

# Barriers & Building Blocks



**A presentation of results from the Financial Capability Survey 2015  
3<sup>rd</sup> November 2015**



Introduction to Financial Capability

Overview of the Financial Capability Survey

Do skills knowledge and attitudes matter?

Budgeting (or keeping track?)

Effect of income

Can't save, won't save

# Introduction to Financial Capability

# The Financial Capability Strategy

## why the strategy is needed

financial capability matters

capability is low

changing world

## what the strategy needs to achieve

improved financial  
capability

measurable progress

a roadmap for delivery

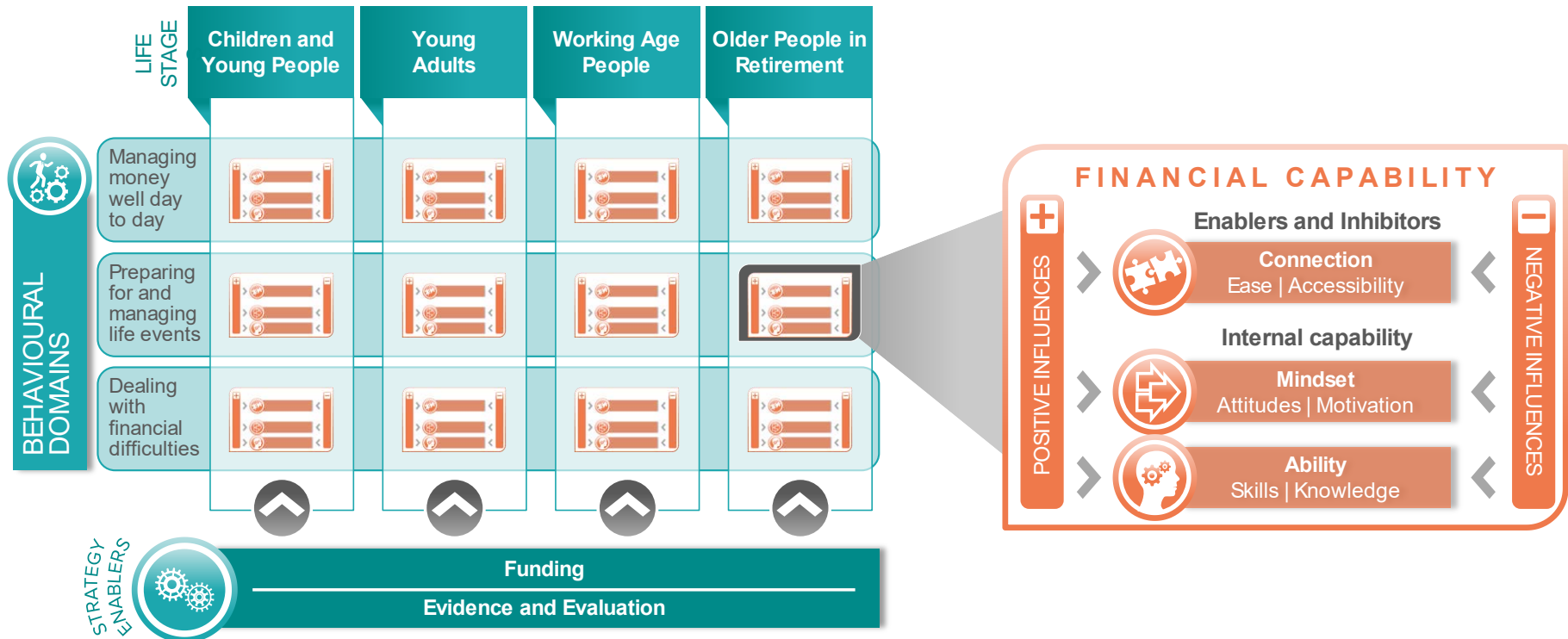
## how we will deliver collective impact

working together

evidence and evaluation

action plans

# What we mean by Financial Capability



# The Strategy aim



more people able to manage their money well

more people able to prepare for and manage life events

more people able to deal with financial difficulties

# The Strategy aim



improved financial skills + knowledge

more people able to manage their money well

improved financial attitudes + motivation

more people able to prepare for and manage life events

improved accessibility of the financial system

more people able to deal with financial difficulties

Measured by



financial  
capability survey

robust  
evaluation



0 ————— 10

**prove what works**

**share learning**

**scale up**

**More information at**  
**[www.fincap.org.uk](http://www.fincap.org.uk)**

# Overview of the Financial Capability Survey 2015

# The role of the survey

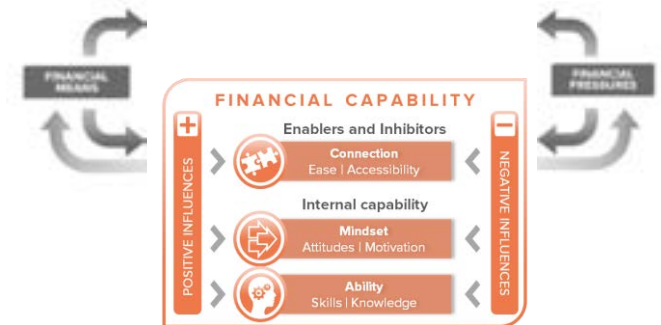
- **A map**

- Where is financially capable behaviour strong or weak?



- **A diagnostic**

- Why is capability weak?
- What capability factors might be driving this?
- What interventions might be appropriate? (These interventions then need to be robustly tested separately)



- **A high-level measure**

- Tracking financial capability over the life of the Strategy
- BUT we know that improvements will be gradual, especially at the total population level
- Likely to be bi-annual



# Survey methodology

- Nationally representative survey of **UK adults** aged 18+
- Fieldwork conducted April – July 2015 by GfK
- **Mixed mode** : online (74%) and face-to-face (26%). Face-to-face interviews with those who don't use internet, or for less than six hours per week
- Total of **5,603 interviews**
  - 3,461 nationally representative interviews
  - 2,142 boost interviews in devolved nations and with 18-24 year olds
  - Scotland : 1,101, Wales : 795 and Northern Ireland : 802
- Average 27 minute interview
- Data weighted by age, gender, region, working status, internet usage and housing tenure
- Full technical report available

# Questionnaire development

- Maps to the UK Financial Capability Strategy outcome framework
- Reference to 2005 FSA Baseline survey and MAS surveys in 2013/14
- Comparison with international surveys eg OECD and ASIC
- Reference to other social surveys eg Wealth & Assets Survey, Understanding Society, Family Resources Survey
- Qualitative research
- Cognitive testing
- Quantitative pilots

# Three behavioural domains

- **Managing money well day-to-day**
- **Preparing for and managing life events**
- **Tackling financial difficulties**

# Managing money well scores

Take control

Short-term buffer

6/10

Use credit sensibly

-----

Maximise income



# Managing money scores

## Take control

- Keep track : know current account balance +/- £50 59% (2005 : 56%)
- Believe they have a budget approach that works (score 8+) 61%
- Keep up with commitments without difficulty 58% (2014 : 48%)

## Short-term buffer

- Save every/most months 56%
- Could pay an unexpected £300 bill from savings or cash 68%

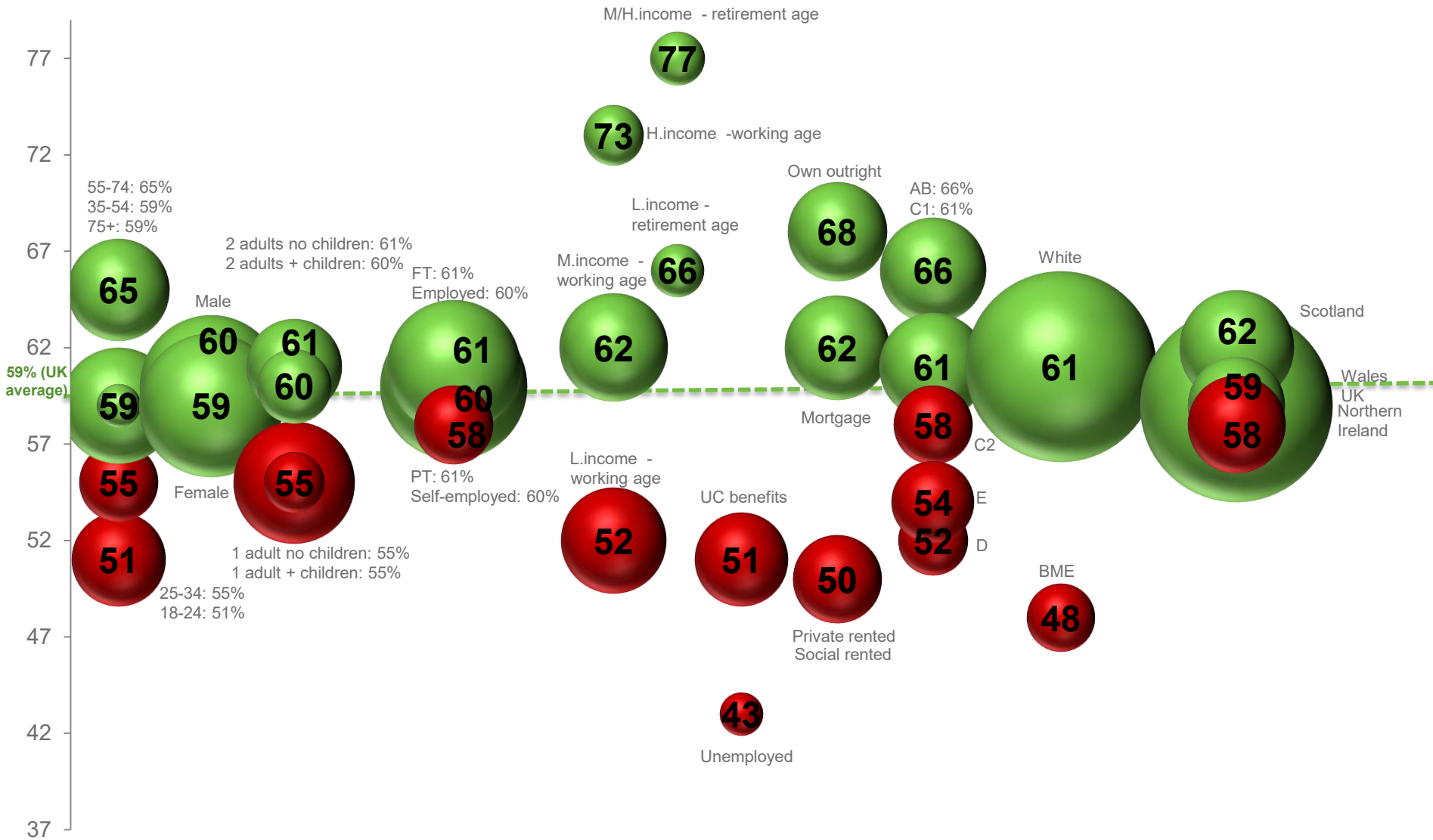
## Use credit sensibly

- Don't revolve credit card or use high-cost short-term credit 77%
- Have unsecured debt less than one month's income 70%

## Maximise income

- Check supplier tariffs (mobile phone, utilities etc) 78%

# Who manages money more/less well?



# Preparing for life events scores

Have a plan

3/10

Have resilience

to

4/10

Preparing for later life

# Preparing for life events scores

## Have a plan

- Have financial goals 51%
- Have a specific plan to achieve (those) goals **32%**

## Build resilience

- Have savings equal to at least 3 months' income 34%
  - Among working age group : **28%**
  - Retired much higher : 57%
- Have life cover 41%
  - Families (2 x adults and children) **56%**

## Prepare for retirement

- Pay into pension or have previous (working age only) 50%
- Have a plan for long-term care (50+ only) **28%**

# Tackling financial difficulties scores

## Managing debt

- Debts are not a heavy burden 90%
- Not missed three months' payments 89%
- Neither of the above 83%
- **Over-indebted population** **17%**
- CACI modelling of Fin Cap and You Gov Debt Tracker 16.1%
- Over-indebted population 8.2 million
- Proportion seeking advice 17%

# Three financial capability domains

## INTERNAL

- Ability : skills & knowledge
- Mindset : attitudes & motivations

## EXTERNAL

- Connection : ease & accessibility

# Ability scores

**6/10** or **8/10**

## Ability (skills & knowledge)

- Reading balance on bank statement **78%** (2005 : 91%)
- Comprehension of inflation and buying power **60%** (2005 : 79%)
- Calculate balance after interest added **64%** (2010 : 61%)

# Selected mindset scores

## Attitudes to the future

- Don't prefer to just live for today 49% (2005 : 60%)
- Very important to save for a rainy day 40%

## Confidence and self-efficacy

- Confident managing money (eight or more out of 10) 58%
- Disagree that financial situation makes them anxious 46%
- Believe they can make a difference 48%

## Take responsibility

- Very important to keep track of income and expenditure 53%
  - But of these c.30% don't have an effective budgeting system
- Disagree they are too busy to sort out their finances 64%
- Like them to adjust non-essentials when life changes (score of 8+) 40%



# Connection scores

## Ease

- Confident making financial product decisions (score of 8+) 47%

## Accessibility

- Have accessed internet in last seven days 86%
- Agree they are happy to bank online 62%

# Conclusions

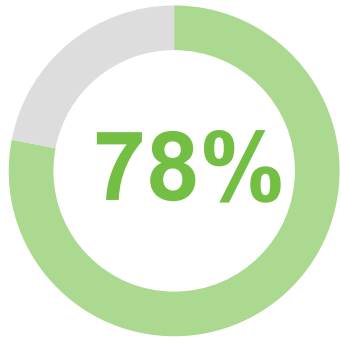
- Financially capable behaviour “remains stubbornly low”
- Around 6 in 10 manage their money well
- Only 4 in 10 prepare well for life events
- 8 million are over-indebted
- Some evidence of a decline in skills & knowledge
- Many still live for today
- Lack of confidence is an issue

# Conclusions

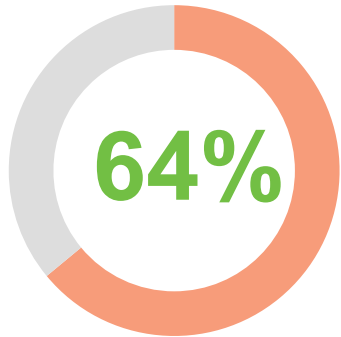
- There are big differences across the population
- Income and household composition are key drivers
- There are sub-groups most in need of support eg
  - young adults
  - benefit recipients
  - social housing tenants
  - private sector tenants
  - oldest (75+)

# Do skills, knowledge and attitudes matter?

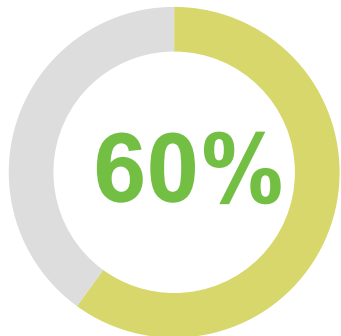
# Measuring skills and knowledge



could correctly read the **balance** on this bank statement (91% in 2005)



knew that if they put £100 into a savings account with 2% **interest** per year, they would have £102 in the account at the end of the first year (61% in 2005)



knew that if the **inflation** rate is 5% and the interest rate on savings is 3%, will savings will have less buying power in a year's time (79% in 2005)

Sheet 008	Account Number	02-82-03 47493555			
DATE	DETAILS	PAID OUT	PAID IN	BALANCE	
01-Feb-05	BALANCE BROUGHT FORWARD			25.00	
01-Feb-05	BACS TRANSFER SALARY		1000.00		
01-Feb-05	ELECTRICITY BOARD	30.00			
02-Feb-05	CAR INSURANCE	50.00			995.00
02-Feb-05	XXX BANK FOREST GLADE HIGH STREET				
04-Feb-05	ATM	150.00			795.00
06-Feb-05	CHQ	35.00			760.00
10-Feb-05	DD	30.00			730.00
10-Feb-05	DD	200.00			530.00
12-Feb-05	ATM				
15-Feb-05	SO	120.00			410.00
20-Feb-05	CHQ	50.00			360.00
28-Feb-05	CHQ	300.00			60.00
28-Feb-05	CR		1.00		61.00
28-Feb-05	BALANCE CARRIED FORWARD				61.00

KEY TO ABBREVIATIONS

DD	DIRECT DEBIT
ATM	ATM CASH WITHDRAWAL
CHQ	CHEQUE
SO	STANDING ORDER
CR	AUTOMATED CREDIT



# Who incorrectly read the bank statement?



Younger men

- 24% of men 18-24

Older people

- 38% of 75+s
- 41% of women 75+

BME groups

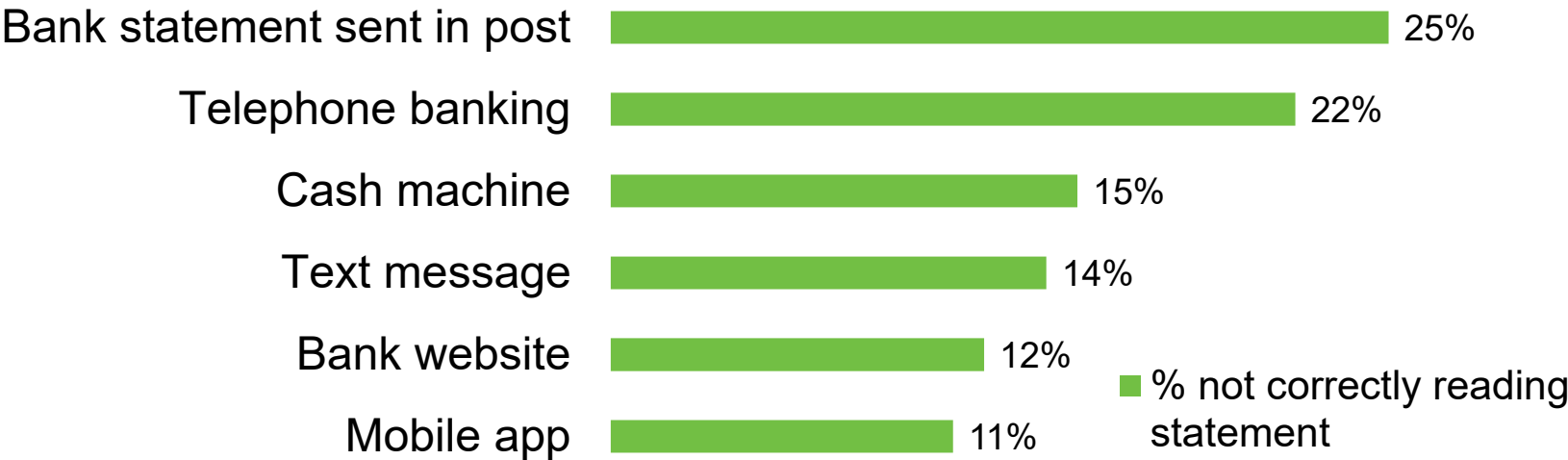
- 40%
- 59% of BMEs aged 55+

People with lower levels of education

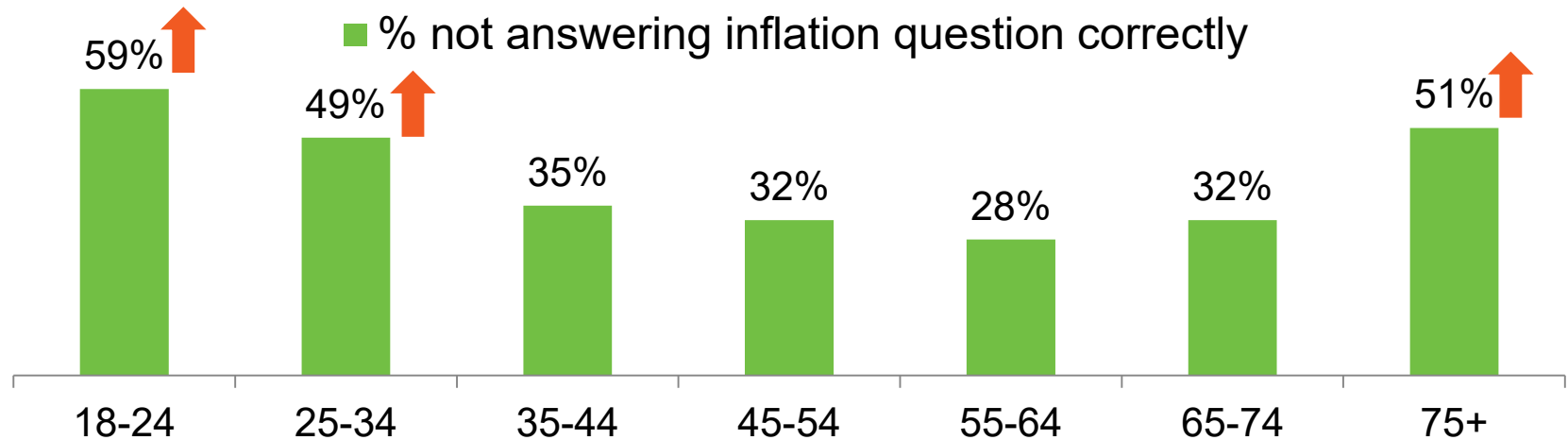
- 43% with no formal qualifications

- Knowledge doesn't appear to be linked to usually checking current account balance using electronic methods

Method usually used



# Is there a generation who doesn't understand inflation?



- Younger people were less likely than others to get other skills/knowledge questions wrong, but were more likely to get the inflation question wrong
  - For 24% of young people this was the only question they got wrong
  - 46% of under 35s with a mortgage didn't understand inflation: equating to around 2 million people

# Associations between skills and knowledge and behaviour

The 2015 survey included 3 questions on skills and knowledge

The 2005 survey included 8 questions

- **Both came to similar conclusions: that there are moderate associations between overall levels of skills and knowledge and financial behaviour**

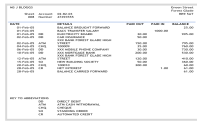
“... there was a moderate degree of correlation between scores on the domains of financial capability identified in this research project and individuals' scores on the money quiz, which broadly set out to measure financial literacy and product knowledge.” (March 2006 report\*)



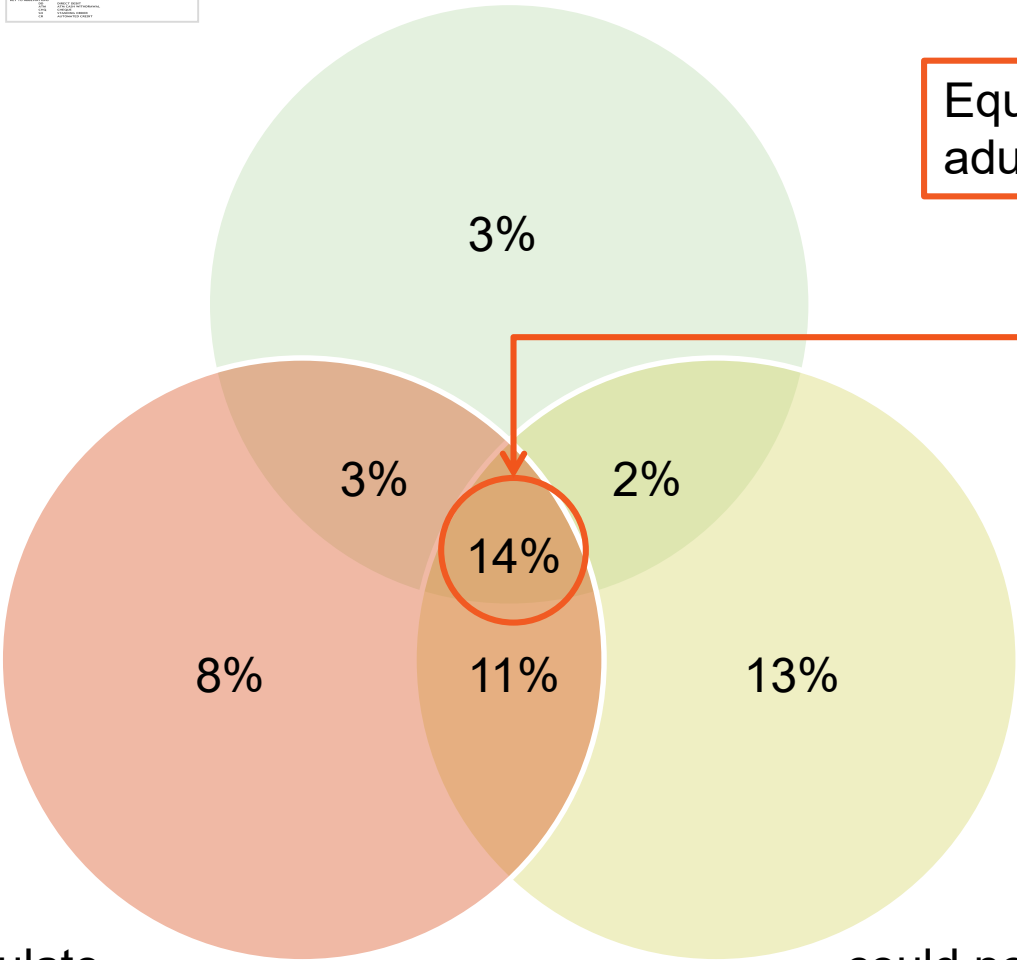
\* <http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0602.pdf>



# Combinations of skills/knowledge questions incorrect



could not read bank statement



Equivalent to 7 million adults in UK



could not calculate balance + **interest**



could not understand **inflation** impact

# Those with the lowest levels of skills/ knowledge questions report less positive financial behaviours

## Managing money day to day

- **Less likely to**
  - *know balance within £50*
  - *have effective budgeting approach*
  - be keeping up without difficulties
  - save regularly
  - *have a short term buffer*
  - maximise income
- **But**
  - no more likely to have high debt ratios, less likely to revolve credit/use HCSTC

## Plan for and manage life events

- **Less likely to**
  - have financial goals/plans
  - save regularly
  - *have 3+ months income as savings*
  - have a will
  - Be paying into a pension
  - Have a plan for long-term care

## Dealing with financial difficulty

- **More likely to**
  - feel that keeping up with bills is a burden
  - have fallen behind with bills/payments

# Those with the lowest levels of skills/knowledge also have less positive financial attitudes



**More likely to live for today, not plan for tomorrow**

**More likely to feel nothing they do can influence their financial situation**



**Less likely to adjust spending in response to changes in circumstances**



**More likely to be anxious about their financial situation**

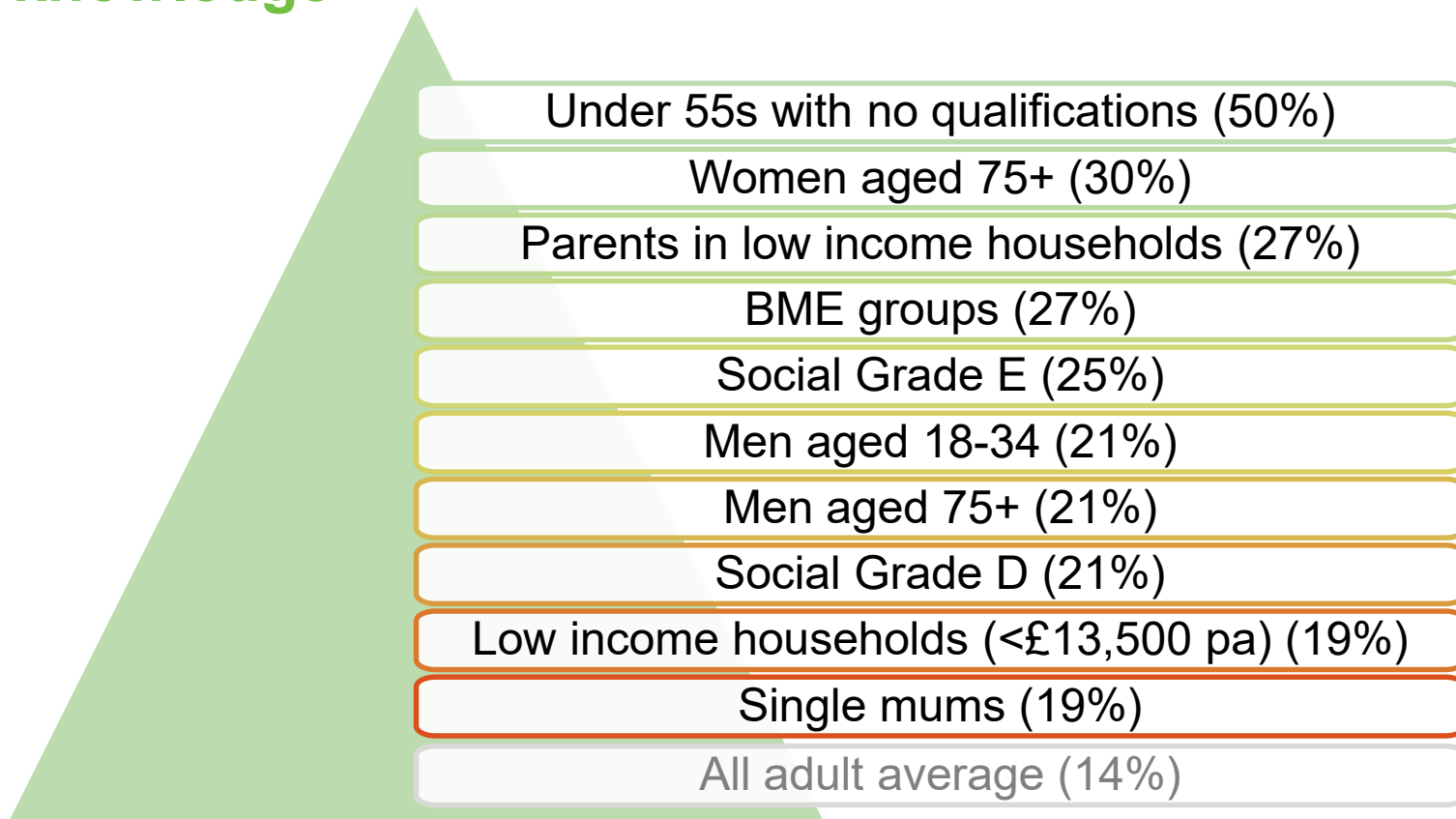


**More likely to say they are too busy to sort out their financial situation**



**Less likely to say they would be happy using online banking**

# Groups with the lowest levels of skills and knowledge



- The groups above are the most likely to benefit from assistance to improve their skills/knowledge
- But the influence of low skills/knowledge on financial behaviour is evident across the board, so improving basic levels of skills/knowledge could be beneficial for all

# People who had low skills/knowledge were less likely to feel confident about money/finances



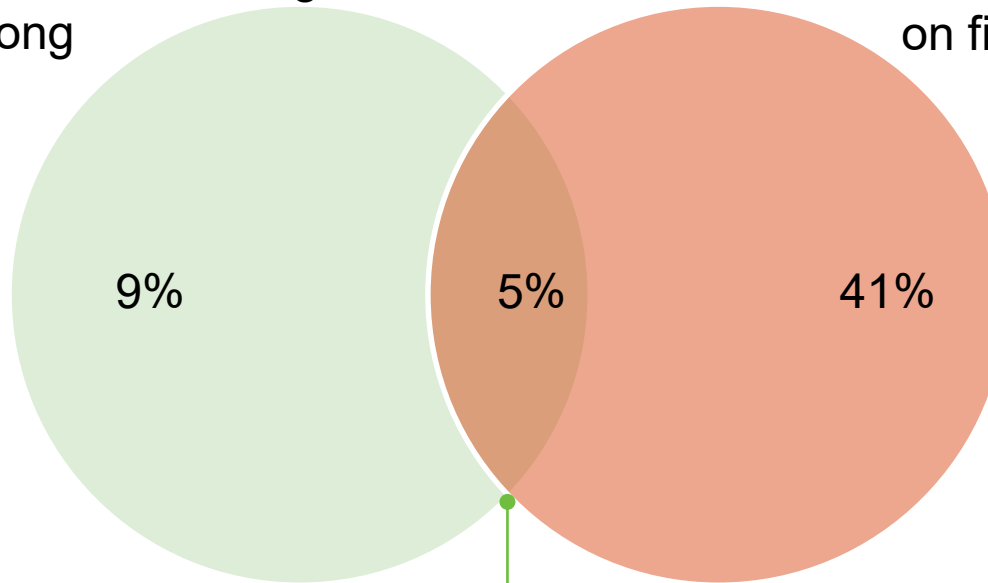
	All adults (3,407)	All 3 questions wrong (485)	At least one question correct (2,922)
% feeling confident managing money*	58%	48% ↓	59%
% feeling confident making decisions about financial products and services*	47%	36% ↓	49%

## A third of those who had low skills/knowledge still felt confident making financial decisions



Got all three skills/knowledge questions wrong

Confident making decisions on financial services and products\*



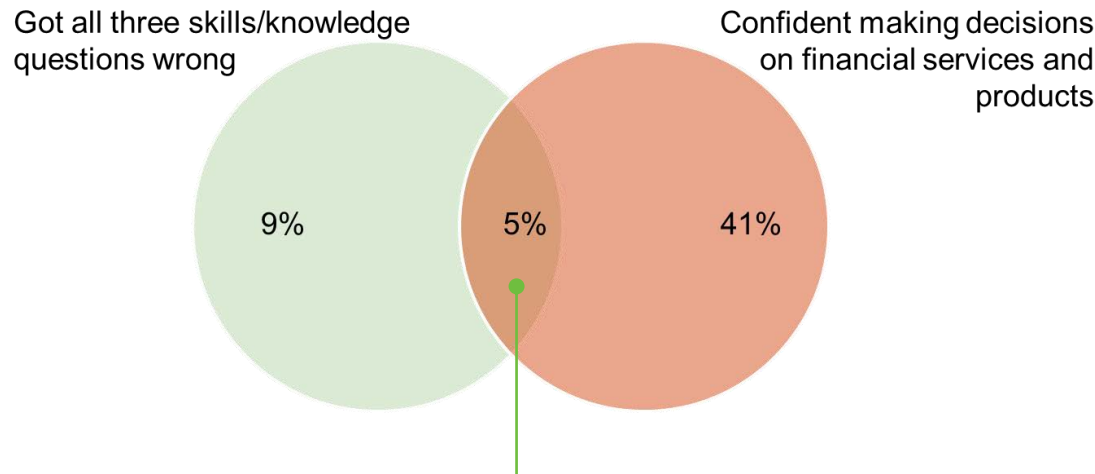
More likely to get all three skills questions wrong but still feel confident making financial decisions:

- Retired people (7%) and in particular **75+s** (11%)
- **Social tenants** (9% v 5% owner occupiers)
- **Low income households** (7% v 1% high income households)
- **BME groups** (8% v 5% white respondents)

43% didn't get all three skills questions wrong and didn't feel confident making decisions on financial services and products

\* Gave score of 8-10/10 where 0 is 'not at all confident and 10 is 'very confident'

# Low skills and high confidence can lead to poor financial behaviours



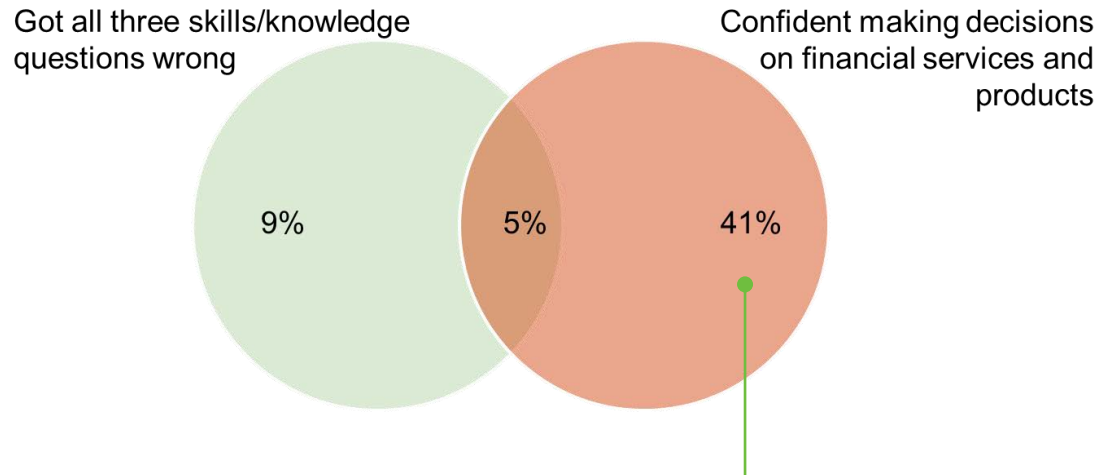
Those who were confident but had low skills were more likely to be engaged with money and finances (e.g. think they have an effective approach to household budgeting, have financial goals and plans)

But they were less likely than average to report positive financial behaviours, e.g.:

- knowing current account balance within £50
- being regular savers or having 3+ months' income saved
- having a short term buffer (being able to pay a £300 unexpected bill)
- having debt of less than 3 months' income

And they were more likely to say they had missed bill/credit payments for 3 of the past 6 months

# Skills and confidence together are associated with the most positive financial behaviours



Those with both skills/knowledge and confidence reported the most positive financial behaviours across all behaviours measured

But skills and knowledge were more likely to be associated with positive financial behaviours than confidence





**Findings from the Financial Capability Survey chime with other work conducted by GfK for BIS\* which has shown the importance of the following on optimising decision making:**

- **skills/education**
- **confidence**
- **self-efficacy**
- **constraints (financial, time, cognitive load)**

**But there is a sizeable segment who continue to make sub-optimal decisions because of a lack of interest in engaging with markets**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/413511/BIS-15-208-consumer-empowerment-survey.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/413511/BIS-15-208-consumer-empowerment-survey.pdf)

# **‘Budgeting’ (or should it be ‘Keeping Track’?)**

# Keeping Track = Budgeting?

**‘Keeping Track’ and ‘Budgeting’** means quite different things to different people...

**Keeping Track**



**Jam Jar Budgeting**



**Sweeping**



**So how good are we at  
keeping track?**

**41%** of UK adults do NOT know their current account balance within £50 (44% in 2005)

## Most likely to know

- Lower income households
- Those with lower qualifications
- C1/C2 social grade
- Those with little or no savings



## Least likely to know

- Wealthier groups
- University graduates
- Self-employed

# How effective is their approach to keeping track?



0 to 5 (Not at all well) 6 7 8 9 10 (Very well)

All 18+



Young adults



Working age



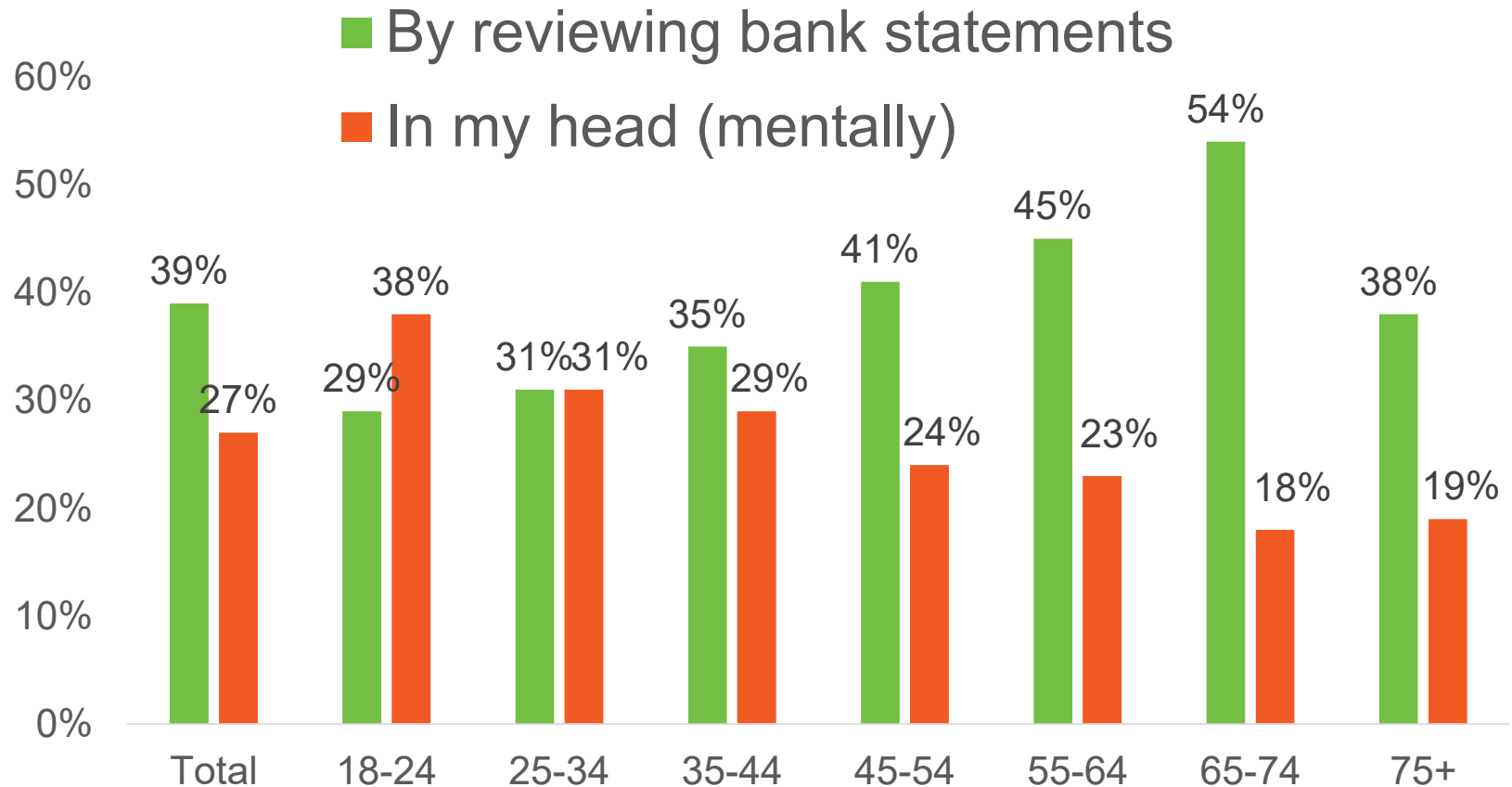
Retirement age



I8: Thinking overall about your/your and your partner/spouse's approach to keeping track of income and expenditure, how well do you think this approach works?

Base: All: All 18+ (3,461), Young adults (744), working age (2,786), retirement age (680)

# Young adults are doing things differently



# What is stopping people keeping track?



**“Too busy”**

**“Someone  
else keeps  
track for me”**

**“Nothing to  
keep track  
of”**

**“Don’t want  
to know / too  
frightened”**

**“I find it  
difficult to  
keep track”**

**“No need  
to keep  
track”**



# Examples of those keeping track well

***'A spreadsheet for each month with my total wage minus any expected outgoings i.e. rent, phone bill, meal out, birthday present etc. and include anything planned on weekends (literally everything I know I will spend that month)'***

*Female, 18-24, single*

***'I note the incoming and spending in my personal notebook every week by matching the receipts with the balance in my bank account. At the end of the month, I review my spending and note how much savings or deficits out of the budget I have acquired'***

*Female, 25-34, co-habiting*

***'I have a written budget of what I have incoming, my outgoing bills and then I budget with what is leftover for things like holidays, birthdays, Christmas etc. I am currently budgeted to December 2016'***

*Female, 25-34, married*

***'I collect all of my receipts, put the data into a spreadsheet and keep any pay slip and banks statement and put them into a file'***

*Male, 25-34, co-habiting*

***'I have a note book which has details of all my income and outgoings. When I make a purchase on my debit card or withdraw money from a cash machine I put the receipt in the book with elastic round to hold it together. Every couple of days I take the value of the receipts off the running total. At the beginning of each month I take off the total of all the direct debits. I add in income as I receive it'***

*Female, 35-54, Divorced*

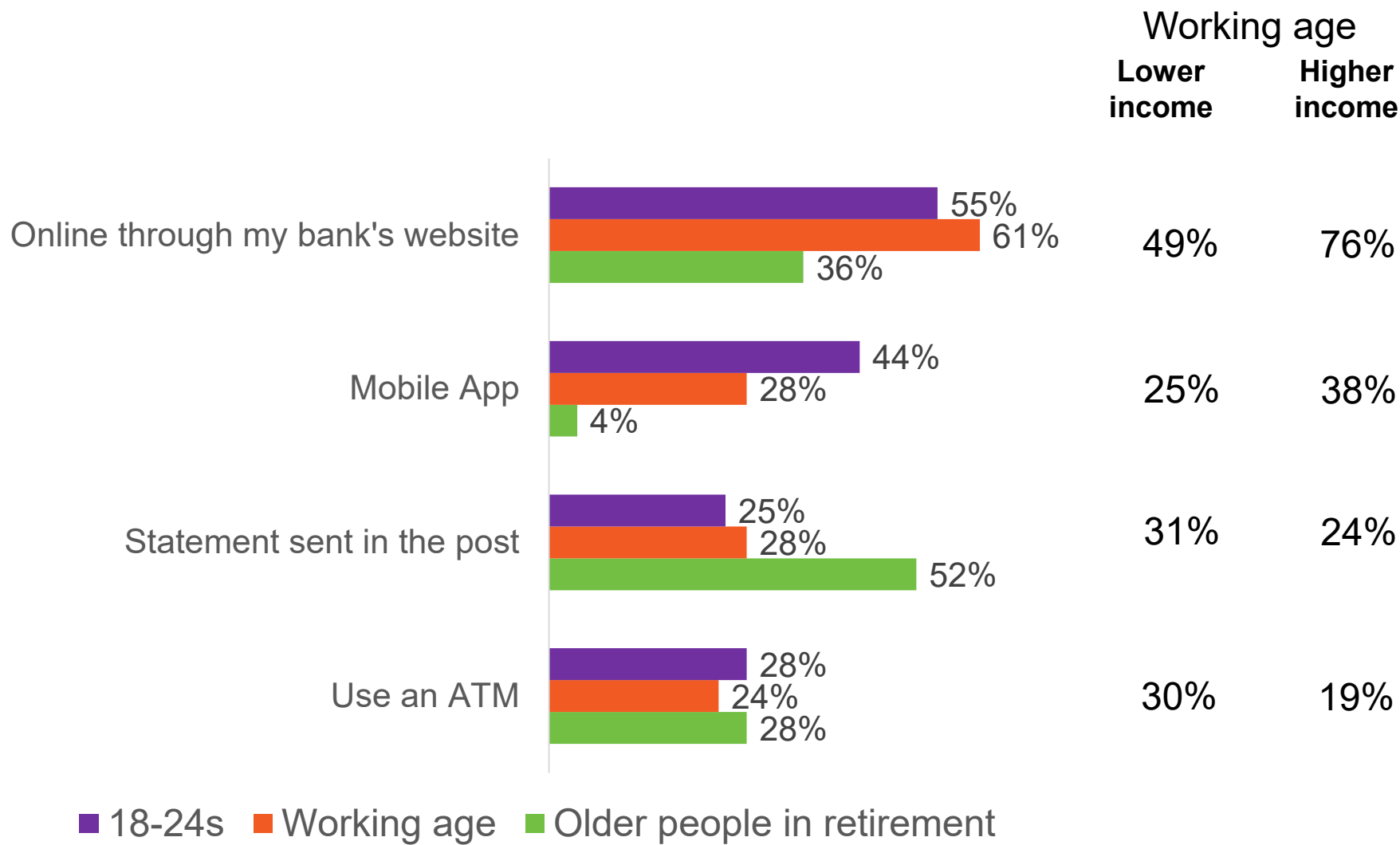
# Those keeping track are more financially capable and stable



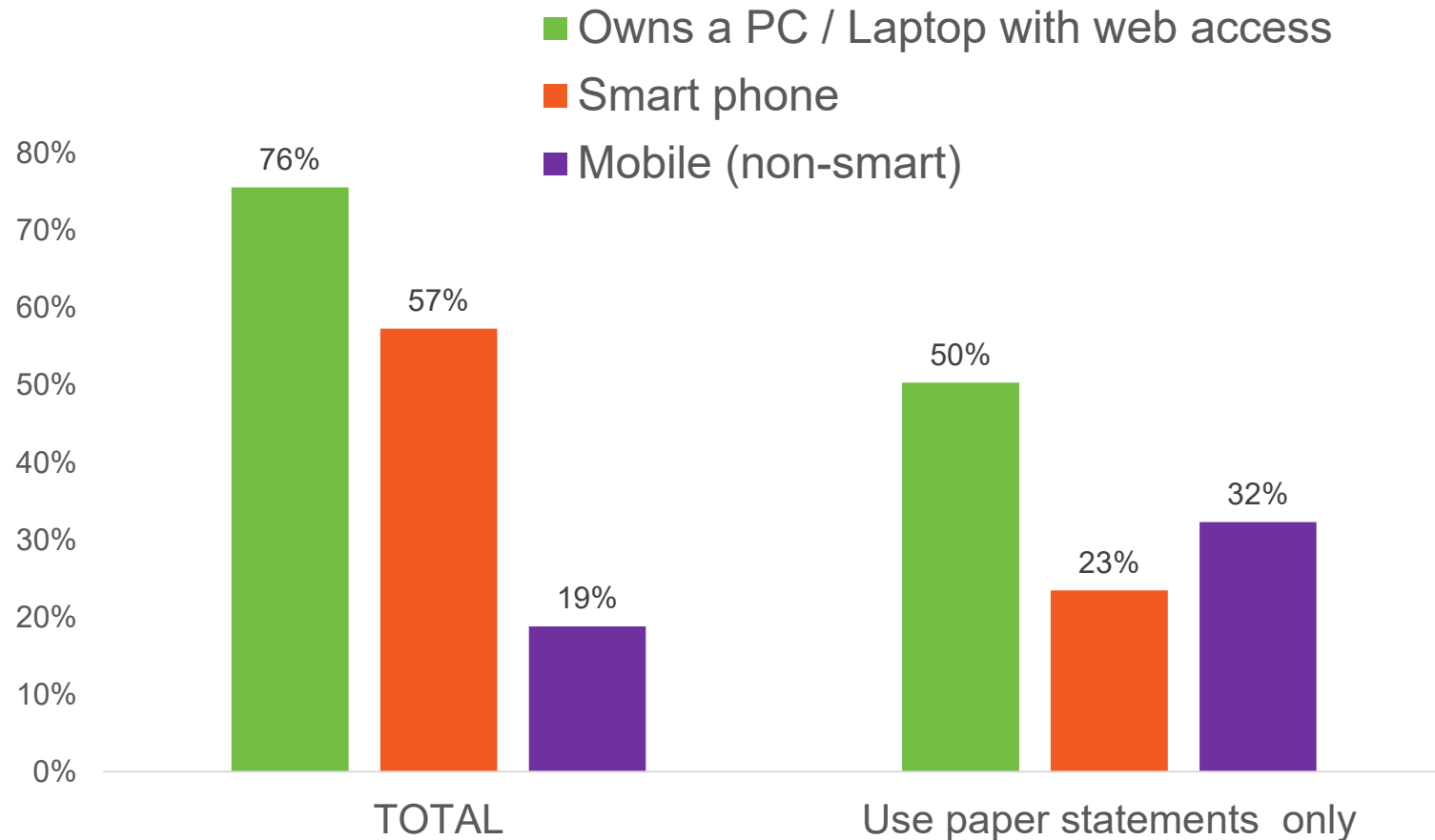
	Keep track	Don't keep track
Keep up with bills and commitments w/out difficulty	51%	38%
Have 3 months+ in savings	27%	19%
Agree they're too busy to sort their finances	11%	18%
Agree that they prefer to live for today	25%	36%
Correctly read a bank statement	83%	65%
Agree their financial situation makes them anxious	30%	30%

# It's not all web and mobile...

# Ways of checking balance



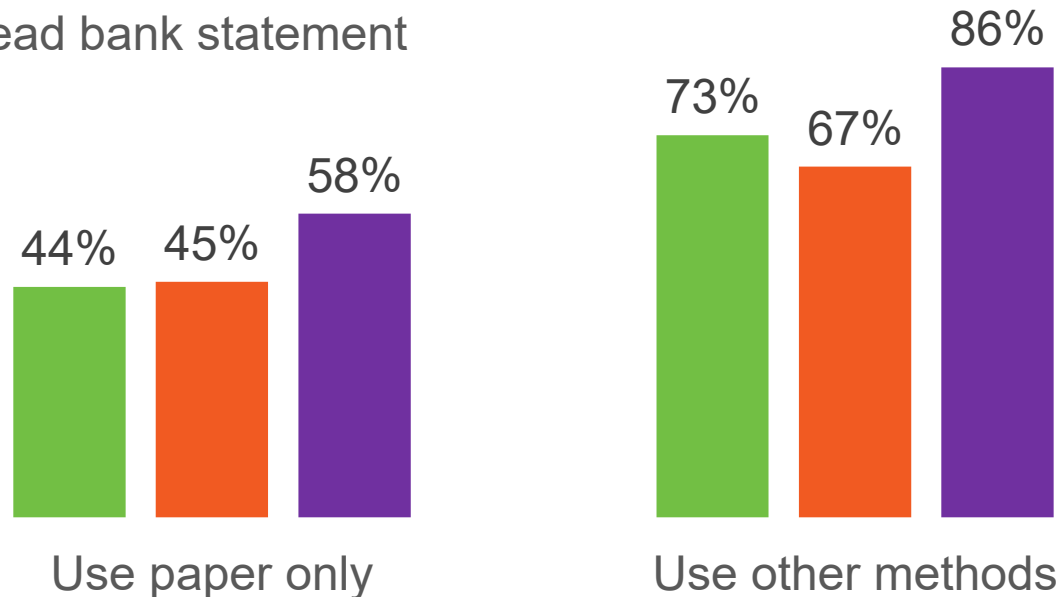
# Those using paper statements only are using technology less....



## .... and also have more skills and knowledge gaps

### % correctly answering each 'skills' question

- Interest rate
- Inflation
- Read bank statement



# ‘Jam jar’ budgeting



Just over a quarter (28%) say that jam jar budgeting behaviour is ‘like me’

# Jam jar thinking supports savings and financial wellbeing



	Jam-jar thinkers	Non Jam-jar thinkers
Satisfied with financial circumstances (8-10)	44%	29%
Confident managing money (8-10)	72%	51%
Confident choosing products & services (8-10)	60%	42%
Rate budgeting skills highly (8-10)	85%	50%
Think that keeping track is important	64%	47%
Shopping around is important	55%	39%
Save regularly	64%	48%
Have plans for goals	50%	21%
Own home	63%	56%



## But jam jar thinking doesn't always deter spending and debt...

	Jam-jar thinkers	Non Jam-jar thinkers
Buy on impulse	23%	19%
Revolve credit	25%	22%
Has 3+ months income in debt	16%	17%
Has 3+ months income in savings	27%	25%
Anxious thinking about finances	28%	30%
Over-indebted	17%	17%

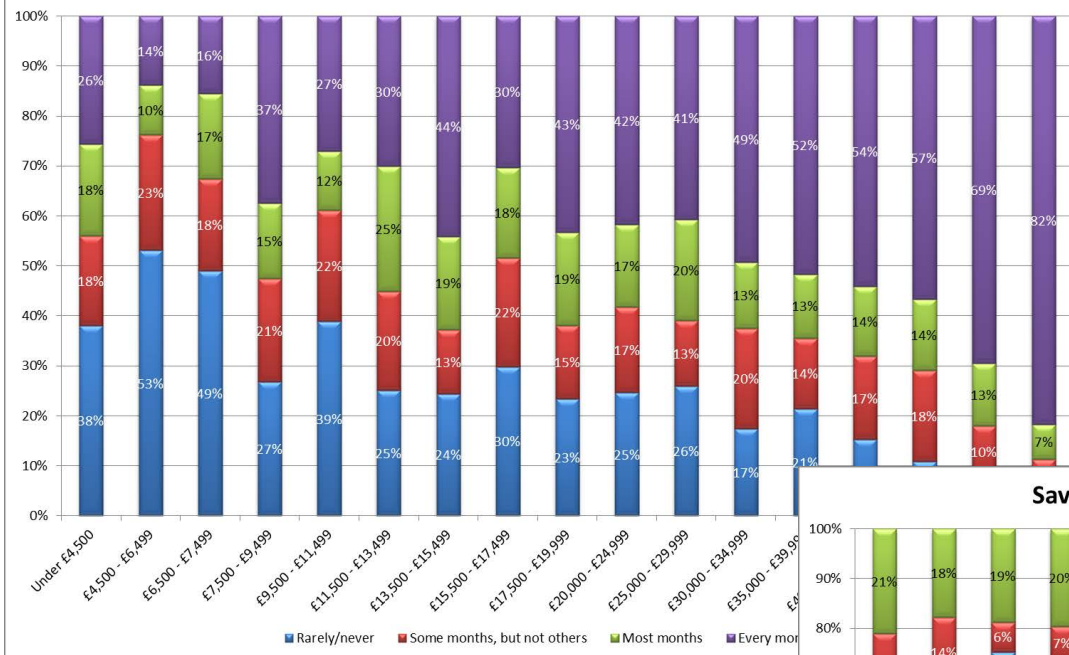
# Conclusions

- The term ‘budgeting’ is ambiguous and should be considered separate to ‘keeping track’. But both are important in taking control of finances
- Overall, we are not great at keeping track, especially young adults. However some are very engaged (even obsessive) with it
- Those that keep track consistently show higher financial skills, and are generally in a more confident and stable situation
- Online and Fintech continue to rise and help many who make use of instant access to financial information. However many (including the young) rely on offline methods through choice, habit or technology exclusion, so it is not digital-only. And it is those who are offline that need the most help
- Jam-jar budgeting is evident for just over a quarter. Those that keep track in this way are generally more satisfied and confident with their situation (although no more or less likely to encounter debt issues)

# The Effect of Income

# Income is implicated in all behaviours and outcomes - savings

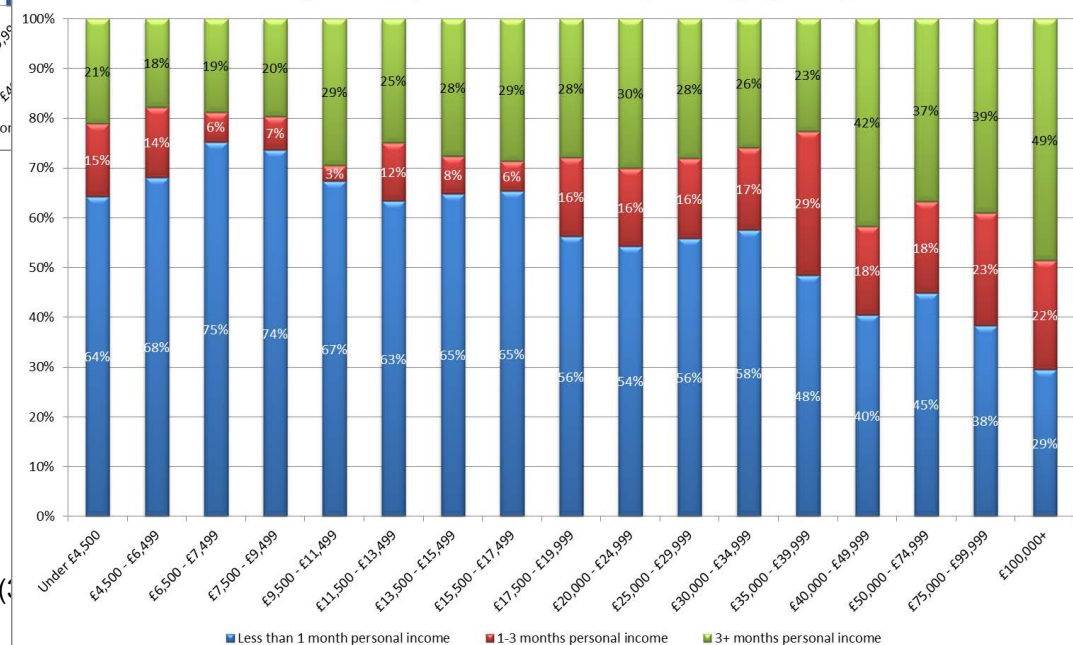
**Savings Frequency by Household Income (Working Age Only)**



A clear relationship exists between income and both frequency & amount of savings. Hhld income of £35k appears to be tipping point – above which at least half of people are saving monthly

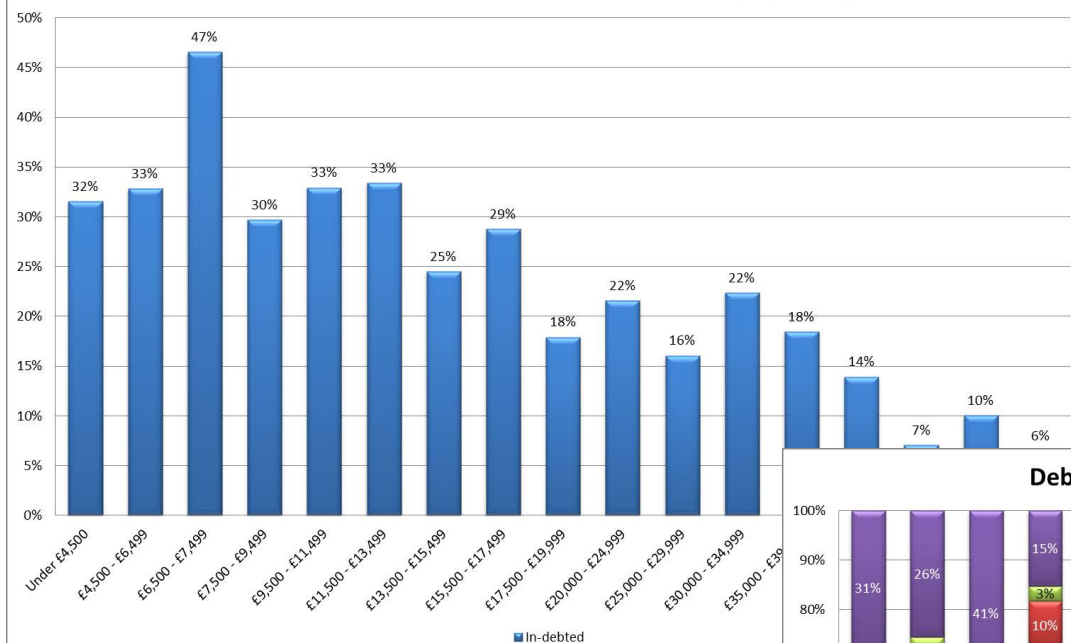
Savings ratio is also linked to income – although relationship not so strong. £35k again is the threshold for 50% having at least 1 month's salary in savings

**Savings Ratio by Household Income (Working Age Only)**



# Impact of income on debt

**In-debtedness by Household Income (Working Age Only)**

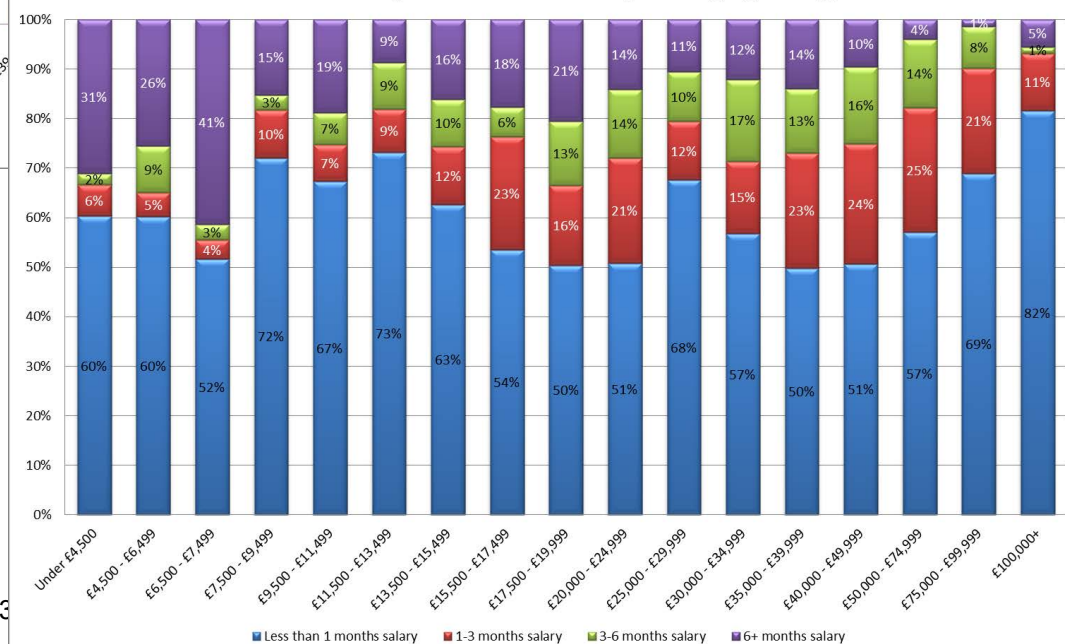


Indebtedness is also strongly linked to income  
(Indebtedness – C1 & C2)

£6.5-7.5k – predominantly state pensioners

Debt ratio shows that heavy debt occurs below £7.5k, but mid-level debt persists through the income range

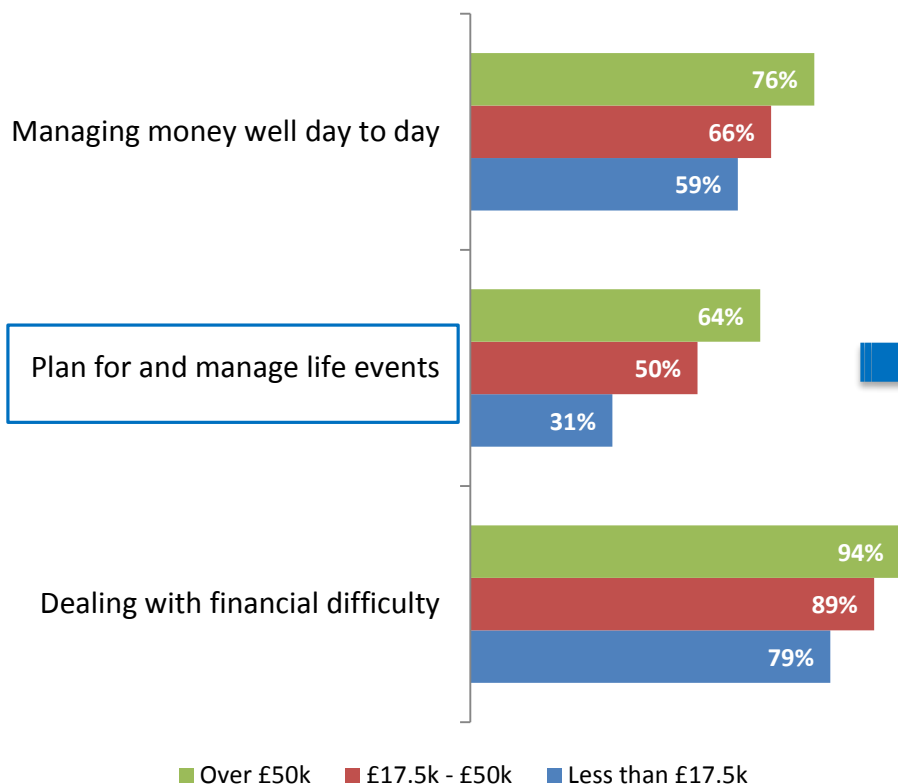
**Debt Ratio by Household Income (Working Age Only)**



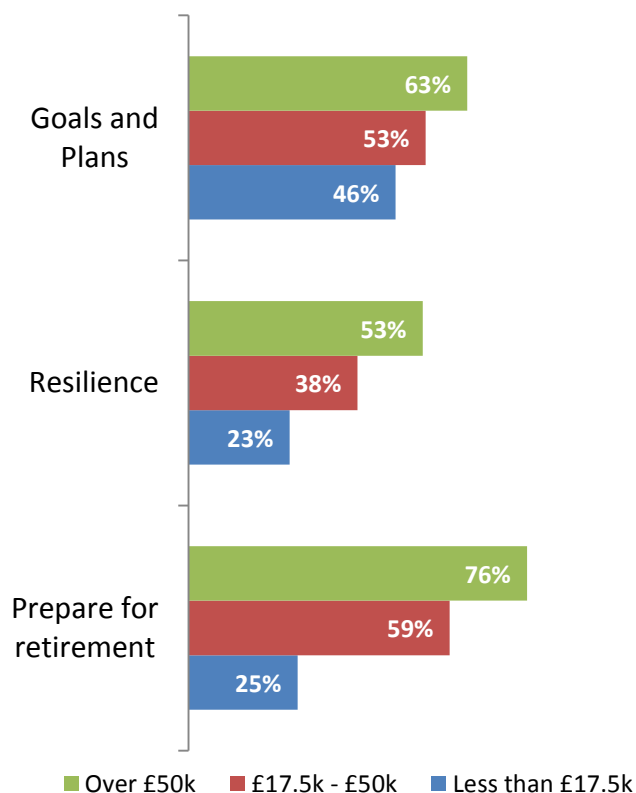
# Impact on behavioural domains

Income impacts all 3 behavioural domains - but is more marked for Planning & managing life events. And within Planning, there is most variance in Preparing for retirement

## Behavioural domains



## Planning for life events

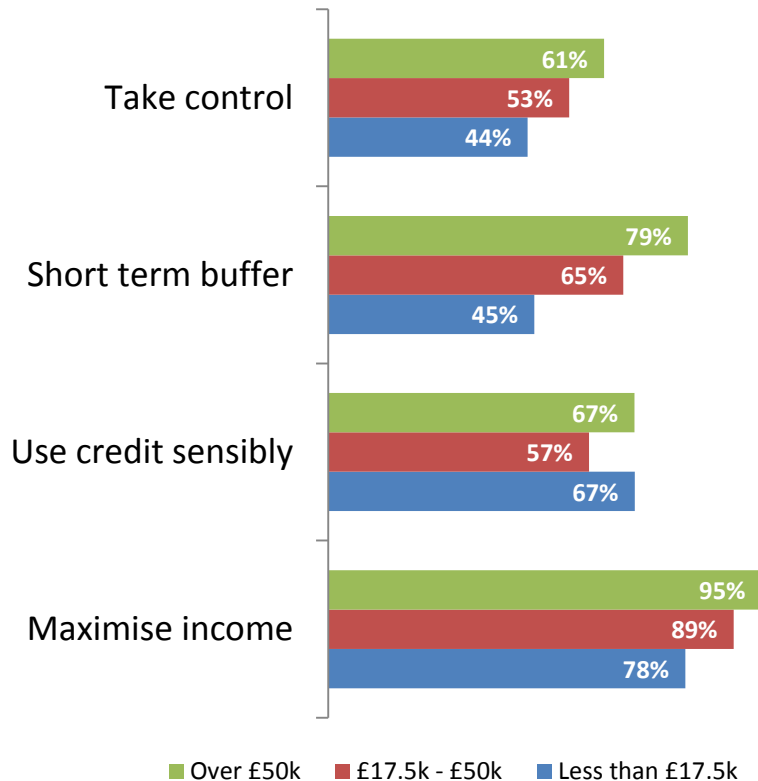


# Impact on behavioural domains

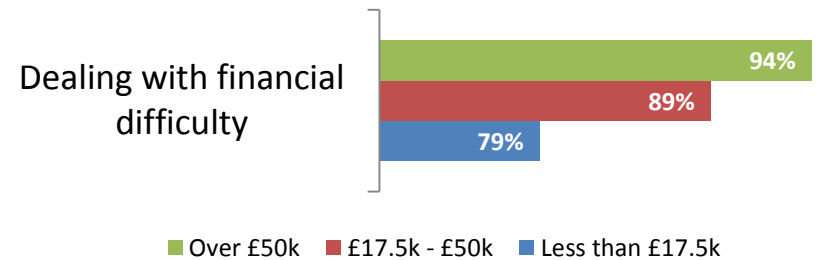
The ability to build a short-term buffer is most hampered by low income

Indebtedness is significantly increased by low income

## Managing money



## Dealing with financial difficulty



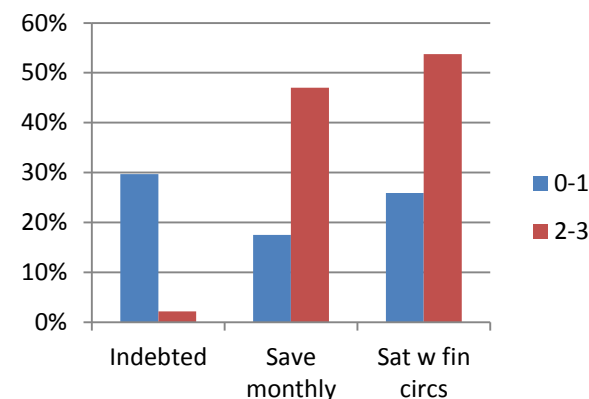
# Does low income supercede good behaviours?

Are there tipping points below which good behaviours cannot improve financial situation?

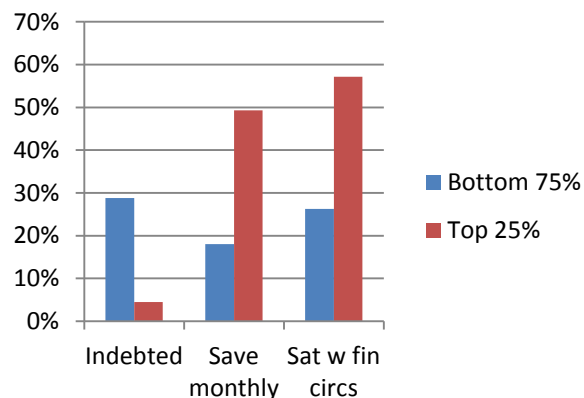
The lowest 15% (hhold income <£7,500), show that those exhibiting good behaviours are in a better financial situation

So good behaviours lead to significant benefits in financial outcomes.

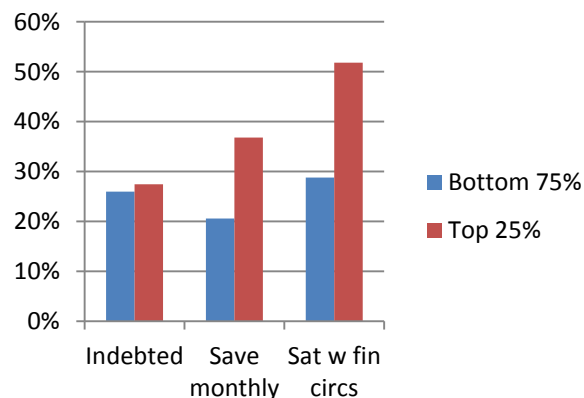
All three behaviours



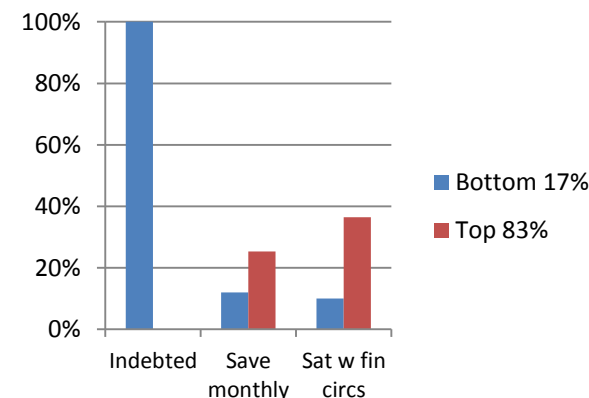
Managing money well day to day



Plan for and manage life events



Dealing with Financial Difficulty



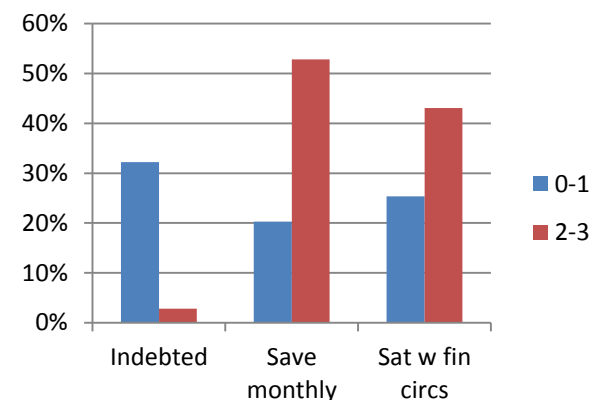


# Does low income supercede good behaviours?

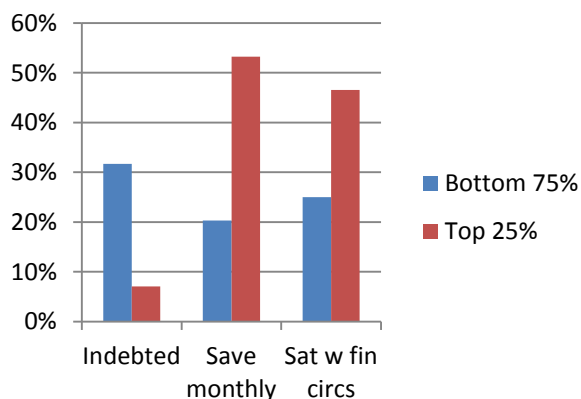
Even for the lowest income group (<£4,500), which represents the bottom 7% of the population, this relationship still persists

So there is no evidence of an income threshold below which good behaviours cannot improve circumstances

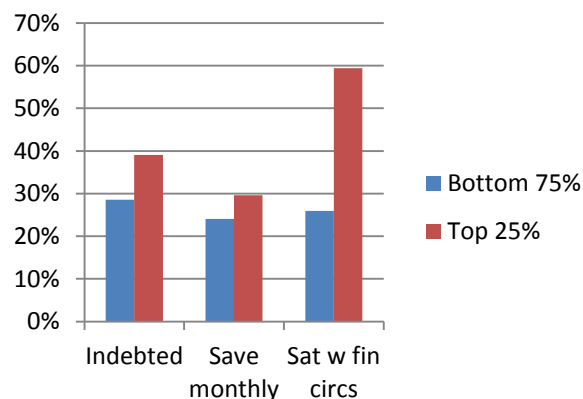
All three behaviours



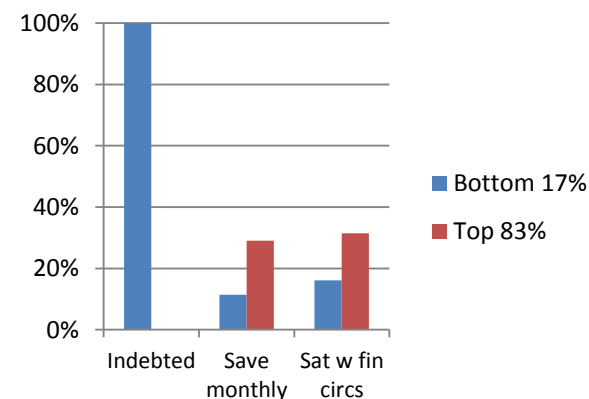
Managing money well day to day



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Dealing with Financial Difficulty

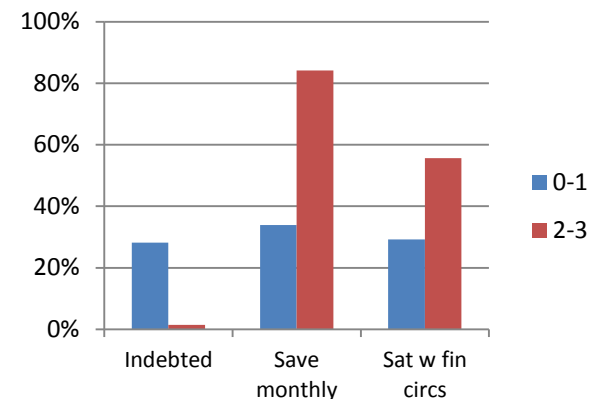


# Does high income protect from the effects of bad behaviours?

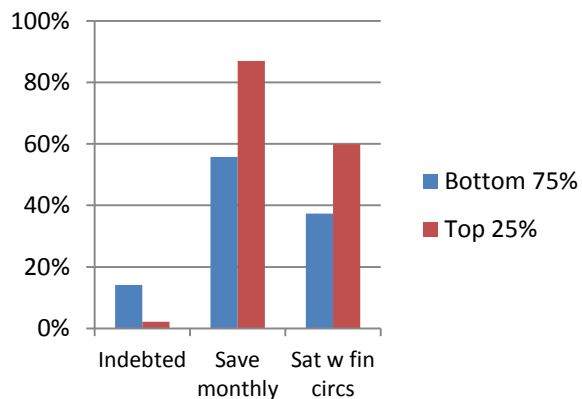
Does high income protect from bad behaviours? Is there a level beyond which it doesn't matter how badly money is managed?

Looking at those with hhold incomes of **more than £75k**, their levels of financial outcomes are obviously better than the general population. But even given this, differences between good and bad behaviours are still evident

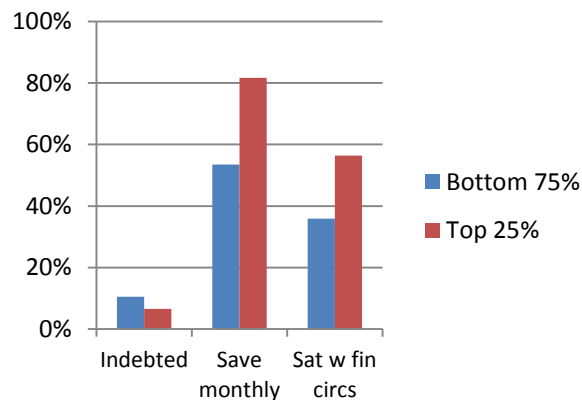
All three behaviours



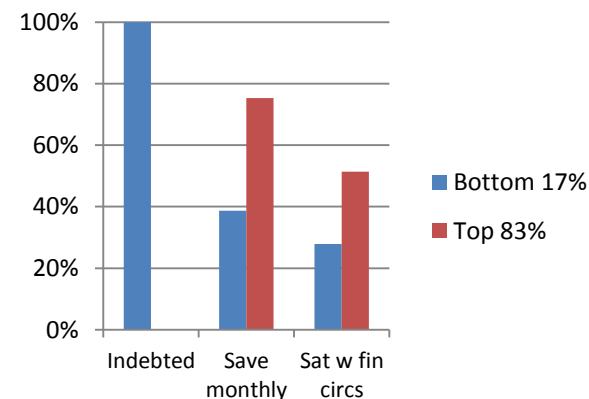
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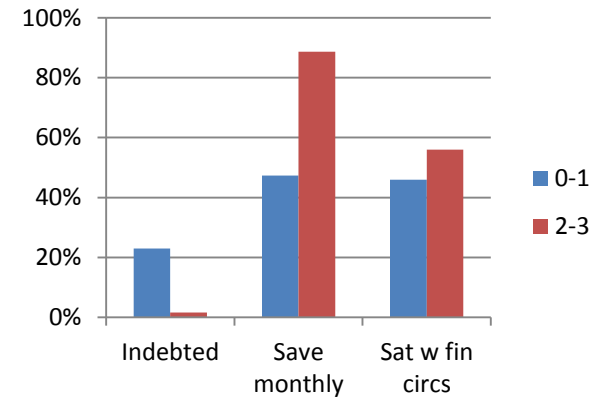


# What about the very highest income group?

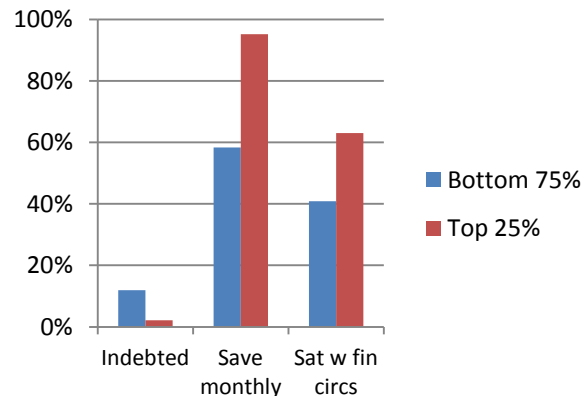
Are those with hhold incomes above £100k immune from bad financial behaviours?

Differences in outcomes do reduce. But interestingly, satisfaction with financial circumstances show very little difference – indicating that high income protects confidence of current and future circumstances

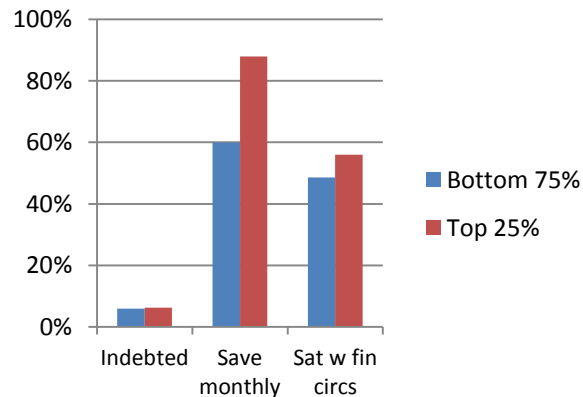
All three behaviours



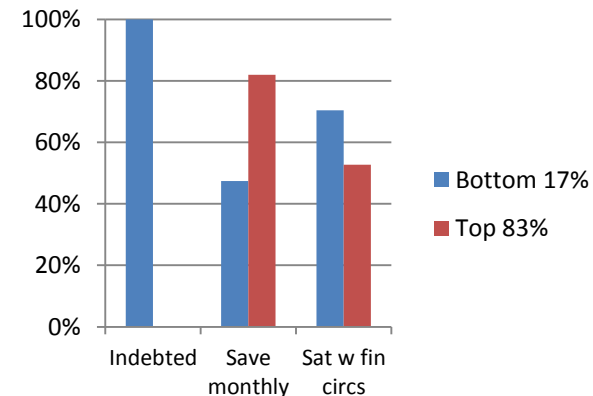
Managing money well day to day



Plan for and manage life events



Dealing with Financial Difficulty



# What this means for research(ers)?

1

- Income is an important driver – of both behaviours and outcomes. This is the case throughout the income continuum. There is some evidence of a threshold at £35,000 – above which outcomes such as Savings & Debt improve

2

- Household income is more important than personal income. It is a greater differentiator of both behaviours & outcomes. It is what determines the resources of the family unit, and therefore what is possible in terms of ‘doing the right stuff’

3

- So it’s important but we don’t assume that the ‘poor’ are poor because they have “bad” financial behaviour. Good behaviours can improve their situation, but they are still in a disadvantaged situation – because they either don’t have a job or they have a job that doesn’t pay enough for their needs

4

- There is no real evidence of an income threshold below which good behaviours have no impact

# Creating a 'complete picture' of income

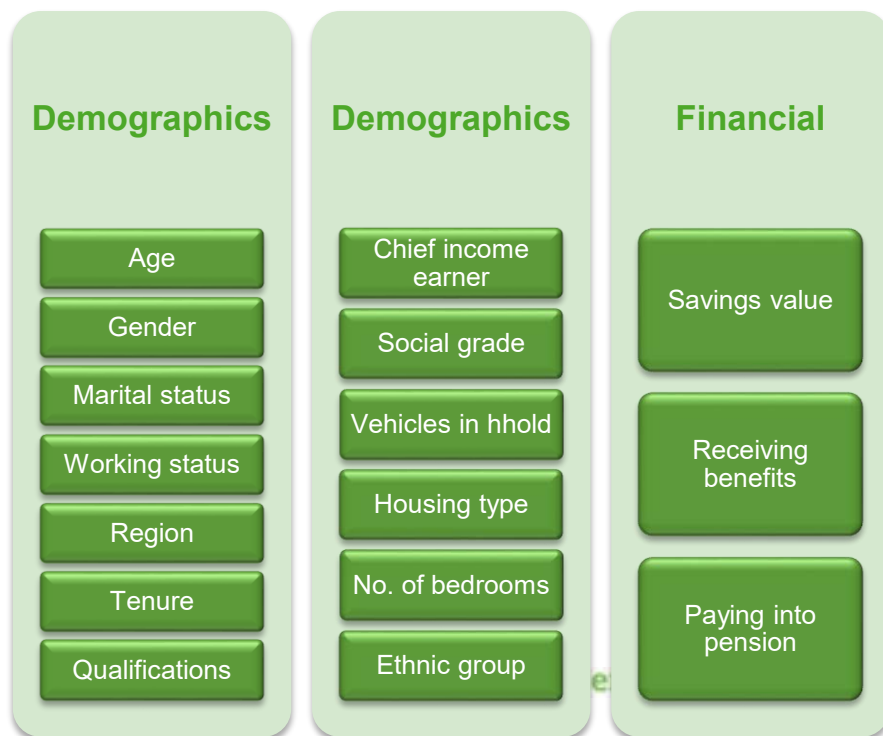
Income has been shown to be an important measure in understanding financial behaviours and outcomes

- But survey data is rarely complete. In this survey, 28% of respondents failed to respond to the household income question – 22% refused and 6% didn't know

In order to preserve the power of income as a diagnostic measure, we created imputation models to 'fill in' those missing responses

The imputation was done using a well-validated modelling approach known as Markov Chain Monte Carlo (MCMC), which uses regression models to estimate the value of the missing variables, based on a number of 'predictor' variables

The imputed values produced by these models were validated by the use of 'hold-out' samples, where existing values were purposely deleted and then imputed.



# Can't save, won't save

# Why should people save?



**Unexpected bills**



**Major purchases**



**Peace  
of mind**

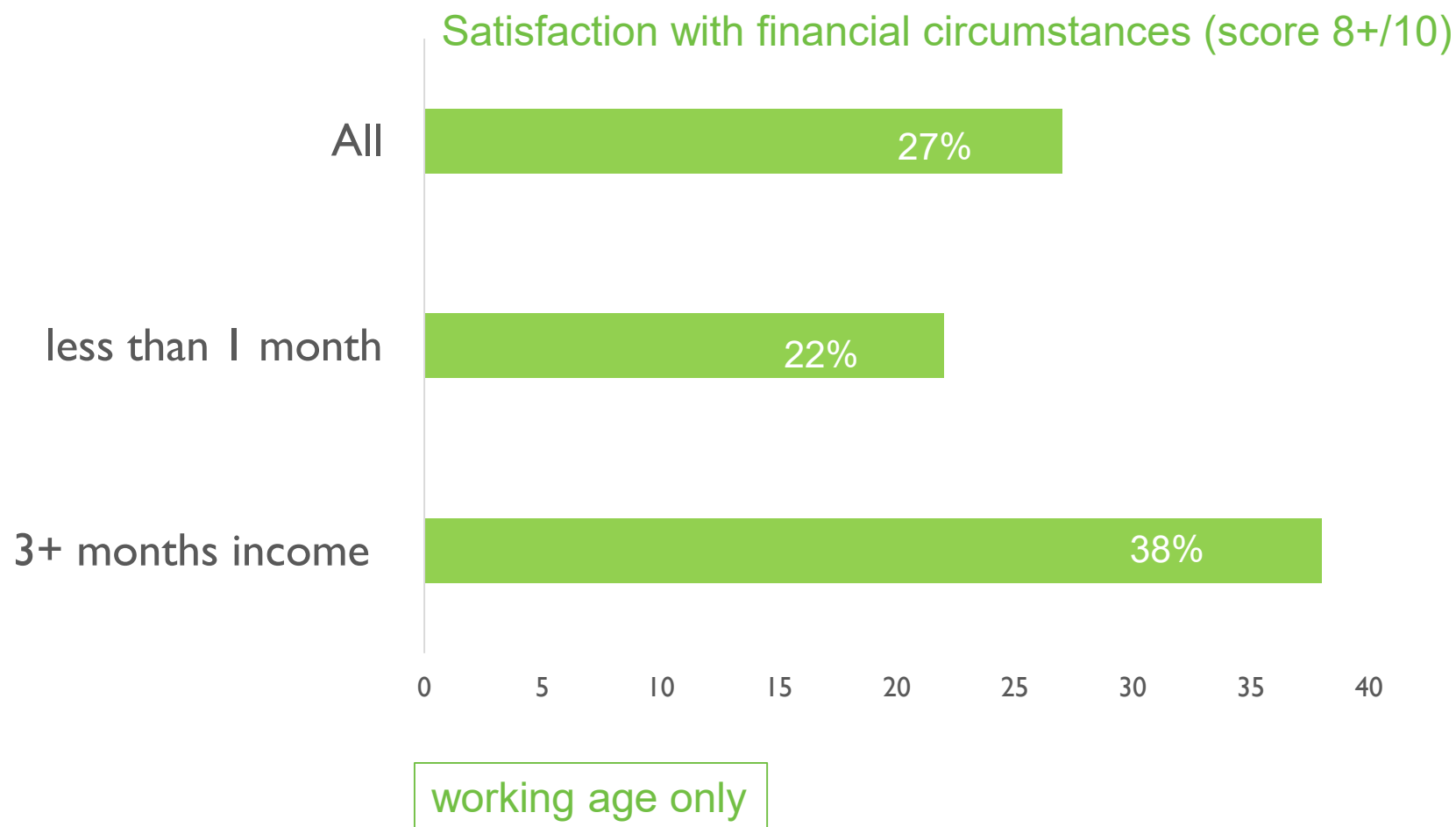


**Income shocks**



**Retirement**

# A savings buffer increases wellbeing



Source : 2015 Financial Capability Survey

[moneyadvice.service.org.uk](http://moneyadvice.service.org.uk)



# Income is a bigger driver of wellbeing and people can live with some debt



# We don't save enough

## UNEXPECTED BILL

Can find £300 from cash or savings

57%

## INCOME SHOCK (working age)

Savings equal to three months' salary

28%

Life assurance (family)

56%

Income protection (F/T workers) claimed

21%

## RETIREMENT (working age)

In a pension plan

50%

# There is general agreement we should save more

"This Budget takes another step to move Britain from a country built on debt, to a country built on savings and investment."

"... no economy can thrive in the long run without people saving. You can't run it on borrowing and debt, you need to save and invest for the future. If you just withdraw money and spend you are talking about a recipe for long-term economic decline."



# Household income is a key driver

Savings frequency by household income



# Savings frequency and value

## More than 3 months' income in savings

Rarely  
(2%)

Save Some  
Months (4%)

Save Most Months  
(6%)

Save Every Month (15%)

## 1-3 months' income in savings

Rarely Save  
(1%)

Save Some  
Months (2%)

Save Most Months  
(3%)

Save Every Month (9%)

## Less than 1 month's income in savings

Rarely / Never Save  
(23% )

Save Some  
Months  
(10%)

Save  
Most  
Months  
(7%)

Save Every Month  
(17%)

# Comparative demographic profiles

## Non-savers more likely to be:

- Income : lower
- Household : single, no kids
- Education : lower attainment
- Age : spread

## High value, frequent savers:

- Income : higher
- Household : two adults
- Education : tertiary
- Age : spread

# Big differences in attitudes, confidence and behaviour



Attitude/ behaviour	Non-savers (%)	Frequent, high-value (%)
Live for today	49%	15%
Keeping up without difficulty	25%	69%
Have a financial goal	46%	69%
Nothing I do will make a difference	43%	14%
Financial situation makes me anxious	56%	21%
Rate confidence managing money 8+	52%	74%
Rate budgeting 8+	44%	78%
Very important to save for retirement	29%	61%

# Frequent, low-value savers

## Demographics:

- Income : spread
- Household : more likely to be single parent, less likely to be two adults + kids
- Age : under 35
- Education : secondary and tertiary

## Attitudes and behaviours:

- Have financial goals, but don't always have plans
- Between high-value savers and non-savers in terms of :
  - Not living for today
  - Saving for retirement
  - Confidence and self-efficacy
- But more likely to buy on impulse, feel under pressure to spend and use credit



## Frequency and value both associated with

1. Future focussed attitudes
2. Control of day-to-day money
3. Being confident, taking responsibility
4. Believing you can influence your own situation

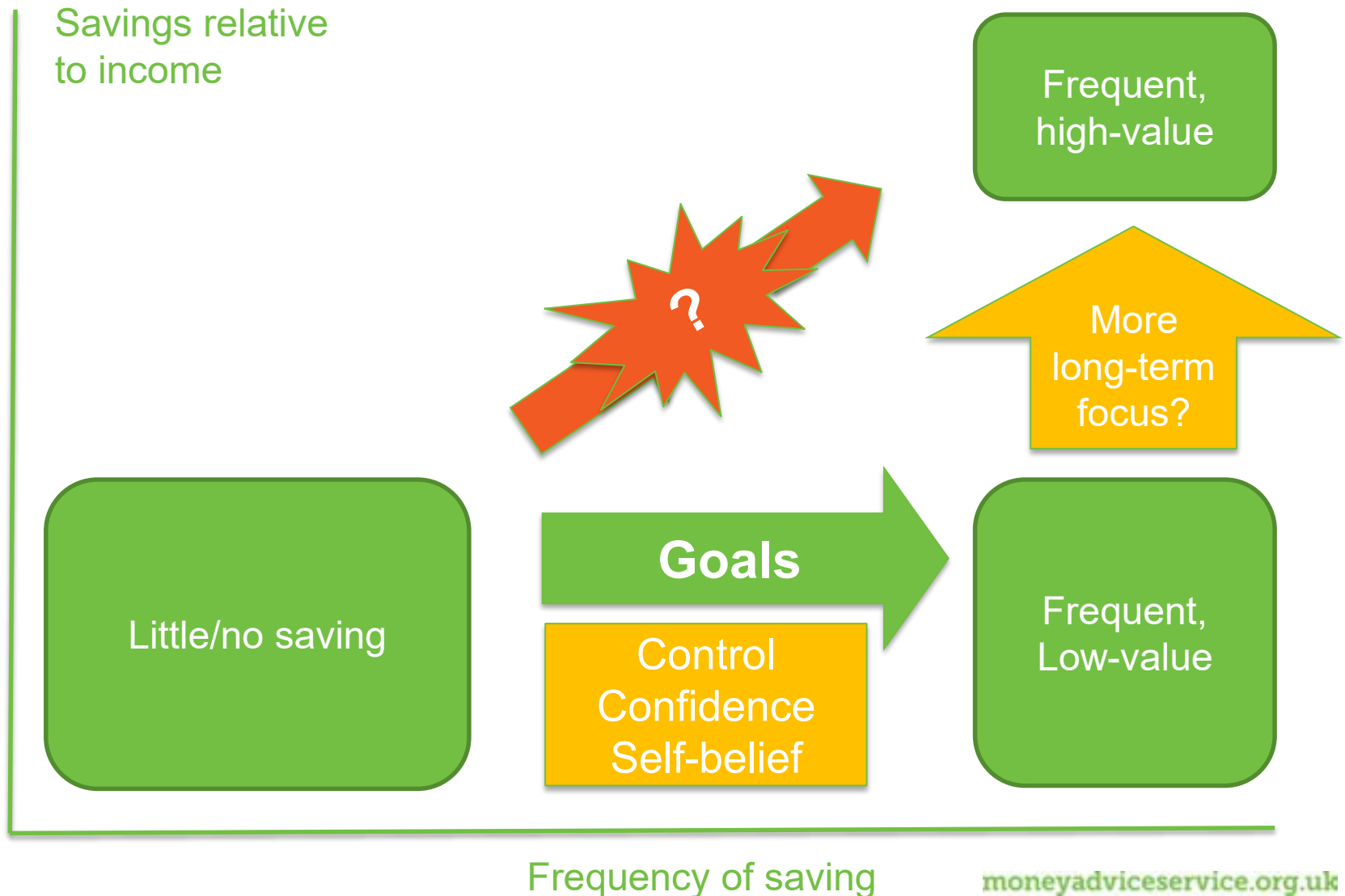
## Frequency of savings

- Having (more short-term) goals and plans

## Savings : income ratio

- Desire to save for rainy day, unexpected expenses and retirement

# How do we encourage more saving?



# Not spending is a challenge

- *“I spend everything I earn. There is no way I could save anything at all. It all goes on bills, food and children. Even my last £5 goes on treats for the children...well I suppose I don’t have to give the children treats every week; they don’t do so badly now. I could save £5 a week... That’s £250 a year, that’s a holiday.”*

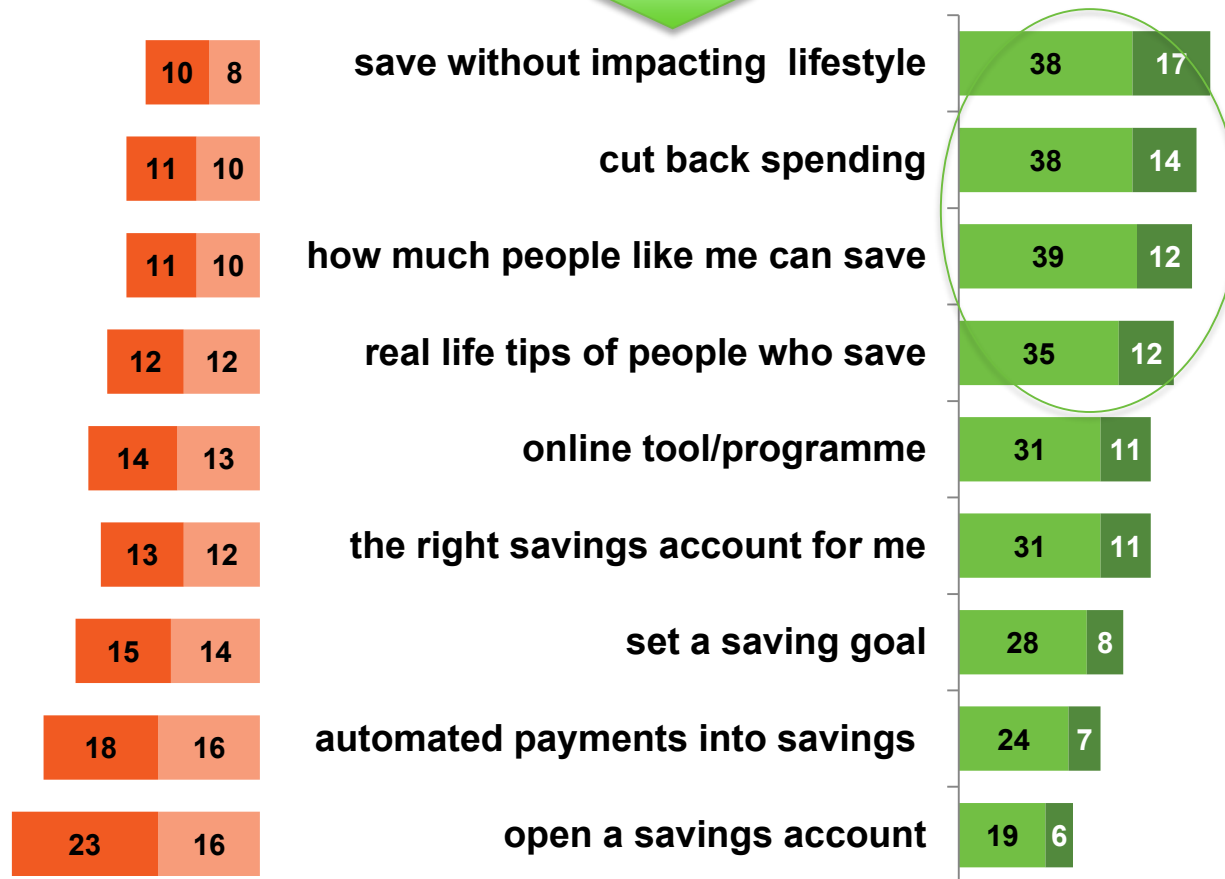
Source : TNS-BMRB Financial Capability and Wellbeing research 2015

- *“My dad opened up a savings account for me in the hope that I would start filling it... but I just spend, spend all the time. It’s so hard to save”*
- *“Even now, I know I should be saving more and spending less, but I don’t. You know what the problem is, but you just don’t do it, do you, because you want to live for now all the time. And then, the kids, they’re at the age now where they want the labels, they want the nice coats, and they’re wanting more money to go out with their friends and things like that. And it’s hard to say no when you see all their friends getting it.”*

Source : 2CV Brand research 2015

# Encouraging 'spenders' to save

Appeal of showing / helping people how to



Not at all appealing; Not very appealing

Quite appealing; Very appealing