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Dear All

Financial Capability Plans for 2009/10

Following the publication of our Business Plan in February, we have set out more detailed plans for the National Strategy for Financial Capability in 2009/10 (see the attached table). To ensure that our strategy meets the needs of consumers in these challenging economic circumstances, we have reviewed our intermediate and overall targets. We have also taken the opportunity to review and amend the effectiveness of our priorities. In particular, we are developing initiatives to help adults who are affected by the recession, and as a consequence that has meant that some programmes have been reprioritised.

We will develop further work on:

- new ways to reach adults, in these difficult times, to address the needs of people in mid-life and older, planning for or managing in later life;
- those affected by family breakdown, the numbers of which are expected to increase as financial stress escalates; and
- those facing redundancy or already unemployed, through our already successful *Making the Most of Your Money* workplace programme. We will also seek to work more closely with the government's Financial Inclusion Champions, and develop closer links with Jobcentre Plus and with private and third-sector employment support organisations.


Unfortunately, these new areas of focus mean that we will not meet all of the targets set out in the Joint Action Plan for Financial Capability. This year, we expect to reach 400 fewer schools through our *Learning Money Matters* programme in England. We had originally hoped to reach 4,100 youth intermediaries in 2009/10 for our *Young People & Money* Young Adults Not in Employment, Education or Training (NEET) programme, but due to the budget reprioritisation, the target for 2009/10 is now 3,500. We will not do any marketing, outside of Money Guidance, and we will spend less than planned on evaluation.

More widely, we have made good progress on the National Strategy for Financial Capability. For example:

- Operational testing of the Money Guidance Pathfinder, branded Moneymadeclear, started on 31 March, and we will officially launch the service in April. The service will deliver face-to-face, web and telephone-based guidance to up to 750,000 people in the North East and North West of England.
- Demand for our 'Making the most of your money' (MMYM) financial education seminars provided in workplaces is at an all-time high. This reflects the hard work of everyone involved, as well as the current economic climate, which has resulted in more employers recognising the need to support their employees in these testing times. Since the programme began, we have worked with over 700 employers and have delivered around 4,500 seminars (reaching over 80,000 consumers), and have distributed the MMYM education material to over three million people.
- We plan to expand the Money for LiFE initiative in further education to reach up to 30,000 young and adult learners in 80 colleges through financial capability activities such as money weeks.

As you can see from the above, much has been achieved; however, there is still more to do. Financial Capability has never been more important than now. In 2009/10 the FSA will spend £22.7m on the National Strategy for Financial Capability. We remain committed to equipping consumers with the skills and knowledge to engage responsibly with their financial matters, in the long term, and through these challenging economic times.

Yours sincerely

A handwritten signature in cursive script that reads "Chris Pond". The signature is written in a dark ink and is positioned centrally below the text "Yours sincerely".

Chris Pond
Director
Financial Capability