talk to parents and family	3%	5%	22%	31%	40%	62%
q8: more confident about budget	2%	7%	22%	41%	28%	61%
q9: feel able to keep finances under control	1%	4%	20%	43%	33%	70%
q10: more confident about helping family and friends	3%	5%	22%	42%	28%	63%

NB. with questions 5 and 6, a negative balance is a positive result

These are clearly very positive results. In areas which relate to *intentions* to do something (for example, intending to draw up a budget) there were some very impressive scores.

But, when we analyse the results from Test 3 (which asked about behaviour over the preceding 2 months), these intentions did not always translate into actions. This is not surprising and the bias that can result from the gap between self-reported intentions and action is a common theme which emerges from many financial capability projects.

However, despite the limitations of self-reporting, a significant number of participants did report that they acted on the lessons they learned in the Money Mentors project.

The findings from the 3rd quantitative test were supported by the qualitative research (focus groups). Again, we are conscious that self-reporting bias can be an issue in focus groups as well as in self-completed tests, but the number of participants in the focus groups reporting they had acted on was significant and suggests a degree of consistency between the tests and focus groups.

Overall, we would have to conclude that the Money Mentors programme had a significant, measurable impact on students who participated in the programme – certainly when measured against the aims of the programme.

Sustainability

While the evidence from the tests very much supports the conclusion that the programme had a very real immediate impact on students ***on the day***, we also wanted to explore whether the attitudinal and behavioural changes noted had been maintained.

Again, there are caveats. In an ideal world, we would have been able to track and directly monitor students behaviour using longitudinal analysis over a reasonable period – say, for example, one year after the programme was delivered. However, this was not possible given the way the programme was structured and the limited budget available for evaluation.

Therefore, to assess sustainability we assessed the results using a combination of:

- Test 3 taken by a sample of students after they came back from summer holidays; and
- the findings of the qualitative research undertaken with students. This was in the form of focus groups using structured questions (the results from the focus groups can be found in the next section).

Table 3, below, contains a summary of the results from Test 3.

We thought it unlikely that the impact and impetus achieved on the actual day could be sustained to the same degree over the summer so we did not expect to see the same high scores in Test 3 as in Test 2.

However, it is fair to say that, while the findings from Test 3 are not as conclusive or impressive as those from Test 2, there are some very good results.

As Table x shows, the net balance of respondents slightly or strongly agreeing with the statement that they feel more confident about money matters as a result of Money Mentors is 47% (see q1, below).

50% strongly or slightly agreed that they take a greater interest in money issues because of Money Mentors - with a net balance of 33% (see q2).

55% strongly or slightly agreed that they find financial products less confusing because of Money Mentors - with a net balance of 41% (see q3).

Table 3: results from Test 3 on financial behaviours, confidence and attitudes

	1= strongly disagree	2= slightly disagree	3= neither agree/ disagree	4= slightly agree	5= strongly agree	net balance	average rating
Q1: Feel more confident	5%	5%	32%	44%	14%	47%	3.6
Q2: Greater interest in money	4%	13%	33%	35%	15%	33%	3.4
Q3: Products less confusing/ complex	4%	10%	31%	41%	14%	41%	3.5
Q4: Talked to family/ friends more often	11%	12%	43%	26%	8%	12%	3.1

	No	Few people/ times	Lots of people/ times
Q5: Told family/ friends	37%	58%	6%
Q6: Helped family/ friends	49%	45%	7%
Q7: Family/ friends asked advice	72%	24%	3%

	no difference/ don't save	already saving	now saving
Q8: MM encourage start saving	15%	62%	24%

	no difference	sometimes	always	took more care
Q9: Shopped around/ compared more	15%	31%	40%	14%

	no difference	already had budget	drew up budget, didn't always stick to it	drew up budget, stuck to it
Q10: Drew up budget	58%	19%	17%	7%

NB: Figures may not add to 100% due to rounding.

Questions 4, 5, 6, and 7 were included to elicit whether students had taken on board the Money Mentors concept to act as Money Mentors themselves by talking to family and friends about money generally and the Money Mentors project, and being willing to helping family and friends with money issues.

34% agreed that they talked to family/ friends about money issues more often as a result of Money Mentors (see q4).

64% said they had told family/ friends about Money Mentors and what they had learned. But, the number who said that they had told 'lots' of friends/ family - what we might describe as Money Mentors 'ambassadors' or 'evangelists' - was just 6% (see q5).

52% said they were able to help family or friends a few times or lots of times save some money over the summer (for example, with household bills, buying the weekly shopping, or buying clothes or presents). 7% said they had helped lots of times (see q6).

27% said that family or friends had asked them for advice on money matters over the summer - 3% lots of times (see q7).

We don't know of any research which monitors the extent to which students generally tell family and friends about the lessons they learned at school. So, we cannot say with any certainty that students were more likely to go out and talk about money issues as a result of Money Mentors compared to, say, biology or mathematics.

But, although the number saying they had told lots of friends/ family seems low, it strikes us that the total number (64%) who said they had told some people must be encouraging. This is supported by the qualitative research which reinforced the view that Money Mentors had engaged the students who then went on to talk about it with friends and family.

Overall, we would conclude that the programme has been successful at promoting an attitudinal change amongst students and that significant numbers actively identified themselves as "Money Mentors" to other young people in their school and neighbourhood.

Questions 8, 9, and 10 were designed to explore whether students had actually changed their financial behaviours as a result of Money Mentors (again, we stress the caveats re: self-reported results).

When asked about savings behaviour, 62% said they were already saving. But almost a quarter (24%) said they have now started saving regularly or are saving more as a result of Money Mentors (see q8). Only 15% said it made no difference.

With shopping around and comparing prices, only 15% said Money Mentors made no difference. 31% said they sometimes shop around with 54% saying they always took care or more care when shopping around.

The results on budgeting were disappointing. Money Mentors made no difference to 58% on budgets who said they still don't draw up a budget and stick to it. However, even then, almost a quarter (24%) said they drew up a budget. It is no great surprise that it was much more difficult to encourage students to draw up a budget. This requires planning and discipline whereas remembering to actively compare prices can be done during the course of routine activities such as shopping.

So, overall, we would conclude that, notwithstanding the limitations of self-reporting, the results of Test 3 (taken two months after Money Mentors took place) suggest very strongly that Money Mentors programme was successful at influencing students' financial behaviours and, critically, this impact was sustained. The only significant exception was in relation to budgeting.

Overall conclusion from quantitative tests on impact on financial behaviours, attitudes and confidence

Overall, taking together the comparative results from Tests 1 and 2, and the follow up Test 3, we would have to conclude that the Money Mentors programme had a significant, measurable impact on the financial behaviours of the students who participated in the programme – certainly when measured against the aims of the programme and the key research questions set out above.

The key points we would highlight are significant improvements in:

- levels of reported confidence in dealing with financial products and services;
- the numbers of students reporting that they find financial products and services complex and confusing (that is, a reduction in numbers finding complex and confusing);
- levels of awareness of financial products, the degree to which students became open to learning about money; and
- numbers of students intending to take action and adopt positive financial behaviours.

Moreover, the findings from Test 3 suggest that these improvements have been sustained to a large degree even if there was some fall off from the peaks reported in Test 2 (which is not surprising). Although, we have to note the limitations of self-reported surveys/ tests, the qualitative research we undertook seems to support the view that much of the noted improvement was sustained over the summer.

It suggests to us that the Money Mentors approach is very effective at inspiring confidence and prompting positive behaviours. The intensive, innovative and energetic style of teaching seems to be very effective at encouraging healthy consumer scepticism about financial products and consumption generally – it seems to make connections to students' lives.

However, the intensive one-day approach followed by the original Money Mentors project may not be appropriate for persuading students to undertake practical tasks that require a degree of planning and discipline – ie. tasks such as budgeting. We would suggest that it is very difficult to teach practical tasks in such an intensive format and this would be better delivered using a structure which allowed for regular contact (this will be built into the Academy project).

IMPACT OF MONEY MENTORS ON FINANCIAL LITERACY AND APTITUDE

To try to assess the impact of Money Mentors on students' financial literacy and aptitude, we devised a test covering some key elements of financial literacy and basic numeracy.

The questions in the tests were designed to specifically reflect the Money Mentors curriculum as well as test general financial knowledge. However, we also included questions which required students to calculate compound interest in order to make comparisons between different financial offers – this captures assessment of numeracy skills.

The 1st test was designed to assess student's baseline knowledge. The 2nd stage test was designed to assess how the effectiveness of the intensive one-day Money Mentors programme. The 3rd stage test was designed to test whether learning had been retained by students.

The results are summarised in Table 4, below.

Table 4: financial literacy and aptitude

	Quiz 1 % correct	Quiz 2 % correct	Quiz 3 % correct
What is an ISA?	39%	38%	36%
Calculating interest paid on savings account	44%	33%	45%
What does APR stand for?	63%	83%	85%
What does AER stand for	45%	61%	66%
Calculating interest paid on loan	45%	39%	42%
Average score	47%	51%	55%

As the summary results suggest, the Money Mentors programme seem to have had a real impact on certain aspects of financial knowledge. However, in other areas, the results were mixed.

When tested on knowledge of financial terms such as APR and AER, it would seem that the Money Mentors programme had a significant effect on students' knowledge. For example, with regards to knowledge of APR, the percentage of respondents who got the correct answer rose from 63% to 83%. Similarly, the percentage getting the answer on knowledge of AER increased by 16%.

What is also very encouraging is that the results suggest that this improvement in knowledge was maintained as can be seen by the results from Test 3.

Note that these financial terms were taught as part of the curriculum. So we are probably safe to assume that these improvements were attributable to the Money Mentors programme. The number getting these answers correct was significantly higher than would be expected by chance. Students were given 3 possible answers so the chances of getting the correct answer by guessing would be 33%.

Savings were not covered in the curriculum to the same level as credit and debt. Therefore, it is perhaps not surprising that the percentage getting the correct answer on the definition of ISA showed very little movement. Students were not taught the definition of ISA in the curriculum so any knowledge of the term would have to be self-taught or picked up elsewhere. In fact, the findings suggest that the percentage getting the right answer to this question is no different to what would be expected from chance.

Intriguingly, with regards to the questions on compound interest, the percentage getting the right answer in Test 2 actually fell. However, the percentage getting the answers right rose again in Test 3 with the result that there was no meaningful change between the results at Test 1 and Test 3.

We think this can be explained by this due to the intensive nature of the day long course and the nature of this type of question. Calculating the effects of compound interest to choose a product requires much greater mental effort than recalling the meaning of a financial term. So it would perhaps not be surprising that students at the end of a very intensive day were less able to perform such calculations in a test environment or possibly didn't have the energy or desire to make a good attempt at the question.

Conclusions from quantitative tests on impact on financial aptitude and knowledge

Overall, we conclude that the Money Mentors approach is very effective at inspiring confidence and prompting positive behaviours, and is successful at improving knowledge of financial terms. The intensive, innovative and energetic style of teaching seems to be very effective at imparting knowledge of financial products – it seems to make connections to students' lives.

We think there are serious lessons for the Money Mentors Academy project. However, the intensive one-day approach followed by the original Money Mentors project would not seem to be very appropriate for improving general financial aptitude and numeracy skills. In many cases, there may be significant issues to overcome with general numeracy and literacy levels in schools. Moreover, we would suggest that it is very difficult to teach practical problem solving in such an intensive format and this would be better delivered using a structure which allowed for regular contact and allowed students to improve financial aptitude using practical examples (this will be built into the Academy project).

KEY FINDINGS FROM QUALITATIVE ASSESSMENTS

The 'quantitative' assessment of financial capability was complemented by qualitative assessment of key elements of the programme and identification of specific techniques which can be used to learn lessons for the larger project[4].

This qualitative assessment was undertaken through a combination of:

i) observation of the training programme in seven schools by Centre staff (Mick McAteer and Gareth Evans). One-third of students were covered by the observational visits.; and

ii) interviewing a sample of the students in five of the schools following the summer holidays in a focus group setting using structured questions.

We explored the following aspects of the Money Mentors programme in the focus groups:

- **Views on Money Mentors:** how interesting and useful did students find the Money Mentors day? What did they think of the Money Mentors themselves?
- **Confidence and interest**: since the Money Mentors day, are students more confident with money? Do they find financial products *less* confusing and complex? Do they take a greater interest in money? Do they talk more often about money?
- **Engagement:** following the Money Mentors day did you tell your family and friends about what you've learned? Were students able to help family or friends save some money over the summer (for example, with household bills, buying the weekly shopping, or buying clothes or presents)?
- **Financial behaviours:** has Money Mentors changed the way students deal with money, encourage regular savings, shopping around and comparing prices when buying things? Did students draw up a monthly budget?
- **Overall views/ ideas for improvement:** overall, how worthwhile did students think Money Mentors was? Would they recommend it to friends? What aspects would they improve ?

[4] It is important to note that, while The Centre was primarily there to evaluate the project and remained objective, the lessons learned were used to improve the structure of the second stage project – the Money Mentors Academy.

Views on Money Mentors Programme

Views on Money Mentors were not entirely consistent. There was some variation in views between the focus groups in the different schools. This is to be expected. It is also important to acknowledge the effects of peer group pressure in a focus group setting where strong personalities can set the tone of the group.

However, notwithstanding these provisos, overall the majority of the students across the groups said that they found the Money Mentors day useful, interesting and kept them engaged.

Key points to highlight include:

- Money Mentors helped them learn about confusing finances and gave them 'tools' to use in the future. The consensus was that the day was useful as they leant about things they needed in the future. Some said that they found the day 'extremely useful';

- the structure of the day was widely appreciated. The competitions and interactive nature was well received as it provided more motivation. The introduction in the morning assembly and build up at the start of day was important and instilled enthusiasm;

- the design of the programme was appreciated in particular:

- the way the competitive element of the programme kept interest levels high;
- the way teaching topics were varied; and
- the planning and resources which some thought were excellent.

- the Money Mentors themselves were viewed very positively. Many comments were made about their enthusiasm, energy and fun, and good knowledge. Money Mentors were considered to be the perfect age group, and who students could relate to and ask questions. Students saw Money Mentors as all being confident and experienced, having a good standard of education, and lots of knowledge about money matters. The fact that the Money Mentors went to university provided role models for the students.

These very positive attitudes towards the Money Mentors are a reflection of the way that London Citizens recruited the Money Mentors.

The level of engagement of students and positive attitudes towards the Money Mentors expressed during the focus groups is supported by the observational visits we made to the schools. The number of classes that the Money Mentors struggled to control was far outweighed by the number of classes that were engaged and enthused by the Money Mentors.

Confidence and interest in money matters

As above, there were some exceptions but, generally, the students were of the view that the Money Mentors programme improved their confidence, provided reassurance and increased interest in money matters.

One girl explained how she had been given confidence to explain to both her younger and older sisters about what she had learned – especially debt. Others explained how they thought they were very confident about money before hand but the Money Mentors day made them realise that it is very complex and they need to be 'clued up' and sceptical about all the advertisements.

In particular, the elements of the programme they found most useful were those that:

- showed how complex finances could be;
- explained the pitfalls of credit and what terms such as APRs mean; and
- explained how to spend wisely and shop around more effectively.

However, a number of recommendations on how to improve things were made:

- a number of students would like to have access to more information for example in the form of a booklet or website (this was a common view);
- some felt they still were unsure of banking – for example, how to use their bank accounts more effectively (this was not covered on the day;
- while the budgeting section was appreciated, it was felt that it needed to be more specific to their lives (more around a university budget – rent etc).

Engagement

The levels of engagement engendered by Money Mentors varied across the groups. Key highlights include:

- there seemed to be a generally held view that prior to the Money Mentors programme, students had tended not to speak about money. But the Money Mentors was successful at raising levels of interest;

- with regards to engagement with family and friends, there were diverse experiences. Some said that they hadn't passed on any information. However, many others said they did pass on the information. Specifically, there seemed to be evidence of students successfully passing on information to siblings;

- students made quite a few suggestions for improvement in this area. One of the most common suggestions for helping students to pass on information and help family and friends was to provide fact sheets or booklets to take away after a course.

- one particularly good suggestion was for a money checklist students could give to parents which could then be used as a reference guide and a list of danger signs to watch out for which would indicate when families friends are in financial difficulties;

- some mentioned that it would be more practical if lessons were included on utilities bills with information that could be taken away to check whether families are getting a good deal;

- another point that was mentioned on a number of occasions was the need for language barriers to be overcome if Money Mentor lessons are to be of use for families.

- finally, the other common point that was regularly made was that Money Mentors needed to stress at the end of the day that students should pass onto family and friends. That point seemed to be lost.

We did notice this failing during the observational visits. The need to take the information home and pass on to family and friends was emphasised on few occasions by Money Mentors.

Financial behaviours

The findings on this aspect were very positive in most cases and reinforced the results from the financial literacy tests. The key points to highlight include:

- Money Mentors encouraged the majority to take on board the need to save, and to think about saving in future rather than using credit cards straight away. For those who were already saving some money, it reinforced the need to save and/ or provided helpful lessons on ways to save;

- the debt session had made them think that they don't want to be in debt in future;

- many thought they were already good at shopping around – especially clothing and online. But Money Mentors had reinforced messages and provided helpful tips;

- numerous examples of good practice and conscious decisions to shop around were given such as mobile phone shopping, food shopping (made people think about the costs of food they were buying and how healthy – issues of quality of food and value), and clothes shopping (seen as good example of using their new financial awareness – one student said the session had made them feel guilty about shopping/spending money);

- Money Mentors also encouraged some to consider more carefully about the terms and conditions they were signing up to – the 'hidden small print' problem;

- Money Mentors encouraged many to think about shopping more carefully and become more sceptical, rather than shop 'mindlessly'.

Responses on budgeting were not so positive. Some did draw up a budget and intend to stick to it. However, the overall attitude was that they didn't see the need to budget or didn't have the practical skills to draw up a budget. The overall attitude seems to be that rather than draw up a detailed budget they save sometimes and simply spend less when they think they need to (in a sense an informal type of mental budgeting rather than formal budgeting).

Overall views/ ideas for improvement:

Overall, the impression from the focus groups was that student thought the Money Mentors programme was good and was set just about right. Many students thought it would be boring or ‘rubbish’ but were very surprised, and would recommend to other young people. It ‘opened their eyes to finance’ and gave them a better understanding of ‘how the real world works’.

Our impression is that the majority of the students across the groups found the Money Mentors day useful, interesting and kept them engaged. The Money Mentors approach with competitions, a lively style of learning, and the use of real life examples was very much appreciated. The Money Mentors themselves were particularly praised.

However, there were a number of criticisms and helpful ideas for improvement including:

- some thought it was a bad time of year to do it (people had left after exams and less focused);
- a number thought too much information was crowded into a one-day session;
- better advance explanation of Money Mentors by teachers;
- a booklet/ checklist/ website students and families could use after the Money Mentors programme was finished;
- a checklist of danger signs to help spot when family/ friends are in financial difficulties;
- the need to pass onto family and friends should have been stressed;
- while some want less information and coverage, some wanted more detailed advanced sessions on specific issues such as surviving at university, how to use a bank account, renting, understanding utilities bills, salaries and tax, and consumer rights;
- having follow up sessions to check progress/ provide ongoing guidance;
- the need to overcome language barriers.

SECTION 3: SUMMARY OF FINDINGS

ASSESSMENT OF MONEY MENTORS AGAINST

SPECIFIC RESEARCH QUESTIONS

As we set out in the Introduction and background, if a financial capability intervention to be effective it has to achieve the following:

- the financial skills/ literacy and numeracy of target groups has to be improved;
- recipients must have the confidence to use these acquired skills;
- the attitudes of target groups must be changed;
- recipients must then have the propensity and discipline to put the skills into practice by changing behaviours and taking action;
- overall, a culture of self-determination and financial self-reliance should be promoted;
- the intervention has to be cost-effective – in terms of numbers reached and influenced.

London Citizens sums this up as Capability, Confidence, behavioural and cultural Change (the 3Cs model). Therefore, this is the framework we have used to evaluate whether Money Mentors has been effective.

To evaluate the overall success of Money Mentors project the Centre developed a series of key research questions. Taking into account the results from the financial literacy tests and the findings from the focus groups, we now answer those questions.

i) Specifically, has the programme equipped 30 undergraduate students with the knowledge, abilities, confidence, and setting to teach and inspire thousands of student Money Mentors to take control of their own and their families' finances?

We would conclude that the project was very successful at equipping the Money Mentors (the undergraduate students) with the abilities and confidence to teach about money and inspire the year 10 and 12 students.

We conclude this from our observational visits, the focus groups with students, and the results of the financial literacy test which showed a significant increase in reported confidence levels on the part of students.

What is notable is the way that within a relatively short, intensive period (a week's training), Money Mentors were provided with the necessary personal finance education and, crucially, classroom techniques to impart information and engage with students.

During the observation visits we made and from the comments we received during the post-summer focus groups conducted with students it was obvious that the students very much welcomed the approach and the style of teaching adopted by the Money Mentors.

As reported elsewhere, there was less success at improving actual numeracy/ financial aptitude. We think this was as a result the one-day learning structure. It is difficult to successfully teach what can be complex subjects in a single day. This is being addressed in the design of the second stage project.

ii) Specifically, has the project delivered on its stated target of reaching 4,500 students?

In numerical terms, the project reached 3,000 students. Therefore, it did not reach its target of reaching 4,500 students.

iii) Has the programme resulted in improvements in financial capability (defined as financial literacy, money management skills, and confidence in dealing with money matters) amongst the three target groups?

Overall, we conclude that the programme was very successful at improving certain aspects of financial capability but less so in others.

Financial behaviours, confidence and attitudes

The key points we would highlight are significant improvements in:

- levels of reported confidence in dealing with financial products and services;
- the numbers of students reporting that they find financial products and services complex and confusing (that is, a reduction in numbers finding complex and confusing);
- levels of awareness of financial products, the degree to which students became open to learning about money; and
- numbers of students intending to take action and adopt positive financial behaviours.

There was a notable, marked improvement in confidence and attitudes towards money matters. For example, the degree to which students reported feeling confident about money matters improved considerably. Pre-training the average reported score on confidence about helping family and friends was 3.2 out of 5. Post-training the score improved to 3.9 out of 5.

Overall, on the financial behaviours and attitudes aspects of financial capability, scores improved by 0.7 points (see Table 1).

This is very much reinforced by the analysis of the net balances of students who reported positive attitudes and behaviours (see Table 2).

Furthermore, the quantitative data is supported by our qualitative assessment based on observational visits and focus groups with students conducted after the summer break.

Financial literacy and aptitude

Set against the impact of Money Mentors on promoting positive financial behaviours and attitudes, the impact on actual financial literacy and aptitude has not been so obvious.

However, it is important to note that, overall, there has been some improvement (see Table 4).

The intensive one day Money Mentors approach appears to be very effective at imparting knowledge of financial terms such as APR and AER.

For example, with regards to knowledge of APR, the percentage of respondents who got the correct answer rose from 63% to 83%. Similarly, the percentage getting the answer on knowledge of AER increased by 16%.

Encouragingly, the results from Test 3 suggest that this improvement in knowledge was maintained.

Note that terms were taught as part of the curriculum. So we are probably safe to assume that these improvements were attributable to the Money Mentors programme. The number getting these answers correct were significantly higher than would be expected by chance.

Savings were not covered in the curriculum to the same level as credit and debt. Therefore, it is perhaps not surprising that the percentage getting the correct answer on the definition of ISA showed very little movement. In fact, the findings suggest that the percentage getting the right answer to this question is no different to what would be expected from chance.

Intriguingly, with regards to the questions on compound interest, the percentage getting the right answer in the Test 2 actually fell. However, the percentage getting the answers right rose again at the Test 3 with the result that there was no meaningful change between the results at Test 1 and Test 3.

We thought about this to see if we could explain the drop in the number of students getting the correct answer on compound interest questions. We concluded that this was due to the intensive nature of the day long course and the nature of this type of question. Calculating the effects of compound interest to choose a product requires much greater mental effort than recalling the meaning of a financial term. So it would perhaps not be surprising that students at the end of a very intensive day were less able to perform such calculations in a test environment or possibly didn't have the energy or desire to make a good attempt at the question.

iv) To what extent has the Money Mentors approach to peer-to-peer financial education impacted on target groups' openness to learning about money matters?

Again, we would conclude from our assessment that the particular approach adopted by London Citizens based around peer-to-peer financial education has been very successful when measured against this particular outcome. The results from the quantitative tests and qualitative assessments support this conclusion.

Even if the intentions expressed by students weren't always translated into actions, Money Mentors was demonstrably effective at raising levels of interest in money and awareness of the importance of money issues.

Specifically, it would appear from our qualitative research (observation visits and focus groups) that the aspect of the programme that the students most appreciated was indeed the peer-to-peer approach to learning and the Money Mentors themselves. The Money Mentors were viewed as being knowledgable, good at explaining complex subjects, and approachable.

v) To what extent has the programme promoted an attitudinal change amongst students – do they actively identify themselves as "Money Mentors" to other young people in their school and neighbourhood?

Overall, we would conclude that the programme has been successful at promoting an attitudinal change amongst students and that significant numbers actively identified themselves as "Money Mentors" to other young people in their school and neighbourhood. This is supported by results from Test 3.

34% agreed that they talked to family/ friends about money issues more often as a result of Money Mentors (see q4).

64% said they had told family/ friends about Money Mentors and what they had learned. But, the number who said that they had told 'lots' of friends/ family - what we might describe as Money Mentors 'ambassadors' or 'evangelists' - was just 6% (see q5).

52% said they were able to help family or friends a few times or lots of times save some money over the summer (for example, with household bills, buying the weekly shopping, or buying clothes or presents). 7% said they had helped lots of times (see q6).

vi) What effect has intensive financial literacy training has on the spending and saving habits of target groups - has the programme encouraged positive financial behaviours in the year 10/ 12 students and families leading to measurable improvements in financial well-being (for example, saving money on utility bills, shopping around)?

The findings on this aspect were very positive in most cases. The results from the financial literacy tests were reinforced by the findings from the focus groups. The key points to highlight include:

- Money Mentors encouraged the majority to take on board the need to save, and to think about saving in future rather than using credit cards straight away. For those who were already saving some money, it reinforced the need to save and/ or provided helpful lessons on ways to save;
- the debt session had made them think that they don't want to be in debt in future;
- many thought they were already good at shopping around – especially clothing and online. But Money Mentors had reinforced messages and provided helpful tips. Numerous examples of good practice and conscious decisions to shop around were given such as mobile phone shopping, food shopping, and clothes shopping.

It suggests to us that the Money Mentors approach is very effective at inspiring confidence and prompting positive behaviours. The intensive, innovative and energetic style of teaching seems to be very effective at encouraging healthy consumer scepticism about financial products and consumption generally – it seems to make connections to students' lives.

However, the intensive one-day approach followed by the original Money Mentors project may not be appropriate for persuading students to undertake practical tasks that require a degree of planning and discipline – ie. tasks such as budgeting. We would suggest that it is very difficult to teach practical tasks in such an intensive format and this would be better delivered using a structure which allowed for regular contact (this will be built into the Academy project).

Moreover, as we were unable to develop relationships with families and communities, we were unable to quantify the level of savings implied by the results from the financial literacy tests and focus groups.

vii) Overall, how sustainable was the programme – to what extent did target groups retain the information they're taught and longer term positive behaviours and attitudes promoted?

Overall, notwithstanding the limitations of self-reporting, the results of Test 3 (taken two months after Money Mentors took place) along with the findings from the focus groups leads us to conclude that the Money Mentors programme was successful at influencing students' financial behaviours and, critically, this impact was sustained. The only significant exception was in relation to budgeting.

viii) Cost effectiveness of Money Mentors – using basic metrics such as cost per pupil reached.

The total budget for project was just over £68, 000. Based on the **3000** students reached by Money Mentors, this suggests a cost of around £23 per head. We do not have access to unit costs for similar projects so we cannot do a direct comparison. However, this figure will allow sponsors to undertake internal comparisons between of financial capability projects they sponsor.

THIS MARKS THE END OF THE EVALUATION REPORT

Mick McAteer

Gareth Evans

October 2010

ANNEX I – LIST OF SCHOOLS INCLUDED IN PROJECT

Central Foundation Girls' School, Tower Hamlets

Elizabeth Garrett Anderson, Islington

Kingsbury High School, Brent

Lampton School, Hounslow

Langdon School, Newham

Hounslow Manor, Hounslow

St Angela' Ursuline Convent School, Newham

St Bonaventures School, Newham

St Charles Catholic Sixth Form, Kensington & Chelsea

Eastbrook School, Barking & Dagenham

Langdon Park School, Tower Hamlets

Oasis Academy Shirley Park, Croydon

St Cecilia's, Wandsworth

Ravens wood School, Bromley

Eltham Hill Tech College, Greenwich

Uxbridge High, Middlesex

ANNEX II – FINANCIAL CAPABILITY TESTS

<u>PRE</u>-TRAINING FINANCIAL LITERACY QUIZ 1

FOR STUDENTS

Please note: all details will be kept confidential

PERSONAL DETAILS

NAME:	
SCHOOL:	
SCHOOL YEAR AND AGE:	
BOY/ GIRL:	
HAVE YOU ATTENDED MONEY EDUCATION COURSES BEFORE?	
DO YOUR TEACHERS TEACH ABOUT MONEY ?	
TODAY'S DATE	

FINANCIAL QUIZ

PLEASE NOTE: THE FINANCIAL QUIZ IS DIVIDED INTO 2 PARTS. 10 MINUTES IN TOTAL ALLOWED TO COMPLETE BOTH PARTS OF THE SURVEY (PLEASE SPEND 5 MINUTES ON EACH PART)

PART 1: FINANCIAL BEHAVIOURS AND ATTITUDES TOWARDS MONEY

1. **Do you have a current account (or basic bank account)? (Please circle correct answer)**
   - Yes
   - No
2. **Do you know how much you have in your current account? (Please put tick next to your answer)**
   - I always know exactly how much I have in my account
   - I usually have a rough idea of how much I have in my account
   - I usually have no idea how much I have in my account
3. **When you're thinking about buying something new (for example, clothes, or mobile phone) how do you generally pay for it? (Please tick the answer that best describes the way you usually behave)**
   - I usually save up for it
   - I try to make sure I have enough money in my account
   - I often borrow the money, for example, using my overdraft, or credit card
   - I ask my parents for money
   - Other (please specify)
4. **Do you get pocket money?**
   - **Yes**
   - **No**
5. **If so, how much? (Please write amount here)**
6. **Do you have a part time job?**
   - **Yes**
   - **No**

7. If you have a part time job, how much do you earn? (Please write amount here)

8. How much savings you have? (Please tick next to your answer)

- None
- £0 - £499
- £500-£999
- £1,000 or more
- Don't know

9. Which statement do you think best describes your attitude towards savings? (Please tick next to your answer)

- I try to save some money each month
- If I have some money left over at the end of the month, I save it
- I save the odd amount as and when I can
- I never have money left over to save
- I don't really worry about saving yet, I'm too young

FOR THE NEXT SET OF QUESTIONS, PLEASE RESPOND ON A SCALE OF 1 TO 5 TO THE FOLLOWING STATEMENT. FOR EACH QUESTION, PLEASE CIRCLE THE ANSWER WHICH MOST CLOSELY MATCHES YOUR ACTUAL BEHAVIOUR.

1 = NEVER, 2 = RARELY, 3 = SOMETIMES, 4 = USUALLY, 5 = ALWAYS

10. When I want to buy something expensive or special, I prefer to save up for it

1 2 3 4 5

11. I prepare a monthly budget and stick to it

1 2 3 4 5

12. When shopping (for example, buying clothes), I compare prices and shop around before actually buying anything

1 2 3 4 5

FOR THE NEXT QUESTIONS AND STATEMENTS, PLEASE RATE YOURSELF ON A SCALE OF 1 TO 5.

1 = STRONGLY DISAGREE **2 = SLIGHTLY DISAGREE** **3 = NEITHER AGREE/ DISAGREE**

4 = SLIGHTLY AGREE **5 = STRONGLY AGREE**

How much do you agree with the following statements?

13. I am confident when dealing with money and financial matters

1 2 3 4 5

14. I find financial products and services complex and confusing.

1 2 3 4 5

15. I find talking about money matters boring

1 2 3 4 5

16. I find it easy to talk to my parents and family about money matter

1 2 3 4 5

17. I am confident enough to draw up a monthly financial budget

1 2 3 4 5

18. I feel I have my finances under control

1 2 3 4 5

19. I feel confident enough to help my family and friends with money issues

1 2 3 4 5

PART 2: FINANCIAL LITERACY AND APTITUDE

20. Imagine you are buying something worth more than £100. Which method of payment do you think offers you the best consumer protection if something goes wrong? (Please circle the answer you think is correct)

Cash Cheque Debit card Credit card

21. What is an ISA? (Please tick the answer you think is correct)

- An investment savings account
- An individual savings account
- An instant savings account

22. What advantage does an ISA have over an ordinary savings account? (Please tick the answer you think is correct)

- The interest you receive isn't taxed
- It is easier to get access to your money
- Your savings are better protected in an ISA compared to an ordinary savings account if the bank or building society goes bust

23. What do you know about Credit Unions? (Please tick all the statements you think are correct)

- A credit union is owned by its members (the people who save in a Credit Union)
- Savings are better protected in a big bank compared to a credit union
- A credit union can charge whatever interest rate it likes if you borrow money from it

24. Imagine you have £500 in a savings account paying 3% interest a year. How much would it be worth at the end of 2 years rounded to the nearest £1? (Please circle the answer you think is correct)

£506 £560 £530 Don't know

25. What does the term APR stand for? (Please tick the answer you think is correct)

- Average percentage rate
- Annual percentage rate
- Alternative percentage rate
- Average price rate

26. If you're saving some money, what do you think AER stands for?(Please tick the one you think is right)

- **Access early rate**
- **Annual equivalent rate**
- **Annual effective rate**
- **None of the above**

27. If you were borrowing £200, which deal would cost you the most interest? (Please tick the answer you think is correct)

- You borrow £200, for 3 years, the interest rate charged is 10%
- You borrow £200 for 2 years, the interest rate charged is 12%
- You borrow £200 for 5 years, the interest rate charged is 8%

28. Finally, please rate how difficult you found the questions in the financial literacy quiz on a scale of 1 to 5. In this case, 1 would be considered *very easy* and 5 *very difficult*. (Please circle your answer)

- 1 = very easy
- 2 = quite easy
- 3 = neither easy or difficult
- 4 = quite difficult
- 5 = very difficult

THIS MARKS THE END OF THE FINANCIAL LITERACY QUIZ

<u>POST</u>-TRAINING FINANCIAL LITERACY QUIZ 2

FOR STUDENTS

Please note: all details will be kept confidential

PERSONAL DETAILS

NAME:	
SCHOOL:	
SCHOOL YEAR AND AGE:	
BOY/ GIRL:	
TODAY'S DATE	

Now you've done the Money Mentors training programme, we'd like to see if it has helped you become more confident about money.

PLEASE NOTE: THE FINANCIAL QUIZ IS DIVIDED INTO 2 PARTS. 10 MINUTES IN TOTAL ALLOWED TO COMPLETE BOTH PARTS OF THE SURVEY (PLEASE SPEND 5 MINUTES ON EACH PART)

FINANCIAL QUIZ

PART 1: FINANCIAL BEHAVIOURS AND ATTITUDES TOWARDS MONEY

FOR THE NEXT SET OF QUESTIONS, PLEASE CIRCLE THE ANSWER THAT MOST CLOSELY MATCHES THE WAY YOU THINK YOU WILL BEHAVE IN FUTURE AFTER THE TRAINING.

HOW MUCH DO YOU AGREE WITH THE FOLLOWING STATEMENTS? PLEASE RATE YOURSELF ON A SCALE OF 1 TO 5.

1 = NEVER 2 = NOT LIKELY 3 = MAYBE 4 = USUALLY 5 = DEFINITELY/ ALWAYS

1. In future, when I want to buy something expensive or special, I intend to save up for it

1 2 3 4 5

2 In future, I intend to prepare a monthly budget and stick to it

1 2 3 4 5

3 In future, when shopping (for example, buying clothes), I will compare prices and shop around before actually buying anything

1 2 3 4 5

HOW MUCH DO YOU AGREE WITH THE FOLLOWING STATEMENTS? PLEASE RATE YOURSELF ON A SCALE OF 1 TO 5.

1 = STRONGLY DISAGREE 2 = SLIGHTLY DISAGREE 3 = NEITHER AGREE/ DISAGREE

4 = SLIGHTLY AGREE 5 = STRONGLY AGREE

4 I feel more confident when dealing with money and financial matters

1 2 3 4 5

5 I find financial products and services complex and confusing.

1 2 3 4 5

6 I find money matters boring

1 2 3 4 5

7 I will find it easy to talk to my parents and family about money matters

1 2 3 4 5

8 I feel more confident about drawing up a monthly financial budget

1 2 3 4 5

9 I feel I will be able to keep my finances under control

1 2 3 4 5

10 I feel more confident about helping my family and friends with money issues

1 2 3 4 5

PART 2: FINANCIAL LITERACY AND APTITUDE

In the first test, we asked some questions about financial products and how to work out a good financial deal. Now that you've done the training, we'd like to see if it has helped improve your knowledge of money issues.

11 What is an ISA? (Please tick the answer you think is correct)

- An investment savings account
- An individual savings account
- An instant savings account

12 **Imagine you have £300 in a savings account paying 3% interest a year. How much would it be worth at the end of 2 years rounded to the nearest £1? (Please circle the answer you think is correct)**

£306 £360 £318 Don't know

13 **When borrowing money, you'll see the term APR used. What does APR stand for? (Please tick the answer you think is correct)**

- Average percentage rate
- Annual percentage rate
- Alternative percentage rate
- Average price rate

14 If you're saving some money, you'll see the term AER. What do you think AER stands for?(Please tick the one you think is right)

- Access early rate
- Annual equivalent rate
- Annual effective rate
- None of the above

15 **If you wanted to borrow £300, which deal would cost you the most interest? (Please tick the answer you think is correct)**

- You borrow £300, for 3 years, the interest rate charged is 10%
- You borrow £300 for 2 years, the interest rate charged is 12%
- You borrow £300 for 5 years, the interest rate charged is 8%

16 Finally, please rate how difficult you found the questions in the financial literacy quiz on a scale of 1 to 5. In this case, 1 would be considered *very easy* and 5 *very difficult*. (Please circle your answer)

- 1 = very easy
- 2 = quite easy
- 3 = neither easy or difficult
- 4 = quite difficult
- 5 = very difficult

THIS MARKS THE END OF THE FINANCIAL LITERACY QUIZ

LONDON CITIZENS MONEY MENTORS

FINANCIAL LITERACY QUIZ 3

BACK TO SCHOOL QUIZ FOR STUDENTS

Please note: all details will be kept confidential

PERSONAL DETAILS

NAME:	
SCHOOL:	
SCHOOL YEAR AND AGE:	
BOY/ GIRL:	
TODAY'S DATE	

Before the summer break, you did the Money Mentors programme which taught you about money and your finances. We'd now like to see how much you remember from the programme and if you used any of the tips the Money Mentors taught you over the summer.

PLEASE NOTE: THE FINANCIAL QUIZ IS DIVIDED INTO 2 PARTS. 10 MINUTES IN TOTAL ALLOWED TO COMPLETE BOTH PARTS OF THE SURVEY (PLEASE SPEND 5 MINUTES ON EACH PART)

London Citizens, Money Mentors Post Summer, Financial Literacy Test 3 FOR STUDENTS Page 1

ANNEX III

FOCUS GROUP STRUCTURED QUESTIONS

THESE QUESTIONS ARE DESIGNED TO FIND OUT IF VIEWS ON HOW GOOD STUDENTS FEEL THE MONEY MENTORS PROGRAMME WAS.

INTERVIEWER: PLEASE RATE ATTITUDES OF GROUPS ON A SCALE OF 1 TO 5 AND INCLUDE SOME COMMENTS:

1 = STRONGLY DISAGREE　　2 = SLIGHTLY DISAGREE　　3 = NEITHER AGREE/ DISAGREE

4 = SLIGHTLY AGREE　　5 = STRONGLY AGREE

1. Did you find the Money mentors day interesting and useful - why ? What did you think of the Money Mentors themselves?

1　　2　　3　　4　　5

Comments

2. Since the Money Mentors day – are you more confident with money? Do you take a greater interest in money? Do you find financial products *less* confusing and complex? Do you talk more often about money?

1　　2　　3　　4　　5

Comments:

3. Following the Money Mentors day – did you tell your family and friends about what you've learned?Were you able to help your family or friends save some money over the summer (for example, with household bills, buying the weekly shopping, or buying clothes or presents)? PLEASE GIVE CONCRETE EXAMPLES

1　　2　　3　　4　　5

Comments

4. Has it changed the way you deal with money?

- Start saving some money on a regular basis? PLEASE GIVE EXAMPLES

- **Shop around more and compare prices when buying things? PLEASE GIVE EXAMPLES**

- **Draw up a monthly budget and stick to it?**

Comments

5. **Finally, overall, please tell us how worthwhile you think MONEY MENTORS was. Would you recommend it to your friends? What would you improve?**

1 2 3 4 5

Comments