

Financial Services Authority

A guide to the provision of financial services education for consumers

Research and reports by Jane Vass

March 1998



Contents

	Introduction by Phillip Thorpe	3
I	Directory of financial education programmes for consumers	5
	Research and report by Jane Vass	
II	Investor education for adults: Gaps in provision	31
	Report by Jane Vass	

Introduction



I am pleased to introduce what I expect will be the first in a series of consumer education publications from the Financial Services Authority. This publication lays the groundwork on which the FSA, along with other organisations, can develop a strategy to redress the imbalance in consumer knowledge. It comprises two reports by Jane Vass, commissioned originally by the Personal Investment Authority following discussion with a small group of trade associations and the Consumers' Association. I am grateful to the PIA and to all those involved since the beginning of this project for their agreement to the FSA taking this work forward. I would also like to thank those who have generously agreed that their consumer education work should feature in the Directory.

The FSA launch document refers to our commitment to promote and facilitate consumer education in financial services, and the work we are publishing today is closely aligned to those aims. As a new organisation, the FSA is very fortunate that it is able to begin its consumer education work quickly with this scene-setting publication. I envisage that future publications will cover research projects and reports on matters promoting consumer education, as well as specific materials designed to help consumers and support those who are running programmes of financial education. In this context the FSA will shortly be producing a further report by Jane Vass looking at the evaluation of educational initiatives.

I know that in preparing her reports Jane has taken an expansive approach, to give a broad picture of the kinds of material available and the varying techniques used. There may be some organisations which have eluded her net; if so, I hope those concerned will take this as an invitation to let the FSA know about their activities. More than that, I welcome any comment or additional material from users of this publication. As the FSA expects to update the reports from time to time, suggestions for additions or improvements would be helpful.

I am confident that the contents of these reports, namely the Directory of consumer education initiatives, and the commentary on where there are gaps in provision, will be of great value to all those interested in financial education for consumers. This includes consumer groups, government departments and agencies, trade associations and industry providers - many of whom are mentioned in these reports. The FSA looks forward to developing productive relationships with those groups as it takes forward its initiatives in this area.

Phillip Thorpe
Managing Director
Authorisations, Enforcement and Consumer Relations

Directory of financial education programmes for consumers

Contents

Introduction by Jane Vass	7
---------------------------	---

Table 1 Organisations active in financial education

Age Concern	9
Association of British Insurers	9
Association of Unit Trusts and Investment Funds (AUTIF)	10
Bank of Scotland	10
Barclays Bank	11
Britannia Building Society	11
Centre for Citizenship Studies in Education (at Leicester University)	12
Consumers' Association	12
Credit Action	13
Department of Social Security (Information Directorate)	13
Girobank	13
Help the Aged	14
IFA Promotion Ltd. (IFAP)	14
Inland Revenue	15
Institute of Trading Standards Administration (ITSA)	15
The London International Financial Futures and Options Exchange (LIFFE)	16
Lloyds Bank	17
Midland Bank	17
Money Management Council	18
National Consumer Council	18
NatWest	19

Norwich Union	20
Nottingham University, School of Management and Finance	20
Office of Fair Trading	20
Personal Finance Education Group	21
Pre-Retirement Association	22
ProShare	22
Royal Bank of Scotland	23
Schools Curriculum Industry Partnership (SCIP)	23
TSB Bank	24
UMIST: Manchester School of Management	24

Table 2 Other organisations with relevant material/experience

BBC	24
Business in the Community	25
City & Guilds of London Institute	25
Co-operative College	26
Economics and Business Education Association	26
General Consumer Council for Northern Ireland	26
Life Insurance Association	27
London Stock Exchange	27
National Federation of Consumer Groups	28
Pathways Toward Adult Life	28
Pearl	29
Scottish Consumer Council	29
TUC	29
Understanding Industry	30

Introduction

Many consumers lack confidence when dealing with savings and investments. Yet the confidence at least to ask sensible questions is important in this complex field. This has given rise to debate about the role that education has to play in the regulatory system.

Some educational work in financial services is already being carried out: indeed, a few financial services organisations have had educational programmes for many years. This survey therefore seeks to 'map out' the territory: to establish which organisations are already active, and the sort of work they are carrying out.

The scope of the research

The dividing line between education and information is a fine one. As this survey shows, there is little material that covers savings and investments other than in the most general terms. For this reason, the definition of 'financial education' has been widely drawn and is not restricted to work in schools. The aim is to give a broad picture of the sorts of material available and the varying techniques used. The directory is not exhaustive and suggestions for additions and information about any changes or developments would be welcomed.

Note that organisations involved purely in the field of credit and debt, however, (such as some of the credit trade organisations) are not included. Purely banking activities - such as the school banks which virtually all high-street banks run - are also excluded, as are organisations specialising in pre-retirement education, which are already well documented in the Pre-Retirement Association's Directory of course providers (see Table 1).

The two tables attached give details of each organisation's educational activities, gathered either from face to face or telephone interviews. The organisations to contact were selected after discussion with specialists with existing knowledge of the field. Table 1 details those organisations which are actively engaged in financial education; Table 2 lists organisations which,

while not actively engaged in this field, have relevant material or experience. Note that purely commercial agencies, which produce material for other organisations to brand, are not included.

All publications and resources mentioned are free unless otherwise stated.

Jane Vass

Table 1: Organisations active in financial education

Age Concern

Charity working to improve the quality of life for older people. Nationally, Age Concern's work includes information provision, policy analysis, campaigning and training. Local organisations throughout the country offer a wide range of community-based services.

Relevant publications:

- around 40 factsheets (single copies are free) on a range of topics including tax, benefits and raising income
- *Your Taxes and Savings* annually updated handbook, £4.99
- *The Pensions Handbook*, £6.99
- *The Retirement Handbook*, £7.99.

Other relevant work:

- Internet site (<http://www.ace.org.uk>).

Contact:

Age Concern England, Astral House, 1268 London Road, London SW16 4ER,
Tel: 0181-679 8000 (information line open 9.30am-5.00pm weekdays),

Fax: 0181-679 6069;

Age Concern Cymru, 4th Floor, 1 Cathedral Road, Cardiff CF1 9SD,

Tel: 01222-371566;

Age Concern Northern Ireland, 3 Lower Crescent, Belfast BT7 1NR,

Tel: 01232-245729;

Age Concern Scotland, 113 Rose Street, Edinburgh EH2 3DT,

Tel: 0131-220 3345.

Association of British Insurers

A long history of providing general financial planning material for schools.

Relevant publications:

- *Money Management Review* termly magazine with background material and ideas for secondary teachers. Curriculum areas covered include economics, business studies, maths and GNVQ
- *Risk and Reward* a book about insurance written for secondary students
- ABI information sheets are circulated to schools with suggestions for use in PSE (personal and social education), maths teaching and GNVQ (Business)

- one-off resource materials for schools, eg *All Risks* a classroom pack to identify everyday risks; *Motor* - a pre-driver insurance awareness pack
- Internet site <http://www.abi.org.uk>.

Contact Phil Ward, Association of British Insurers, 51 Gresham Street, London EC2V 7HQ. Tel: 0171-216 7441. Fax: 0171-696 8996. E-mail: GBABIPW1@IBMMAIL

Association of Unit Trusts and Investment Funds (AUTIF)

The Unit Trust Information Service (UTIS) launched in February 1994 is a telephone information line (0181-207 1361) open 24 hours a day, seven days a week: callers are asked standard questions to determine the relevant factsheets to send.

Relevant publications:

- series of factsheets on unit trusts and investment funds and their use in particular circumstances, such as saving for children
- *A Handbook*, a *List of Managers* and a *Directory* of funds.

Other work:

- 1996 campaign on financial education. Offered a free guide on where to obtain generic information on key aspects of personal finance
- 1998 Financial Awareness and Consumer Education Tracking Study (FACETS): monthly research to ascertain consumers' knowledge of personal finance including current accounts, PEPs, TESSAs, investment funds, insurance, pensions, mortgages and investor protection
- Internet site (<http://www.iii.co.uk/autif/>) including AUTIF publications.

Contact: Victoria Nye, AUTIF, 65 Kingsway, London WC2B 6TD.
Tel: 0171-831 0898. Fax: 0171-831 9975.

Bank of Scotland

The Branch Banking, Product development department provides resources to schools in Scotland, through each branch's Schools Liaison Officer.

Relevant publications:

- *Money Matters* resource pack, for use by branch Schools Liaison Officers, covers topics such as savings, foreign currency, technology of money, etc. Aimed at both primary and secondary schoolchildren

- *Managing Your Money* schools resource pack launched November 1997. Designed to help classroom teachers deliver lessons on personal finance and budgeting. Aimed at 13-17 year olds.

Other work:

- *Class Bank* board game for primary school children, designed to give hands-on experience of banking (PC-based version also available on Apple Macintosh Systems).

Contact: Sally Innes, Bank of Scotland, Uberior House, 61 Grassmarket, Edinburgh EH1 2JS. Tel: 0131-243 5632. Fax: 0131-243 5640.

Barclays Bank

A range of resources is available free of charge to schools.

Relevant publications include:

- *Money Choices*, GCSE/GNVQ resource pack for 14-16 year olds covering general money management
- *Do You Mean Business?* Business studies resource pack, produced in conjunction with The Associated Board and The Southern Examining Group
- *Leaving School and Staying On* advice guides for 14-18 year olds.

Other work:

- a School Training and Education Pack, a Barclays staff resource which equips staff to give presentations direct to students on subjects ranging from 'The History of Banking' to 'work experience'.

Contact: Barclays Bank PLC, Current Account Recruitment - Youth Dept., PO Box 120, Longwood Close, Westwood Business Park, Coventry CV4 8JN (postal queries only).

Britannia Building Society

Educational resource materials have been produced in the past, but the main work now is through an Education and Training Officer, who has built up contacts with a number of schools (mainly secondary schools and colleges), giving talks and leading workshops. Although this work is usually in Staffordshire, branch managers generally are encouraged to carry out similar work.

Contact: Clare Smith, Britannia Building Society, Britannia House, Leek, Staffordshire ST13 5RG. Tel: 01538-391166. Fax: 01538-391003.

Centre for Citizenship Studies in Education (at Leicester University)

Largely funded by Barclaycard, the Centre was set up following the 1990 Speaker's Commission on Citizenship to encourage school teachers to address a wide range of Citizenship issues (including money management). Works with children of all ages.

Relevant publications include:

- free broadsheets and resources available to schools
- regular newsletters for teachers.

Other work:

- school visits and lectures, competitions, quizzes etc
- Internet site (<http://www.citizenship.org.uk>).

Contact: Ian Duffell, Leicester University, School of Education,
21 University Road, Leicester LE1 7RF. Tel (home): 01536-373218.

Consumers' Association

One education officer, mainly carrying out research on how to foster consumer education. The personal finance information in *Which?* magazine reflects the organisation's commitment to empower people to make informed consumer decisions.

Relevant publications:

- *Consumer Education Resource Catalogue* in conjunction with Edge Hill University College: includes brief section on Money
- other background papers on developing consumer education (in conjunction with Edge Hill University College)
- *Towards 2000, Consumer education in the classroom* by Juliet Wells, Forbes Publications/Consumers' Association, 1997 (£12.95 + £1.95 postage and packing). Includes suggestions for classroom projects on personal finance.

Contact: Juliet Wells, Education Officer, Consumers' Association,
2 Marylebone Road, London NW1 4DF.
Tel: 0171-830 6000. Fax: 0171-830 6220.

Credit Action

A charity started primarily as a debt counselling agency, but which in recent years has moved increasingly into money education in its widest sense.

Relevant publications include:

- *A Family's Guide to Better Money Management*
- *A Student's Guide to Better Money Management*
- *A Young Single Person's Guide to Better Money Management*
- *A Parent's Guide to Better Money Management for Education Purposes.*

Other work:

- provides training on money management to employers' welfare staff and to employees
- free help line on any financial topic. Tel: 0800-591084 (9.30am-1.00pm weekdays).

Contact: Keith Tondeur, Credit Action, 6 Regent Terrace, Cambridge CB2 1AA. Tel/Fax: 01223-324034.

Department of Social Security (Information Directorate)

Publishes a range of material on state, personal and occupational pensions. Employs a range of marketing activities to provide specific information to the general public, the financial services industry and employers.

Contact: Steve Myhill, Room 230, Richmond House, 79 Whitehall, London SW1A 2NS.

Girobank

One full-time educational specialist delivering about 50 educational projects with support from volunteers, all focused on Merseyside though capable of national application.

Relevant publications:

- materials for Durham maths project (delivered in primary schools, garages, banks and retail outlets in connection with Marks & Spencer and Esso)
- background materials for GNVQ business studies (human resource elements) on Merseyside
- policy document setting out strategy.

Other work includes:

- teacher placement and training
- work experience programmes
- visits to schools.

Contact: Dennis Campbell, Education Partnership Adviser, Alliance & Leicester and Girobank, Bridle Road, Bootle, Merseyside, GIR 0AA.
Tel: 0151-966 2089. Fax: 0151-966 2514.

Help the Aged

Charity providing practical support and advice to help older people lead independent, active and productive lives. It aims to combat disadvantage, create opportunity and offer care where it is needed.

Relevant publications include:

- four annually-revised financial leaflets: *Check Your Tax; Can You Claim It?* (on means-tested benefits); *Questions on Pensions; Claiming Disability Benefits*
- wide range of other leaflets and information sheets.

Other work includes:

- *SeniorLine* freephone advice and information service. Can answer questions on topics including benefits, housing, community care, access to health and community services and sources of local practical help. Tel: 0800-650065 (9am-4pm weekdays).

Contact: Information Department, Help the Aged, St James's Walk, Clerkenwell Green, London EC1R 0BE.
Tel: 0171-253 0253. Fax: 0171-250 4474. E-mail: hta@dial.pipex.com.

IFA Promotion Ltd. (IFAP)

Organisation sponsored by financial services product providers to promote public education on the role of and the need for independent financial advice. This is achieved through advertising and PR campaigns in national and regional media, plus a telephone referral service for members of the public who wish to contact an independent financial adviser (IFA).

Relevant publications:

- callers to the telephone hotline (0117-971 1177) are sent an information pack with the names of three IFAs close to the caller's postcode
- one-off campaign material, eg on pensions, tax-planning, self-assessment, long-term investment.

Contact: Ann-Marie Martyn, Chief Executive Officer, 4th Floor,
28 Greville Street, London EC1N 8SU.
Tel: 0171-831 4027. Fax: 0171-831 4920.

Inland Revenue

Two staff in the External Communications Unit run a limited service.

Relevant publications:

- teacher's resource pack aimed at 15 and 16 year olds provides basic information on income tax
- short video for school-leavers covering PAYE
- leaflets for school leavers and students.

Other relevant initiatives:

- mobile enquiry team goes round shopping centres, libraries, Citizens Advice Bureaux, etc.
- Internet site (<http://www.open.gov.uk/inrev/irhome.htm>), including pages on business education specifically for schools
- district-based customer service officers may have local initiatives.

Contact: Lynn Meikle, Education Service Organiser, 6th Floor,
North West Wing, Bush House, Aldwych, London WC2B 4PP.
Tel: 0171-438 6276. Fax: 0171-438 7428.

Institute of Trading Standards Administration (ITSA)

Many trading standards departments provide consumer advice and education services and some have education officers, although these tend to concentrate on shoppers' rights, credit and debt. The Consumer Education Liaison Group is a national working group of ITSA.

Relevant publications:

- *Game for life* schools resource pack: not currently available, but may be revised and reissued.

Other work:

- a central register of leaflets produced by local authorities, including those on financial topics - published by CELG.

Contact: Head Officer, Consumer Advice and Information, Institute of Trading Standards Administration, 351 London Road, Hadleigh, Essex SS7 2BT. Tel: 01702-559922. Fax: 01702-551161.

The London International Financial Futures and Options Exchange (LIFFE)

Private client specialist in Education Department. LIFFE only promotes equity and index options to private clients.

Relevant publications:

- 50-minute introductory video (costs £10)
- *Equity Options Workbook* (£5, or free with intermediate course)
- *Equity and Index Options: directory of further information* (free).

Other initiatives:

- LIFFE telephone information service (0171-379 2846) sends out standard information pack, including *Equity and Index Options: directory of further information* booklet
- investors who ring the telephone service are put on a database and are sent a twice-yearly newsletter, *PrivateLIFFE*
- one-day 'Know Your Options' intermediate workshop priced at £100 plus VAT. Run in London, Bristol, Edinburgh, Birmingham and Manchester in 1998
- interactive educational software package entitled 'Trademaker 2' developed specifically for private investors (costs £75 inc.VAT)
- Internet site (<http://www.liffe.com>)
- University Open Days to encourage inclusion of options on relevant courses.

Contact: Kate Penegar, LIFFE, Cannon Bridge, London EC4R 3XX.
Tel: 0171-379 2022. Fax: 0171-248 5864. E-mail: kate.penegar@liffe.com

Lloyds Bank

Materials are distributed to schools by mail order.

Relevant publications:

- *The Next Step* classroom resource pack for 16-18 year olds. Consists of:
 - Move on up!* - teacher's booklet and student workcards, supported by a CD-ROM for individual study. Covers topics such as applying for university courses, interview skills, accommodation, finance and work experience
 - Moving out!* - teacher's booklet and student workcards. Covers life after school, including developing skills, accommodation, travel and motoring.

Contact: Customer relations, Lloyds TSB Group Plc, Canons House, Canons Way, Bristol BS99 7LB (postal queries only).

Midland Bank

Resources are wholly delivered through local branches. The educational programme shown below is under constant review.

Relevant publications:

- *Midland and Schools* information pack for teachers explaining services
- *Money Talks* resource file for children in years 10 & 11. Includes modules on budgeting, saving and borrowing, banking and careers.

Other work:

- CD-ROM - enhancement of existing *MidBank* package which provides case-study material on financial services: can be used towards NVQ study
- *The Midland Game* - PC-based role-playing which introduces children in years 10 to 12 to aspects of bank management
- Talks by Midland staff and visits to branches
- Work experience scheme
- Young Enterprise scheme.

Contact: Chris Dixon, Midland Bank, 10 Lower Thames Street, London EC3R 6AE. Tel: 0171-260 6788. Fax: 0171-260 8903.

Money Management Council

Eleven volunteer Council members. One full-time administrator/tutor, assisted by volunteers. The Council's mission is to be a driving force for the provision of consumer education on money matters. Adults are the main target audience.

Relevant publications:

- series of free factsheets on savings and investments, tax, wills and bereavement, and setting up home. These are distributed through advice agencies, libraries, personnel managers, course organisers, and direct to members of the public.

Other work:

- provides tutors for money sessions at pre-retirement/redundancy courses
- recently launched a quality mark scheme for financial services information
- developing GNVQ units in money and seeking finance to extend them further.

Contact: John Moysey, PO Box 77, Hertford, Herts SG14 2HW.

Tel/Fax: 01992-503448.

National Consumer Council

One staff member with brief for consumer education. Currently no direct work with schools.

Relevant publications:

- *The Learning Gap: Consumer education in schools*, Jan 1995
- *Sponsorship in Schools: Good practice guidelines*, 1996.

Other relevant initiatives:

- currently setting up a National Consumer Education Partnership with the aim of getting consumer skills on to the national agenda.

Contact: Frances Harrison, National Consumer Council, 20 Grosvenor Gardens, London SW1W 0DH. Tel: 0171-730 3469. Fax: 0171-730 0191.

NatWest

Educational programme, *NatWest Face 2 Face With Finance*, designed for secondary school children (11-18), launched 1994. NatWest staff volunteers work with schools as 'partners' on the programme, supported by a number of Regional Coordinators and a National Coordinator at the NatWest Financial Literacy Centre at the University of Warwick. The programme is independently evaluated by the National Foundation for Educational Research.

Relevant publications:

- resource packs in several versions: Partners' edition, Teacher Information Packs and handbooks; also in Welsh, Braille and large-print editions
- *Face 2 Face With Finance* videos.

Activities in *Face 2 Face With Finance*:

- enterprise activities
- classroom simulations (on borrowing and lending decisions, competitive tendering, insurance, pensions and investment)
- basic banking activities
- teacher placements and work experience placements for students.

Additional activities:

- spreadsheet templates to support *Face 2 Face With Finance*, and an IT-based version of the competitive tendering simulation
- *Budget or Bust!*, computer simulation and budget planning spreadsheet activities for sixth-form and undergraduate students
- library of financial literacy resources
- Internet site, including downloadable resources (http://www.csv.warwick.ac.uk/fac/cross_fac/nflc/)

Contacts:

Ann-Marie Blake, Education Manager, NatWest UK
Tel: 0171-920 1174. Fax: 0171-920 5313.

Dr. Adrian Boucher, Director, NatWest Financial Literacy Centre,
Centre for Education and Industry, The University of Warwick, Westwood,
Coventry CV4 7AL. Tel: 01203-524234. Fax: 01203-523617.
E-mail: adrian.boucher@csv.warwick.ac.uk

Norwich Union

Educational support activities for schools and colleges are carried out as part of the community support programme, currently generally on a local basis.

Relevant publications:

- none specifically for education, but existing Norwich Union material is available on request

Other initiatives include:

- work placements for students
- staff acting as mentors for small groups of students and supporting school 'industry days'
- school visits and talks
- hosting/speaking at conferences for local teachers
- founder-members of Norwich Education Liaison Forum
- Internet site (<http://www.norwich-union.co.uk>)

Contact: Patricia Cook, Education Liaison Coordinator, Norwich Union, PO Box 4, Surrey Street, Norwich NR1 3NG. Tel: 01603-681051. Fax: 01603-681585.

Nottingham University, School of Management and Finance

Currently running a number of research projects into personal finance education, with Research Council (ESRC) funding. These projects include work on methods of developing and disseminating educational materials on managing personal finance to adults, students and schoolchildren.

Contact: Professor David Knights, School of Management and Finance, University of Nottingham, Nottingham NG7 2RD. Tel: 0115-951 5490. Fax: 0115-951 5503. E-mail: david.knights@nottingham.ac.uk

Office of Fair Trading (OFT)

The OFT provides information for consumers on a range of issues. Current publications on personal finance include:

- *Creditwise, Debt, No credit?* and *Using a pawnbroker*
- *A Buyer's Guide*, the OFT's main consumer advice publication, has a section on credit

- *Extortionate credit* and *Equal liability* are briefing notes for consumer advisers.

Other initiatives:

- A major project in recent years has been *Moneyfax*, a guide to credit and debt for people aged 15-25, done in conjunction with BBC Radio One's *Out of the Red* campaign. There have been four editions so far, with the possibility of a fifth in 1998-1999. *Moneyfax* was also available in braille and as an audio tape
- Internet site (<http://www.of.t.gov.uk>).

Forthcoming:

- A guide to personal finance, covering savings and investments, pensions, mortgages and life and health insurance, is planned for 1998.

Contact: Publicity Section, Office of Fair Trading, Room 306, Field House, 15-25 Breems Buildings, London EC4A 1PR. Tel: 0171-211 8890.

Fax: 0171-211 8882.

Personal Finance Education Group

Launched in 1996 with a mission to educate all young people about financial matters so that they are able to make independent and informed decisions. Members include educationalists, representatives of the financial services industry, consumer interest groups, and the Financial Services Authority, with observers from the Qualifications and Curriculum Authority, and Government Departments.

The following initiatives are in progress:

- developing a Learning Framework to facilitate the teaching of personal finance in schools (to be piloted in schools during 1998 with a view to national roll-out in 1999)
- developing Good Practice Guidelines for sponsored materials and activities in schools
- developing a Directory of Resources with links to the Learning Framework and Guidelines, to be completed during early 1998
- promoting the Framework, Guidelines and Directory across the financial services industry to enable it to focus initiatives to meet the needs of schools.

Contact: Gill Nott, ProShare, Library Chambers, 13-14 Basinghall Street, London EC2 5BQ. Tel: 0171-600 0984. Fax: 0171-600 0947.

Pre-Retirement Association

Charity working to enable people to manage change from mid-life onwards: considerable experience of educating adults about money. Works with employers, other bodies, or directly with individuals.

Relevant publications include:

- *Your retirement*, £5.00
- annually updated *Yearbook and Directory of mid-life and retirement planning courses*, £10.30 including postage and packing.

Other work:

- runs courses on 'positive change management'
- training courses for other course providers
- series of seminars called 'Pensions for beginners'.

Contact: Mary Davies, Pre-Retirement Association, 9 Chesham Road, Guildford, Surrey, GU1 3LS. Tel: 01483-301170. Fax: 01483-300981.

ProShare

Organisation representing the interests of individual investors in the United Kingdom, with a mission to promote responsible share-based investment for both private individuals and employees.

Youth education:

- *National Investment Programme* for schools and colleges. Includes a share-trading competition designed to increase students' understanding of business, finance, personal investment and the stock market. Details available from an Internet site (<http://www.pearson.co.uk/proshare>)
- *Your Money ... Be Wise* personal finance manual for secondary schools, based on financial issues for each particular life stage. Can be downloaded free from Internet site above. Seeking funding to develop this further

Adult education:

- aims to inform both existing and potential investors through placing articles in a range of publications, providing investor updates on current investment issues and guiding companies and brokers in producing literature
- programme for investment clubs. Provides a manual explaining how to set up and run a club, supported by a help-line, regular club communications and entry into the ProShare Investment Club awards
- runs seminars and conferences for investors and employees.

Other initiatives:

- Internet site: <http://www.proshare.org.uk>.

Contact: Tony Hobman, ProShare, Library Chambers, 13-14 Basinghall Street, London EC2 5BQ. Tel: 0171-600 0984. Fax: 0171-600 0947.

Royal Bank of Scotland

No specifically educational resources are produced.

Relevant work includes:

- branch staff visit schools on a local basis, on request
- personal skills courses for school pupils are sponsored
- speakers are provided for 'Understanding Industry' courses
- staff participate in a mentoring programme for secondary schoolchildren
- Internet site (www.rbs.co.uk).

Contact: Barbara Strachan, Product Development Manager, Royal Bank of Scotland, PO Box 31, 42 St. Andrews Square, Edinburgh EH2 2YE.
Tel: 0131-523 5651. Fax: 0131-523 0631.

Schools Curriculum Industry Partnership (SCIP)

Based at the Centre for Education and Industry, University of Warwick, SCIP was set up in 1978 to promote an industrial dimension to the curriculum. Its expertise in promoting curriculum-focused partnerships between education and industry covers all aspects of business including personal finance and savings.

Relevant publications:

- various educational resources that use financial organisations as a context for learning. Includes material to support financial aspects of GNVQ (Business).

Other work:

- training for teachers and business partners on building effective links that support the education and training of young people.

Contact: Information Officer, Centre for Education and Industry, University of Warwick, Coventry CV4 7AL. Tel: 01203-523909. Fax: 01203-523617.

TSB Bank

Materials are distributed to schools by mail order.

Relevant publications:

- *Moving on!*, a classroom resource pack for 14-16 year olds covering communication skills and basic money management
- supported by a *Wot Now!?* video
- *Moving out!* - teacher's booklet and student workcards. Covers life after school, including developing skills, accommodation, travel and motoring.

Contact: Customer relations, Lloyds TSB Group Plc, Canons House, Canons Way, Bristol BS99 7LB (postal queries only).

UMIST: Manchester School of Management

The Financial Services Research Centre (FSRC) at UMIST has conducted work related to education and public policy.

Relevant publications include:

- *A Licence to Operate: Education Initiatives and the Financial Services*, Chris Green et al, October 1996.

Other relevant work:

- In partnership with the Chartered Institute of Bankers, UMIST runs a degree course linking a professional and vocational qualification with a degree. Director, Dr. Bowe, Manchester School of Management, at address below.

Contact: Professor David Knights, The Financial Services Research Centre, Manchester School of Management, UMIST, PO Box 88, Manchester M60 1QD. Tel: 0161-200 3472. Fax: 0161-200 3622.

Table 2: Other organisations with relevant material/experience

BBC

BBC Education:

- Short series on Alvin Hall's Guide to Successful *Investing* - short series screened in January 1997. Accompanying booklet *Beginner's Guide to Investment* (£3.50)
- One-off campaign covering numeracy, *Count me in*, screened in January/February 1997. Accompanying CD-ROM (£2.50) and free booklet.

Contact: BBC Education Information Unit, 0181-746 1111. Details of other programmes with a personal finance or money management content are given on the BBC Education Internet site (<http://www.bbc.co.uk>).

Mainstream television programming:

- *Working lunch*, 12.30 weekdays: includes personal finance, city news and some consumer items
- *Pound for Pound* - personal finance programme, produced by Barraclough Carey North (0161-827 2073): third series being transmitted in early 1998. An accompanying booklet is available (for a small charge).

Contact: Information Unit, 0181-576 1111.

On radio:

- Radio 5 Live - *Money Check*, 12.45 weekdays
- Radio 4 - *You and Yours*, 12.00 weekdays
- Radio 4 - *Money Box* (12.00 Saturdays), *Money Box Live* (11.30 Mondays) and *Inside Money* when *Money Box* is off the air.

Contact: Radio Information Unit, 0171-580 4468.

Business in the Community

A charity which runs campaigns to involve top British companies (including some financial services companies) in schools and the community.

Contact: Education Information Officer, Business in the Community, 44 Baker Street, London W1M 1DH. Tel: 0171-224 1600. Fax: 0171-486 1700.

City & Guilds of London Institute

Examination board.

Relevant work:

- runs a money management 'Profile of Achievement' scheme, allowing secondary schoolchildren and students to record what skills have been achieved.

Contact: Peter Kerr, City & Guilds of London Institute, 1 Giltspur Street, London EC1A. Tel: 0171-294 2468.

Co-operative College

The College runs educational programmes to assist the development of co-operatives and to ensure good governance and accountability to members.

No relevant publications.

Other work:

- mini co-ops in schools
- programmes to assist in the development of credit unions
- diploma in credit union studies run on a distance-learning basis
- East Midlands Credit Union Development Support Agency (supported by the National Lottery Charities Board)
- Pension Fund Trustee Development Programme.

Contact: Mervyn Wilson, Education Services Manager, The Co-operative College, Stanford Hall, Loughborough, Leicestershire, LE12 5QR.

Tel: 01509-857204. Fax: 01509-857263.

Economics and Business Education Association

The professional association for teachers and lecturers in business education and economics.

Relevant publications:

- termly journal *Teaching Business and Economics*
- newsletter - *Beeline*.

Other work:

- annual conference (held at Easter)
- student conferences for economics, business studies and GNVQ students
- conferences for teachers of economics, business studies and GNVQ.

Contact: EBEA, 1a Keymer Road, Hassocks, W. Sussex BN6 8AD.

Tel: 01273-846033. Fax: 01273-844646. E-mail: ebeah@pavilion.co.uk

General Consumer Council for Northern Ireland

One consumer education officer. Very active in consumer education generally, although nothing specifically on financial services.

Publications (one copy provided free to all Northern Ireland schools):

- 1991 - consumer mathematics pack for 12/13 year olds
- 1994 - two computer packages on general consumer rights and choices (very popular)
- 1996 - *Guide to Consumer Law in Northern Ireland*, written for student use (costs £2).

Other work:

- some school visits
- some in-service training for teachers, particularly on launch of new resources
- Internet site (<http://www.nics.gov.uk/gcc>).

Contact: Carol Edwards, General Consumer Council for Northern Ireland, Elizabeth House, 116 Hollywood Road, Belfast BT4 1NY.

Tel: 01232-672488. Fax: 01232-657701. E-mail: gcc@nicos.gov.uk

Life Insurance Association

Currently running 'Industry Realities' campaign, including a number of general advice guides, designed to be passed on to the public through financial advisers.

Contact: John Ellis, LIA, Citadel House, Station Approach, Chorleywood, Rickmansworth, Herts. WD3 5PF. Tel: 01923-285333. Fax: 01923-285327.

London Stock Exchange

Sponsors certain educational activities of ProShare (see Table 1).

Relevant publications:

- general leaflets, including *Share Ownership for All*.

Other initiatives:

- the Exchange-appointed Committee on Private Share Ownership reported in July 1996. Its remit was to examine all aspects of private share ownership and to identify how the market could best serve the needs of private investors in the future. Research carried out for the Committee showed that one obstacle to private share ownership was the knowledge gap in personal finance generally. The Committee in its report made two recommendations:

- a) the financial services industry needed to raise awareness of personal financial matters by co-ordinating its efforts to, inter alia, persuade examination boards to include tests on the subject; and
- b) the Government must encourage the relevant education authorities and help to set the framework for better education in money matters through the school curriculum.

Contact: Publications, London Stock Exchange, Old Broad Street, London EC2N 1HP Tel: 0171-797 1000.

National Federation of Consumer Groups

Federation of local groups and individuals: some local pilots of consumer groups in schools (working consumer groups along the same lines as mini-enterprise schemes). These may cover money topics.

Contact: Stella Walsh, Secretary, NFCG, 527 Leeds Road, Scholes, Leeds LS15 4DA. Tel/Fax: 0113-264 8341.

Pathways Toward Adult Life

Project developed by the London Enterprise Agency (LEntA) and its partners. It has developed a management technique based on a curriculum framework which defines the knowledge, skills and abilities required for adult and working life. It enables teachers to integrate key skills teaching across subjects and school years (ages 5-16). It covers economic and industrial understanding, careers, citizenship, health and environmental education, but also includes the awareness of, and ability to manage, personal financial resources. Pathways helps schools plan and review lessons more effectively so that they fulfil not only National Curriculum outcomes but also make sense in the wider context of community and economic life. The project was piloted between 1994 and 1996, and was launched nationally in June 1997.

Relevant publications:

- Resource pack, available from Kogan Page, 120 Pentonville Road, London N1 9JN.
- Evaluation report (available from LEntA).

Contact: Laura Reid, Pathways Toward Adult Life, LEntA, 4 Snow Hill, London EC1A 2BS. Tel: 0171-236 3000. Fax: 0171-329 0226.

Pearl

Has produced school resource packs in the past: although these are no longer available Pearl retains an interest in this area.

Relevant publications:

- *Chance and Change* resources pack for 16 year olds to support mathematics.

Other work:

- produced an overnight Budget special for schools in 1993 and a broadcast version with BBC education in 1994.

Contact: Ken McKay, The Pearl Centre, Lynch Wood, Peterborough PE2 6FY.
Tel: 01733-474475. Fax: 01733-472323.

Scottish Consumer Council

No specialist staff.

Relevant publications:

- Consumer Education resource handbook for 14-18 year olds - includes material on banks, building societies and insurance, and general objectives in consumer education.

Contact: Martyn Evans, Scottish Consumer Council, Royal Exchange House, 100 Queen Street, Glasgow G1 3DN. Tel: 0141-226 5261.
Fax: 0141-221 0731.

TUC

Education work covers trustee courses and pensions for trade union negotiators and union representatives. Residential courses are held at the TUC's National Education Centre. Courses are also held throughout the TUC's regional education service (10 days, day release).

Relevant publications:

- series of factsheets
- TUC Pensions Briefing (quarterly magazine)
- investment handbook for member trustees
- newsletters for TUC's member trustees network
- pensions handbook for negotiators and trustees

- Guide to the 1995 Pensions Act
- *Getting the Best from Defined Contribution Schemes*
- *Looking Forward to Retirement*
- *Pensions Power.*

Other work:

- conferences and seminars
- computer-based training scheme.

Contact: Joanne Segars, TUC, Congress House, Great Russell Street, London WC1B 3LS. Tel:0171-467 1327. Fax: 0171-467 1265.

Understanding Industry

Charity with a mission to increase knowledge, enhance skills and improve attitudes towards industry and commerce among 15-19 year olds.

Relevant initiatives:

- runs courses in schools (often for GNVQ and Business Studies) with course leaders from industry and commerce. Costs £130. No specific personal finance component but courses can be themed (eg key skills for work).

Contact: Stuart Bishell, Understanding Industry, 59 Upper Ground, London SE1 9PQ. Tel: 0171-620 0735. Fax: 0171-928 0578.

Investor education: Gaps in provision

Contents

Introduction by Jane Vass	33
Further sources of investor education initiatives	34
Educational agencies	34
Employers	34
Further and adult educational organisations	35
Libraries with open learning centres	35
‘Semi-educational’ work by financial services companies	36
Pre-retirement planning providers	36
Fundamental gaps in provision	36
Basic financial literacy	37
Knowledge of how the system works	37
Public demand	38
Table 1: Topics where further knowledge is required	39
Table 2: Preferred learning methods	40
Perceived lack of resources	41

Gaps in provision at different lifestages	41
School leavers	41
Students in further and higher education	42
Young people	43
Homebuyers	44
Young families	44
Mid-life investors	45
Information/education campaigns for the general public	45

Introduction

This report follows on from the *Directory of financial education programmes for consumers* to look at some further broad categories of organisation with relevant experience. It then addresses some fundamental barriers to investor education, and attempts to pinpoint specific gaps in provision.

While I have tried to look at gaps in provision in the context of needs at various life stages, I have had to make assumptions on what those needs are. I have relied heavily on *Financial Literacy in Adult Life*, research carried out in 1995 by the National Foundation for Educational Research, which was commissioned by NatWest Group and funded through its Charitable Trust. This valuable research establishes a baseline for 'financial literacy', and I am grateful to both NatWest and the NFER for permission to publish extracts from it.

A difficulty, when conducting research for the Directory, has been to maintain distinctions between 'education', 'information' and 'marketing'. Educational initiatives arise from a range of differing motives, which affect how the initiative is designed and presented. For example, some commercial organisations clearly view education as part of their marketing. Some organisations view links with education as part of their 'community action' programmes, or as an aspect of the human resources function, in developing a potential local workforce or in staff development. Public interest organisations may see a 'protective' role for investor education, while some educational organisations have in the past approached it as a by-product of business-enterprise links.

One clear message has emerged from this research. Without a clear view of the aims of investor education, it becomes very difficult to look at how to focus an educational campaign, to draw a line between information and marketing, and to determine which of the many gaps in provision (if any) should be a priority.

Jane Vass

Further sources of investor education initiatives

Educational agencies

These agencies design and carry out educational campaigns for business or other organisations - although mainly for mainstream education rather than adults. Such agencies will work on a project from concept to review and may also organise distribution of materials through their database of teachers.

Agencies with particularly relevant expertise include:

- **Education and Youth Ltd.** Has designed and produced resources for various financial services organisations: also for the Institute of Chartered Accountants in England and Wales. Also commissioned by the Department of Social Security (DSS) in 1996 to carry out qualitative research into teacher attitudes to introducing students of school age to the idea of pension planning. Contact: David Wright, Education Director, 99 Holdenhurst Road, Bournemouth, Dorset BH8 8EE. Tel: 01202-244000. Fax: 01202-246464
- **Educational Project Resources (EPR)** Managed projects for Axa Equity & Law, Barclays Bank and the Halifax, amongst others. Contact: Peter Murphy, 126-128 Cromwell Road, London SW7 4ET. Tel: 0171-373 7716. Fax: 0171-370 1491
- **Finance and Education** Set up by the previous head of the Banking Information Service when this was disbanded by the British Bankers Association in June 1996. Contact: Brian Stevens, 32 Castle Street, Guildford GU1 3UW. Tel: 01483-579966. Fax: 01483-454948.

Employers

Some large employers have 'staff welfare' departments which provide information for their staff. Such departments may develop either from the perspective of an occupational pension scheme, or from a round of redundancies. For example:

- **Marks & Spencer** has a range of courses and seminars for its employees, including retirement planning, mid-life planning, and, for staff aged under 40, an 'introduction to financial planning'. There are two objectives: to raise awareness and to provide basic information. The information content is provided by independent financial advisers (IFAs) or by the Money Management Council, with those who want individual advice referred to an IFA. Contact: Linda Aitken, Marks & Spencer PLC, Michael House, 47 Baker Street, London W1A 1DN. Tel: 0171-268 8856. Fax: 0171-268 2653.

Further and adult educational organisations

The National Foundation for Educational Research (NFER) looked at providers of financial information in 1995, as part of its investigation into adult financial literacy.¹ The research covered agencies offering money management advice (not included here, since they concentrate on problem-solving in the context of benefits and debt), libraries with open learning centres, further education and adult education. The NFER summarised what it found in further/adult education as follows:

‘A range of education providers in further education, adult education and Workers’ Educational Associations claimed to be providing courses aimed at covering personal money management. However few, if any, of the courses addressed the topic directly and the institutions themselves recognised the need for more substantial opportunities for people to learn about money management. There was rather less consensus about how this might be achieved. On the whole, the institutions were doubtful about the appeal of such courses and reluctant to offer them if, as they anticipated, they were likely to fail to achieve adequate student numbers. Funding was also seen as a problem, as it is usually available only for accredited courses.’

The report concluded that Workers’ Educational Associations may now be the most suitable type of institution to make an immediate response to local needs.

During 1996/97, IFA (Promotion) piloted an adult education course, using member IFAs as tutors. The best estimate of the number of attenders in 1996/97 was in the region of 1,700. However, the course was not continued in 1997/98.

Libraries with open learning centres

One strand of the NFER research referred to above looked at a sample of libraries with open learning centres. This showed that while all libraries kept material on personal money management, only about half kept some in the open learning centre, and much of the material related to the financial aspects of business. Other personal finance material was scattered throughout the library’s reference section. At a third of the libraries surveyed, fewer than 20 people were reported to use the open learning centre in a typical week.

In terms of disseminating information generally, rather than active learning, libraries may be a potential way of reaching investors. However, there are difficulties to be overcome: the NFER research found that librarians were concerned about where the materials were sited, allied to a desire not to get

¹ *Financial Literacy in Adult Life*, May 1996, Sandie Schagen and Anne Lines, National Foundation for Educational Research, The Mere, Upton Park, Slough, SL1 2DQ. Commissioned by the NatWest Group and funded through its Charitable Trust. This research comprised two surveys, one of providers of adult information and education, and another of adult learning needs related to financial literacy. The survey of adult learning needs looked specifically at four groups which are particularly susceptible to debt problems, compared to a group which was representative of the general population.

drawn into giving advice. Also, a number of respondents mentioned that it was important that information was accurate and up-to-date, since they would find it difficult to judge this for themselves. The provision of promotional materials or display facilities would be welcomed.

'Semi-educational' work by financial services companies

A number of companies provide free seminars, free or cheap booklets etc. to their customers. For example, Barclays Stockbrokers provides free seminars to Barclays Bank customers and members of the public. There is a short mention of Barclays Stockbrokers' services at the end of the seminar.

Properly handled, such seminars can provide up-to-date introductions to complex subjects. There is a question mark, however, over how the customer sees them, and whether their limitations are recognised.

Pre-retirement planning providers

These are listed in the Pre-Retirement Association's *Yearbook & Directory of mid-life and retirement planning courses*. Providers may have a human resources, training or educational background, or be subsidiary businesses of financial services organisations (eg Standard Life). Courses are also offered by adult education institutes and charitable organisations, such as retirement councils. Many courses are primarily offered to companies for their employees, although the adult education and charitable councils offer their courses to individuals.

There appears to be a trend towards offering courses to younger age groups. 'Mid-life planning' courses are common (sometimes linked to redundancy programmes) and one or two 'Financial awareness' and 'Money matters' courses are appearing.

Fundamental gaps in provision

The directory of organisations active in financial education may suggest more provision than in fact exists, since most of the organisations included are operating on a small scale. If one looks at the number of people they reach, the existing educational initiatives are equivalent to a few islands in an ocean. However, even before one looks at specific areas, there are a number of fundamental gaps:

- basic financial literacy
- knowledge of how the system works
- public demand
- perceived lack of resources.

Basic financial literacy

In 1995 the National Foundation for Educational Research (NFER) was commissioned by NatWest Group and funded through its Charitable Trust to carry out a survey of adult learning needs related to financial literacy. The research was targeted at groups who are particularly susceptible to debt problems, but even the group which was representative of the general population showed some difficulties with the fundamental skills needed to make sense of investment. For example, the answers to one question suggested that only 72 per cent of the general population group were aware that ten per cent of £300 was worth more than £25: for single parents living on benefits, the percentage was 52 per cent. Only a minority of respondents in each group appeared to understand the meaning of 'gross' and 'net' interest. Generally, many respondents lacked the ability to consider a problem and think of possible solutions, although they were more successful at choosing an appropriate answer from a list provided.

This raises the question of whether an 'investor education' initiative has much chance of success, given the lack of understanding of fundamental concepts, or whether concentrating on improving general financial literacy through mainstream education would be more likely to bear fruit. However, the NFER report does point out that education, income, class and ethnicity have an impact on financial literacy. For example:

'within the single parent group of respondents, education and income significantly affected [financial literacy] scores. Education was also significant for families, but among the student group, who were all educated to the same level, ethnicity emerged as a significant factor. In the general sample, education and age were the most important variables, with the young performing better than the old, even when education was taken into account. Overall, education was the most important factor, but class and ethnicity also had a significant impact on scores.'

In the light of such findings, adult investor education should perhaps be viewed as a 'fire-fighting' exercise until general levels of financial literacy improve. In any case, it is important to recognise the considerable differences that exist in financial literacy.

Knowledge of how the system works

Qualitative research carried out for the DSS² found that lack of knowledge could be an inhibitor to pension planning. For example, few people knew that

² *Pensions: qualitative research, a summary* DSS, October 1994. Included in material for 1996 DSS seminar: 'Marketing pensions to young people'.

tax relief is given on payments; there was general confusion over the nature of the payout (do you receive a lump sum, or regular payments, or both?). Terminology was also an inhibitor; 'retirement' and 'pensions' fail to generate aspirational imagery, and terms such as 'SERPS', 'AVCs' and 'Annuity' are confusing and difficult to handle.

Investors may be more empowered to deal with the financial services industry, and to ask sensible questions, if they know more about how it works. It might be worth looking at the opportunities for 'investor education' in providing information about the mechanics of buying and selling: for example, what happens when a first-time buyer contacts a unit trust company? What can they expect when they contact an IFA? Some of these points are addressed in existing information (for example, the AUTIF booklet *Unit trusts: a user's handbook*).

Public demand

After the age of 16, education is largely voluntary. It follows that the public has to perceive a need for 'investor education', some prospect of meeting it and some particular impetus which will actually cause them to seek it.

It is clear that there is some perception of need. The NFER survey referred to above found that while up to a quarter of respondents in the group representative of the general population did not want to know anything more about financial topics, among those who did want to know more, insurance/pensions and different kinds of savings were both frequently chosen topics. These topics were also frequently chosen by young workers and HE students. See Table 1.

Table 1: Topics where further knowledge is required*Source: Financial Literacy in Adult Life, NFER*

	Young people 16-21 in work/training	Single parents on benefits	Families in rented accommodation	HE students not living in the parental home	General public
	%	%	%	%	%
Better/effective budgeting	19	16	26	30	19
Keeping out of debt	18	28	28	27	11
Income tax/national insurance	40	7	15	40	27
Housing and related benefits	19	23	20	28	9
Maintenance payments and their link with benefits	2	14	8	7	4
Mortgages	30	2	8	25	15
Insurance/pensions	42	12	18	33	31
Different kinds of borrowing	12	8	8	20	5
Different kinds of savings	32	8	19	28	25
Student loans and grants	10	5	3	34	8
Benefits for low-paid workers, eg Family Credit	19	29	35	10	7
Link between earnings and benefits	17	14	21	26	9
None of these	9	15	13	4	26
N =	119	133	127	131	262

more than one response could be given

The NFER survey also looked at preferred learning methods and found a clear preference across all groups surveyed for learning by talking to someone. The next most popular option - reading a booklet - was only half as popular, although around a third of respondents still chose this method. See Table 2. Note that while going to evening classes was relatively unpopular in this question, when respondents were asked specifically if they would be interested in taking a short course on money management at a local adult education centre or college, about twice as many in all groups said yes, although in some groups there was considerable unwillingness to pay for, or to travel to, such courses.

Table 2: Preferred learning methods*Source: Financial Literacy in Adult Life, NFER*

	Young people 16-21 in work/training %	Single parents on benefits %	Families in rented accommodation %	HE students not living in the parental home %	General public %
Talk to someone	67	60	57	67	61
Read booklet	35	27	32	44	34
Go to evening class	7	20	13	5	15
Watch a video	9	8	9	8	11
Take a correspondence course	3	11	12	4	8
Don't know	3	4	2	2	3
N =	119	133	127	131	262

more than one response could be given

While survey respondents may well recognise a need, actually seeking education is another matter. This is consistent with another finding of the NFER survey, which found that 41 per cent of further/adult education colleges and centres surveyed cited insufficient demand as an inhibiting factor in the development of money management courses - the most frequently mentioned factor. It also ties in with previous PIA Consumer Panel research on consumer behaviour,³ which points out that only a proportion of those who say they are 'interested' in investment seem to be 'hands-on' customers when their behaviour is examined.

The financial services industry of course has plenty of experience of trying to overcome inertia. Since certain lifestage events (first job, first child, buying a home, changing job) may create 'hot spots' at which individuals particularly appreciate the need for information and advice, the next section of this paper is structured around such events. An important proviso is that such events may become less predictable, and possibly less useful spurs to action, as patterns of demographics and employment change.⁴

³ *PIA Consumer Panel Report 1996*, Annex 6.

⁴ *Future Financial Literacy*, November 1997, Tom Bentley and Ben Jupp, Demos. Commissioned by NatWest Group for the Qualifications and Curriculum Authority/NatWest Group Financial Literacy Conference, 17 November 1997.

One question to be considered is whether it is better to talk about specific types of investments, which meet specific needs - eg pensions and mortgage repayment vehicles - rather than the more nebulous concepts of 'investment' generally. Individuals may see themselves as 'homebuyers', for example, rather than 'investors' (which may be perceived as 'stocks and shares'). Investment in itself might not seem relevant to many people.

Perceived lack of resources

A number of interviewees for the *Directory of financial education programmes for consumers* spontaneously mentioned the lack of suitable resource materials which are objective, up-to-date and accurate. This also came up as problem in the NFER survey of librarians, and in the survey of further/adult education centres, where the lack of availability of someone to lecture on this subject was another problem.

This lack of resources may be more apparent than real - both the Money Management Council and Which? provide independent resources, and there are many other good publications on this subject (including some booklets sponsored by financial services organisations but written by independent journalists). The real difficulty may be the lack of awareness of such resources, together with the difficulty that those without much knowledge themselves have in judging whether the resources are 'trustworthy', ie objective, accurate and up-to-date.

Gaps in provision at different lifestages

School leavers

Many of the resources available are aimed at this group. There appear to be two main strands of information: budgeting, fending for yourself, and careers advice, such as included in the resources supplied by banks, or the practical information in the Inland Revenue pack; and 'enterprise' activities designed to stimulate interest in industry. These two strands may be combined, for example in the NatWest *Face 2 Face With Finance* programme and the *Pathways Toward Adult Life* project developed by the London Enterprise Agency and its partners. In both strands, saving and investing is normally dealt with only tangentially, although the other activities may develop the necessary skills and awareness.

There are some exceptions, for example the ProShare National Investment Programme and the NatWest programme (which has an 'It's your life' module covering insurance, pensions and investment).

Students in further and higher education

Further and higher education is the last chance to 'catch' future workers before they move out of the mainstream education system, and many more young people do now go through higher education (around 30% of 18-19 year olds). There has also been a significant increase in participation by groups that traditionally used not to enter higher education - mature students now form more than half of all home first year students, for example.⁵ As the NFER research showed (see Table 1) students in higher education living away from home appear to show a relatively high awareness of the need for further knowledge, even of insurance, pensions and savings where one might expect them to be less concerned. They are also at home with print-based materials (see Table 2).

However, with the high level of debt among students, it is not clear how much demand there would actually be in practice (although key concepts in managing debt and credit which are of relevance to students also overlap with key skills for investing, eg an understanding of interest). In spite of their perceived lack of knowledge, the NFER research actually found that students' existing financial literacy was significantly higher than that for the general population. It may also be difficult for students to justify spending time on subjects outside their course content, although this difficulty could be reduced if money management or investment skills were to be offered as accredited modules in vocational courses (eg the GNVQ modules which the Money Management Council is hoping to develop). Student support or counselling services, careers fairs and careers guidance officers may also be ways of reaching students.

Few existing initiatives are targeted at this group, although some FE colleges may use those designed for secondary schools. Exceptions are NatWest, which has a *Budget or Bust!* programme for sixth-form and undergraduate students. The ProShare National Investment Programme is also available for colleges. Generally speaking, it should be possible to adapt existing materials for this group and new technology, eg the Internet and interactive CD-Rom, may also be a particularly appropriate medium.

In its work on information providers, the NFER found some interest in money management education, in the further education and adult education colleges it surveyed. However, a number qualified their enthusiasm with a comment about needing validation or accreditation to attract funding. They also commented that good promotional materials would be needed.

5 *The English Education System, an overview of structure and policy*, DfEE, November 1995

Young people

Young people starting work are a key group for investor education:

- it is the first point at which many young people are likely to have disposable income, and some will be thinking towards saving up to buy property
- in the NFER research, young people in work or training were the group most committed to saving, and they showed the highest interest in learning about savings, insurance and pensions. Their financial literacy 'scores' were the most diverse, with a comparatively high number of high scores, but also the highest proportion of low scores
- in the long-term, young workers will be affected by pension reforms (this, of course, also applies to school-leavers and students). In the short-term, they may be faced with a decision on whether to join an occupational pension scheme.

Some young people will receive some information from their employers, particularly in the context of pensions or PAYE. Occasionally, as with Marks & Spencer, this may extend to general courses on money management. Information on building society accounts may be available in the context of direct payments of salary into savings accounts: however, since companies offer these in conjunction with a particular building society or bank any information about savings choices is likely to be limited.

Only large employers are likely to offer this wider information, although some information might be available through trade unions, particularly regarding pensions, and while employers' associations certainly have an interest in education (and there are many schools/business partnerships), their interest lies mainly in ensuring that the workforce has the appropriate skill levels for the country's economic development.

Another possible mechanism for delivering this information is through vocational qualifications, such as National Vocational Qualifications. The modular nature of such qualifications lends itself well to subjects such as personal finance, and the Money Management Council, as mentioned above, has been trying to develop relevant modules.

There have also been two successful campaigns aimed directly at young people: the *Moneyfax* campaign run by the OFT in conjunction with Radio 1, and the DSS '*What are you doing after work?*' pensions test campaign for 18-35 year olds, run in 1996. Although *MoneyFax* concentrated on credit and debt, and the DSS campaign on pensions, they both showed that it is possible to raise awareness of money issues among young people, and to give them information directly.

Homebuyers

The Building Societies Association used to have a schools liaison programme but withdrew from the specifically educational field some years ago, although a considerable amount of information about the homebuying process is available from individual mortgage lenders. The problem is that much of the information is not from an obviously objective source, and it is difficult for non-expert buyers to judge the quality of the information they are getting. An exception is the OFT's leaflet on mortgage repayment methods. The Council of Mortgage Lenders also has a number of leaflets and a Code of Mortgage Lending Practice which lays down standards for the minimum information which borrowers should receive.

On the other hand, homebuyers are keenly aware of the need to make the right decision, particularly given press comment in recent years over the suitability of endowment mortgages. This is an area where individuals may be motivated to seek out independent advice. Unfortunately, there is little incentive for mortgage lenders to distribute impartial information in place of their own leaflets. It is sometimes possible to distribute information through some retail outlets, eg DIY superstores, but there is considerable pressure on the space they have to do this, so this is likely to be possible only occasionally.

Young families

There appears to be no specific provision for financial education for this group, although the birth of a child is often seen as an incentive to build up some savings and to take out life insurance. There is also considerable scope for buying an unsuitable type of insurance. However there is no obvious point of access: someone with a young family is even less likely than other individuals to have the time to spend improving their knowledge. The families living in rented accommodation which were surveyed in the NFER research (who were not necessarily 'young') were also less likely than all other groups except single parents to perceive a need for knowledge of insurance, pensions and savings, instead placing more emphasis on benefits, credit and debt (see Table 1).

There are some means of reaching young families: through the benefit system (new claimants of child benefit); through children's groups and their members; or even through the 'bounty bag' system which distributes free samples and booklets to new mothers in hospital. Potentially, one could also envisage a 'parents' module' for the parents of children participating in programmes.

One point to take into account is that the NFER survey found that responsibility for money management in households, where not shared, was more likely to be the responsibility of the woman rather than of the man. Individual perceptions of what constitutes 'money management' may differ.

Yet public information campaigns on financial education often evoke less response from women than from men. To counter this, the DSS pensions test campaign was designed with a bias towards women in its target audience (since economically active women are two and a half times less likely than men to have pension provision) and achieved a broadly balanced response. The TUC leaflets on part-timers' rights are a graphic example of how different material designed for a female readership may need to be from the normal style of investment literature.

Mid-life investors

There is some (very limited) provision for this group through large employers, sometimes in the form of mid-life planning courses or in the context of redundancy. People in this group may also have more incentive to find out about savings and investment for themselves: because retirement becomes a more real prospect; on separation or divorce; or as disposable income increases. The LIFFE courses, for example, while not specifically targeted at this age group, are usually reported to be attended by men over 45. Some provision also exists through the pre-retirement courses available from some local colleges and adult education centres (although the number of local authorities active in this field has dwindled).

There are few obvious ways of approaching this group. It might be possible to do so through the system of training for employment: for example, existing retraining schemes for women re-entering the workforce, or the 'JobSeeker's agreement' system which means that every claimant has to have an interview with an Employment Service adviser. As they grow older, however, individuals may benefit from increased leisure and also greater consumer confidence, and be better equipped to make use of existing information.

Information/education campaigns for the general public

Not surprisingly, the more diffuse the group concerned, the less the specific provision of financial information. It is assumed that those who are interested will read the press and seek out for themselves the knowledge they need, perhaps with help from an adviser or, if they are lucky enough to have access to one, an adult education course. However, some organisations have attempted to reach a wider audience through:

- the telephone information lines run by IFA Promotion Ltd and AUTIF
- occasional mass-media information campaigns, eg the BBC numeracy campaigns
- the 'distance selling' techniques tested in the 1996 DSS pensions test campaigns: door drops, direct mail, press inserts, radio, teletext and the

Internet. The initial approach invited the target audience to write or phone for further information via the DSS Pensions Info-Line.

A particular advantage of telephone helplines is that non-expert operators (or even automatic response systems) can be used to screen the caller's needs and to send appropriate information (eg relevant booklets, referrals to local IFAs). They could be used, for example, to answer specific questions which individuals might feel were too basic to admit ignorance of to an adviser. It would be interesting to explore how far such helplines would be perceived by the public as being in line with the 'preferred learning method' in the NFER research (see Table 2), of talking to someone.

The use of new technology, particularly the Internet, while not yet developed, also holds out promise of bypassing the difficulties of reaching groups of people, possibly giving interactive information. There are a number of relevant Internet sites, yet the use of these is still small and presumably confined to the better-off. The Internet may be more useful as a way of disseminating information cheaply and quickly to 'information intermediaries' – those organisations and individuals to whom others turn for information and advice.