



North Liverpool Citizens Advice Bureaux

Financial Skills Training at HM Prison, Liverpool

An evaluative research report



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Liverpool John Moores University
December 2006

Financial Skills Training at HM Prison, Liverpool

A evaluative research report into the Basic Skills Agency's Skills for Life and Financial Literacy Development Project working with offenders

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Executive Summary

1. The FST project designed, and delivered, a financial capability training course to 51 prisoners, all volunteer participants, from March until December 2006. It was directed by a professional community education specialist in partnership with a CAB financial skills trainer with a background in money advice.
2. Research into the effectiveness of the FST project was carried out by Liverpool John Moores University from August to December 2006. This research confirmed the need for financial skills education in prisons.
3. The course was designed with reference to the Adult Financial Capability Framework and mapped to the Adult Literacy and Numeracy Core Curriculum. However, it was strongly influenced by debt and money advice perspectives. Situating financial capability training within the wider framework of advice, and access to advice, was revealed as a key strength and defining characteristic of the project
4. The research illustrated the importance of not losing the specificity of financial capability education within the Skills for Life agenda. It was clear that financial capability education and basic skills training were two distinct disciplines for which prisoners had differing needs. It was for this reason the project developed a financial skills course which was open and relevant to all, irrespective of educational or financial background, but which offered basic skills assistance where required.
5. The research revealed the centrality of engaging participants in financial capability training in a way that would enable them to deal practically with the financial issues they faced on release. The course was more about empowering participants to make real changes in personal financial behaviour than it was about amassing financial information and knowledge or about progression in numeracy and literacy skills.
6. For a prisoner at HMP Liverpool, impending release is a critical life moment. The research demonstrated that linking financial skills training to guidance and debt advice was essential. Debts do not leave prisoners when they are in prison and they often have to be dealt with on release. 36% of those participants who completed the course sought personal money advice within the prison.. The largest single issue on the course that prisoners were most interested in was debt management.
7. The research indicated that mapping the course to the Skills for Life frameworks was sometimes somewhat mechanical and simplistic. The process to learn to read, write and understand number was not always mappable to the process of gaining financial understanding, awareness and knowledge. The project confirmed that levels of financial literacy were not necessarily aligned with literacy or numeracy
8. The research confirmed the numerous logistical hurdles to developing a financial capability project within the constraints of a prison regime. It highlighted the importance of partnerships and joint working relationships within the prison.
9. Enabling positive changes in people's financial behaviour rather than merely improving their awareness and understanding demanded an interactive discussion based pedagogical approach that was able to recognise, to build upon and to challenge participants' prior experience.
10. Enabling the financial stability and capability of prisoners involves, at least, the three connected elements of financial education, debt advice and money advice.
11. The research highlighted how financial capability education is often on the margins of the educational and preparation for release strategy within a prison. It argued that a new policy approach is required, together with an increase in resources, if financial capability education is to become a central part of a holistic prison strategy.

Financial Skills Training at HM Prison, Liverpool

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Foreword

North Liverpool CABx has provided advice and training services in HM Prison Liverpool for over three years. Since its inception the advice service has dealt with a million pounds worth of debt, as well as other money advice issues such as low income, access to welfare benefits and income on release, representing over 50% of the total enquiries.

Given that social and financial exclusion are inextricably linked, it is no surprise that offenders have even less access to products and services, and experience difficulty in handling their finances.

Recognised by the Home Office National Offender Management Service (NOMS) as a key pathway in reducing re-offending, our exploration in the development and provision of financial skills to a most socially excluded group is timely. The advent of NOMS offers non statutory agencies equipped with the experience to deliver services, such as CABx, an opportunity to work with offenders.

North Liverpool CABx wishes to thank HM Prison Liverpool for the opportunity to provide this service to a previously excluded group, and to the Basic Skills Agency for their support.

Tina Coughlin

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About RUF1 at Liverpool John Moores University

The Research Unit for Financial Inclusion (RUF1) in the School of Applied Social and Community Studies, at Liverpool JMU, undertakes academic, action and evaluative research in a wide range of areas related to poverty, financial exclusion and the development of financial services for lower income households.

Through research, RUF1 aims to generate knowledge and understanding that will assist Government, policy makers, financial providers, communities and agencies to tackle poverty and promote financial inclusion more effectively. RUF1 has a commitment to the development of financial capability education and money and debt advice services. It has developed a particular expertise in credit union research aimed at building the capacity and effectiveness of credit unions within low income communities.

Further information – www.ljmu.ac.uk/hea/financialinclusion.

1. Introduction

The Financial Skills Training (FST) project at HM Prison, Liverpool, was funded through a grant from the Basic Skills Agency's Financial Literacy National Support Project and delivered by North Liverpool Citizens Advice Bureaux. Nationally, it was one of six projects funded by the Basic Skills Agency, all of which were designed to support the development of financial literacy within the Skills for Life strategy (QCA 2000, 2005; FSA 2003). The FST project commenced in October 2005 and was originally scheduled to terminate in March 2006. However, following a major review early in 2006, the project aims were re-designed and it was extended until December 2006.

North Liverpool CABx has a long established relationship with HM Prison, Liverpool. Since September 2003, there has been a permanent CAB office in the Prison's Resettlement Unit which has provided a base for CAB advisors to deliver a generalist advice service, training and assistance to prisoners and their families as well as to prison officers and staff. In addition, the CAB has been involved in a number of innovative projects within the prison. These have included working on an "insiders" project in which a small number of prisoners, trusted and designated by the prison authority as "insiders", were supported to provide a befriending and mentoring service to isolated, vulnerable prisoners. This involved using elements of the Citizens Advice Advisor Training programme to enable "insiders" to identify and diagnose problems and to signpost prisoners to the most appropriate service.

Given its background in advice and financial literacy training, North Liverpool CABx was ideally placed to take on the challenge of developing a Basic Skills Agency Skills for Life and Financial Literacy project. The other five funded projects were working with a range of beneficiary target groups including employees, one parent families, college students, community groups and asylum seekers. The North Liverpool Project focused on working with offenders. The overall aim was to research the literacy, numeracy and financial capability needs of prisoners, identify any gaps in provision as well as the processes of financial capability training within a prison context.

The original plan was to work with up to 100 participants on a multi-level money advice and financial literacy training programme to which prisoners would either self-refer or be referred by a prison agency. It was intended that the programme would include completion of a financial skills questionnaire which would identify the extent of literacy, numeracy and financial literacy needs of the prisoners. About 30 would then be selected to participate in one-to-one money advice, with the aim of measuring the effectiveness of the money advice process in addressing financial literacy. A further 30 would undertake a financial literacy course (organised one day per week over a six week period). Another 10 would receive both money advice and financial literacy training. Overall, the objective was to ensure this provision both met financial literacy needs of prisoners and generated research findings that would inform the development of money advice services and financial capability training to this specific target group. To this end, the training course and evaluation sessions were to be designed according to the principles of informal education, in which practical exercises would be used to stimulate reflection and generate identifiable learning outcomes. A specific project goal was to produce a published six week modular course covering all aspects of financial literacy training. The financial literacy training course would be developed and refined as a result of understanding emerging from the actual experience of delivering both the money advice and training aspects of the project. The focus was to ensure that this course responded to the particular needs of prison prisoners within the context of the financial capability framework (BSA/FSA 2003, 2006).

A few months into the project, however, it became clear that a major revision of the project's aims and objectives was required. Not only was the project a much bigger task than originally anticipated, it faced challenges in at least four main areas. These were first, the organisational context of delivering financial literacy training within a prison, secondly,

participant motivation, thirdly, the skills and abilities of participants and fourthly, the development of course content. The project was revised in each of these areas as follows:-

- **Organisational context** – The project organisers were initially faced with the numerous logistical hurdles involved in providing financial literacy training in a prison environment. These included engaging, and maintaining the interest and commitment of the prison resettlement regime and of other agencies working in the prison. Both of which were subject to frequent changes in personnel and priorities. The practicalities of the prison regime often meant that there were not enough officers to enable participants to be brought to, and supervised on, the course, that participants were moved to other prisons at short notice, that lock-downs prevented participants attending and that interested prisoners could be deemed a security risk and thus prevented from attending the course at all. The revised project aimed to prioritise an ongoing engagement and contact with the prison regime (particularly the resettlement team) and other agencies (particularly the education team) in order to ensure that financial skills training remained on their agenda. It would also involve the development of a formal referral procedure for course participation.
- **Participant motivation, skills and abilities** – Initial experience of running the project highlighted the difficulty in transforming initial interest in financial literacy education into the motivation to attend a course on one day a week over a six week period. Distractions and other options available to the prisoners could often arise that prevented participation. The revised structure would experiment with a number of different delivery schedules, central to which would be offering the training course over an entire week, as the third and final week of the Connexions pre-release course.
- **Participant skills and abilities** – Staff leading the project soon established, from analysis of initial questionnaires and research, that they would be working with prisoners with a low level of basic skills in literacy and numeracy. Even though this was acknowledged at the outset, it became clear that a number of revisions to the course materials would be necessary if the financial literacy course was to achieve its objectives effectively. First, the project team would need to work closely with the prison education department, in particular accessing and using the results of the literacy and numeracy screening, undertaken with all prisoners on induction, to help assess the specific educational needs of participants. Secondly, course materials would have to be written, in varying styles and formats, in order to be of value to participants with differing levels of literacy and numeracy skills. Thirdly, and importantly, it was decided to build on the CABx's previous work with "insiders" in order to develop a small number of prisoners who could then offer one to one advice and support to their peers. It was recognised that the prisoners with the most severe difficulties in literacy, numeracy and financial capability were both those with the greatest need and the hardest to engage. They were much more likely to remain isolated on the prison wings than participate in training courses. Through the intermediary of the "insiders", the aim was to reach out to, and engage, this group of prisoners. The project revision also included a plan to provide "insiders" with additional training, similar to Units 1 and 2 of the Basic Skills Agency's Link Up Scheme (Cutter 204), or the City and Guilds Certificate for Adult Learner Support Level 2 (9295) so that they could provide additional support to prisoners in the classroom setting.
- **Course content** – Early evaluation of the project led the team to consider that they had *"approached the development project from a financial awareness and debt prevention position, i.e. a CAB perspective, rather than a basic skills perspective"* (NLCAB 2006b). This led the team to the conclusion that they needed to *"strengthen the links to the Skills for Life agenda, in particular by ensuring that the course material is relevant to, and referenced to, Skills for Life learning outcomes"*.

(NLCAB2006b). Clearly, as became evident in later research, the focus on financial awareness and debt prevention was a strength of the team's approach to the project, but, given the nature of the beneficiary group, a definite and measurable connection with the Skills for Life agenda was paramount. In order to ensure this connection, the project was redesigned to employ a professional Skills for Life tutor, with a background in teaching, who could develop the course materials and take a lead in course delivery and assessment.

By July 2006, the revision of the project was complete and a new action plan produced. By August, a new tutor, with formal teaching qualifications and community education experience, was in post and ready to take a lead in course organisation and delivery. The revised plan was to deliver six separate week-long financial capability education courses, based on a modular programme of nine sessions plus a tenth for reflection and evaluation. These six courses would be mapped to the learning outcomes within the Skills for Life adult literacy and numeracy framework. The revised target was to recruit 60 prisoners onto the six courses and six "insiders" onto the City and Guilds (9295) course in Adult Learner Support. It was also envisaged that these "insiders" would undertake training in financial skills and debt awareness.

2. Research project and methodology

Research into the effectiveness of the FST project was carried out by Liverpool John Moores University during the period of August to December 2006. The research project aimed to investigate the operation, performance and impact of the project and its activities.

The scope and methodology of the research was identified in collaboration with the project staff and its aim was to fully involve staff members in a cooperative inquiry into the effectiveness of the project. The objective was to learn from the experience of staff members, as well as beneficiaries, in order to better inform the strategic development of financial capability education in prisons in the future.

The research methodology was based on a quantitative analysis of statistical data kept by the project and a series of in-depth interviews with staff members. In addition an evaluative group session with prisoner beneficiaries was conducted solely by the LJMU researcher not in the presence of tutors or prison security staff. Statistical data analysis included an examination of the questionnaires completed by the participants at the end of each course throughout the programme. A number of telephone interviews were also conducted with other stakeholders in the project, both within and without the prison service.

Research findings were shared and analysed with the project staff in order to generate collaborative learning outcomes from the project as a whole.

3. Research findings

The FST project designed and delivered a week-long financial capability training course to seven groups of volunteer participants from March until December 2006. In total, 51 prisoners participated in the course, of whom 8 were "insiders". It was directed by a professional community education specialist and delivered in partnership with a CAB financial skills trainer with a background in money advice.

The course was designed with direct reference to the Adult Financial Capability Framework (AFCaF) (BSA/FSA 2006) and each session was mapped appropriately to the Adult Literacy and Numeracy Core Curricula (DfES 2006, QCA 2000, 2005). However, its content and presentation was influenced strongly by a CAB advice perspective. Not only could course participants access a CAB advisor, as and when the course revealed for them some personal financial issue that they faced, the course had a clear focus on practical actions

that participants could take to personally achieve financial stability on release. In many ways, linking financial capability training closely to a wider framework of advice, and access to advice, was a key strength and defining characteristic of the project. 30% of participants sought immediate advice within the prison directly as a result of their experience of participating in the course. In discussions, others stated they would do so on leaving prison.

Evidence from both project staff and course participants demonstrated the popularity and the impact of the course among participants. Of those completing the questionnaire, consistently over 80% of participants found the course sessions interesting and relevant. About the same number considered that what they had learnt on the course would influence their financial thinking and behaviour in three months time.

i. Financial capability education and delivering Skills for Life

The project review that resulted in the major revision of the course highlighted the literacy and numeracy educational needs of many of the prospective course participants. Project staff acknowledged that if prisoner participants were to grow in financial awareness and capability through the course process, many would also need assistance in the development of basic literacy, language and numeracy skills (BSA/FSA 2006). Literacy and numeracy are clearly a necessary, albeit not a sufficient, condition, of developing skills in financial capability. It was for this reason that the revision of the course put an even greater emphasis on linking to the Skills for Life agenda and mapping sessions to the Adult Literacy and Numeracy Core Curriculum.

However, the manner of linking financial capability education to the Skills for Life literacy and numeracy core curriculum posed a problem for staff members. This arose from having to decide on where the emphasis should be placed, either on financial capability or on basic skills training. They considered three options:-

- a. Developing a basic skills course which addressed personal finance issues.
- b. Developing a financial skills course with a formal basic skills element
- c. Developing a financial skills course which addressed numeracy and literacy issues as the need arose.

Four key reasons led the team to choose third option. The reasons for this were:-

- a. There was already an education department within the prison which offered courses that addressed literacy and numeracy directly. The team were interested in recruiting prisoners who would not normally access such courses but who would be open to expanding their awareness of financial issues.
- b. Recruitment to the course in the prison did not allow the project team to choose groups with specific basic skills needs. The only requirements for admission to the course were that applicants were security cleared to be in the resettlement unit, were within six months of release (or by permission) and were choosing voluntarily to participate out of personal interest. In fact, this did result in the recruitment of some participants with higher level literacy and numeracy skills.
- c. The timescale of the course was four days over the period of a week. The team considered that it would not have been possible to identify both basic skills and financial skills needs in such a short time period and to respond adequately to them.
- d. The project team were interested in equipping adults to deal with real and immediate financial issues in their personal lives. To that end, it considered that it was important that participants were able to share their considerable experience and learning how to make good personal choices regardless of literacy and numeracy levels.

Several important learning points arise out of the approach taken by the project team. First, even though financial capability education depends on abilities in literacy and numeracy, it is important not to lose the specificity of financial capability education within the wider Skills for Life agenda. Cobden et al (2005) pointed to, not only the paucity of specific financial literacy education within basic skills training in numeracy and literacy within the prison service, but also how financial literacy education generally is often so embedded within basic skills training that it loses some of its priority and importance. Cobden et al. argued that financial capability education needed to be specific and recognisable in its own right and, even though basic skills education is part of the picture, financial capability education is more generally needed within the population as a whole. It was for similar reasons the project team prioritised the development of a financial skills course, open and relevant to all, but with support for basic skills educational assistance where required. Evidence for the appropriateness of this approach was borne out in practice as some prisoners were clearly at a level of educational attainment above basic skills entry levels and others confirmed that they would not have been attracted to a course that appeared predominantly to be concerned with basic literacy and numeracy.

Secondly, as noted in point d above, the project team's aim was to engage participants in a financial capability course that would enable them to deal practically with financial issues they faced in their personal lives. The course was more about empowering participants to make real changes in personal financial behaviour than it was about intellectual progression in numeracy and literacy skills. Dixon (2006) argues that at the heart of financial capability education is the empowerment of people to plan and to come to new commitments in regard to future action. Critically, this involves stimulating the enthusiasm and commitment of the participants to make change. It was for this reason that the project team concentrated primarily on enabling participants to reflect upon the financial choices they had made in the past and, through dialogue and discussion, to come to new ways of thinking about more appropriate choices in the future. There was recognition by the team that each participant on the course already had a wealth of knowledge and experience of making financial choices, albeit those choices may have been disadvantageous in the longer term. The aim of the sessions was to enable participants to reflect upon that experience and, through the dynamics of tutor intervention, information and stimulation, plan to take different action in the future. Dixon (2006) stresses the importance of financial capability education helping people to make and keep commitments within the process of behavioural change. On the project, making the commitment to meet with a CAB advisor was often a participant's first step towards financial capability and stability. In one group, for example, a 25 year old male prisoner, with £25,000 of debt awaiting him on release, made the decision to seek debt advice from the CAB advisor in the prison. In the discussion with prisoners, there was evidence that the project's approach was valued and appreciated. The focus on discussion and dialogue, and the inherent respect of the staff for prisoner views and opinions, was rated highly in feedback from participants. Traditional approaches to "maths and English", as prisoners described education in the prison, were described in terms that were top-down and didactic. The financial capability course was described differently in terms of it being a place where they were able to share opinions freely and openly. In the discussion group, all participants noted that the course had made a difference to their thinking about their financial behaviour and had been motivated to make changes, including seeking advice, on release.

However, although the course focused on behavioural change through a dialogical rather than a didactic educational style, all modules were mapped to the Skills for Life adult numeracy and literacy frameworks with, understandably given the stress on dialogue and discussion, a strong emphasis on using and developing speaking and listening skills. In fact, the course could easily have been modified to include more formal reading, writing and numeracy up to Level 2. All modules were also referenced

to the Adult Financial Capability Framework (AFCaF; BSA/FSA 2006) (see below, section 3). However, it was clear that the informal discursive delivery approaches, necessary for effective delivery in prison settings, could only be integrated with more formal elements (e.g. AFCaF criteria) with the right expertise.

ii. Financial capability education and money advice

“Policy needs to identify better the key critical moments when people are most receptive to efforts to improve their financial capability and, at these times, to direct them towards appropriate guidance. These critical moments are sometimes related to life stages, such as becoming a new parent, but are often unrelated, for example, starting a new job, moving to a new city, deciding to go on an expensive holiday or to start saving for a house” (Dixon 2006). For a prisoner at HMP Liverpool, a critical moment is his impending release. It is for this reason that linking financial capability education to appropriate guidance and advice is particularly relevant and important.

The North Liverpool CABx project’s defining characteristic was its development of financial capability education within the context of guidance and advice. Not only were the course sessions informed by the experience of CAB advisors in responding to multiple financial problems, including overindebtedness, but course delivery included signposting access to immediate personal guidance and advice within the prison or to where to find such advice after release.

36% of those participants who completed the course sought personal money advice within the prison. Of those, 31% sought advice on overindebtedness, 31% on self-employment on release and 38% on housing and other welfare benefits. Citizens Advice has published widely on how debts owed by individuals have increased sharply over recent years (Edwards 2003, Phipps and Hopwood Road 2006) these debts do not leave prisoners when they are in prison and they often have to be dealt with on release. From the responses to the questionnaires, the largest single issue on the course that prisoners were most interested in was debt management.

The project endeavoured to offer a joined-up, holistic approach to financial capability education by linking education to access to debt and financial advice. This is an approach that is supported both by Government (FSA 2004a, HMT 2004) and by research (Jones and Barnes). For many years, CABx have been pioneering money and debt advice provision in prisons, what North Liverpool CABx have been able to do is to link that advice with the provision of financial capability education, which is both built upon the advice experience and enables participants to access guidance, one-to-one support and advice appropriately. *“A successful financial capability initiative will use a range of different ways of helping people acquire skills and knowledge. This will include the use of education, information and advice”* (FSA 2004a).

iii. Developing the course programme and materials

A key outcome of the project was the production of the course booklet, Money Matters. This comprehensive course programme was designed both for use within course sessions and for each participant to take away in order to access information and course content at a later date.

The course was designed to be flexible and applicable to participants at different levels of ability. As explained by tutors, *“The course can be mapped to Entry Levels 2 or 3 for Literacy and Numeracy. In reality, the course has been delivered at anything from Entry 2 to Level 2. At Entry Levels 2 and 3 the tutor supports by reading more information aloud, by “walking through” any maths and by not expecting much to be put in writing. For more advanced levels, the content remains the same but the learners are encouraged to write some answers, read more independently and to attempt the maths with or without calculators”* (Money Matters 2006). Importantly, and in line with dialogical and experiential focus of the course, *“each module may be changed or*

deleted to accommodate the personal experience and knowledge of the participants” (Money Matters 2006). This meant that tutors had to be engaged that were experienced and skilled in informal, imaginative and developmental models of teaching.

The aims of Money Matters are noted in the booklet in terms of enabling participants to:

- *understand basic principles of managing personal finances*
- *confidently seek free and unbiased financial and debt advice*
- *reflect on their own experience and consider changing attitudes to money and debt* (Money Matters 2006).

The stress on behavioural change was central to the positioning and promotion of the course as was the ability and confidence to seek money advice. It was clear within the evaluative research that the course, and its delivery, was successful in giving participants a basic understanding and confidence in financial matters or developing that understanding and confidence in the case of prisoners with a greater financial literacy background (cf. BSA/FSA 2006). Significantly, and highlighting the link between education, information and advice, each module topic pointed to a source of advice on the “outside”.

The link with advice was evident throughout the Money Matters course and much of the material was developed using information available to CAB debt advisers. This included the module sections on benefits, budgeting on a low income, a working wage, choosing credit, credit scoring, consumer issues and managing debt. Only one module, getting good advice, was taken from Basic Skills materials. Other modules were developed, with advisor input, specifically for the course. These included attitudes to money, bank accounts, self-employment, savings & investment, and quotes and quizzes. The course endeavoured to encompass the four constituent areas, or domains, of financial capability education, *‘managing money’, ‘planning ahead’, ‘making choices’ and ‘getting help’*. (Atkinson et al. 2006). Atkinson et al. suggested that the latter two elements were better named *‘choosing products’ and ‘staying informed’*. For the purposes of this course, the designation of the element as *‘getting help’* remained the most appropriate.

The mapping of all modules to the Adult Financial Capability Framework and the Skills for Life adult numeracy and literacy frameworks (see examples in Figures 1 and 2 below), although achievable, was not always easy. Course tutors found mapping to the Skills for Life frameworks particularly difficult and even sometimes somewhat mechanical and simplistic. The process to learn to read, write and understand number was not always mappable to the process of gaining financial understanding, awareness and knowledge. This seems to be confirmed by Coben, Dawes and Lee (2005) when they argue that, *“Levels of financial literacy are not necessarily aligned with literacy, numeracy and ESOL (English for Speakers of Other Languages) skills levels, for example, it is possible to be highly literate and yet have extremely poor financial knowledge and understanding and limited financial management skills. While there is a close link between low levels of basic skills and effective access to financial products and services, the interplay of these skills in financial literacy is as yet poorly understood”*.

Mapping to the Adult Financial Capability Framework was much more successful as the course could be readily related to developing understanding and confidence in financial affairs. However, there was one important caveat noted by project staff. Some elements of the AFCaF could, if used mechanistically, appear simplistic or patronising to participants as their use could appear to fail to recognise the prior knowledge and skill of participants. The approach to the course was based on a firm understanding that all participants brought experience and knowledge to the course and it would be through a process of reflection and dialogue that their prior experience and knowledge would be developed.

Mapping Money Matters

Fig 1 – Mapping the course to the Adult Financial Capability Framework and Skills for Life (an example of one session)

Money Matters	AFCaF	Skills for Life
<p>4.b. Budgeting on a Low Income</p> <p>Main Objective: understand the basics of making a budget</p> <p>Activities: • calculate a monthly budget from weekly, fortnightly, monthly & yearly payments • discuss personal spending • work out a personal budget</p> <p>Portfolio: • Case study • Personal budget</p>	<p>B(c)1 difference between essential & nonessential spending</p> <p>B(c)2 recognise household expenses & regular financial commitments</p> <p>B(d)4 Be able to keep a simple record of money coming in and going out</p> <p>B(e)3 consider different possibilities for spending money</p> <p>B(g)1 & 2 Balance needs/wants & prioritise spending. Prioritise within constraints</p> <p>B(g)5 begin to consider choices based on personal financial information gathering, identifying needs, what needs to be spent, and what is left if any.</p> <p>B(i)1 begin to understand the consequences of having more or less money</p>	<p>Numeracy</p> <p>N1/E3.9 N2/E3.3 HD1/E2.1 HD1/E2.5</p> <p>Literacy</p> <p>Rw/E3.1 Rt/E3.6 SLIr/E2.4,5,6 SLc/E2.1&4 SLd/E2.1-2</p>

Fig 2 – Examples of Basic Skills Agency lessons which could not work with participants due to their very basic level. If there are prisoners who require this level of instruction, they do not access pre-release courses.

Example 1 – Literacy (aimed at Level 1 entry)

Excerpt from “Application forms for financial products” a 3 hour modular programme to develop literacy in a financial context.
Minutes: 20

Objective: To recognise and understand the vocabulary associated with forms

Activity:

- Think of words the group has come across on forms and list the ideas on a flipchart.
- Check that everyone understands the meanings through using a dictionary and discussion.
- Ask them to add words to their personal dictionaries
- Group words that might ask the same question and appropriate conventions e.g. D.O.B., date of birth, birthday

Example 2 – Numeracy (aimed at Entry Level 3)

Excerpt from “Using an account” a 3 hour modular programme to develop numeracy in a financial context.

Objective: To enable learners to use an account appropriate to themselves, while improving numeracy skills.

Activity: “Taking money out”

A. Minutes: 10

- Talk about ways of taking money out, such as withdrawal slips, writing a cheque, using an ATM, debit cards, Post Office card
- Which skills do they need to take money out?
- Ask them to add words to their personal dictionaries
- You should allow time for further practice in filling in slips and writing cheques if necessary

B. Minutes: 15

- Discuss the group’s thoughts on using a cash machine, such as a fear of machines, losing their card, remembering a PIN

C. Minutes: 20

- Discuss ways of remembering numbers
- Look at vocabulary and instructions for using a cash machine. Look at sample statements/receipts from cash machines
- Discuss the importance of keeping financial records, including receipts
- Practise using a cash machine simulator.

iv. Recruitment and retention of course participants

The numerous logistical hurdles to developing a financial capability project within the constraints of a prison regime, as noted at the time of the mid-project review, persisted throughout the entire period of the project (*see section 1 above*). This impacted on the recruitment of participants and on their retention on the course programme. Changes in prison personnel or resettlement priorities could, at a moments notice, mean that prisoners signed up for the course did not attend. Changes to release arrangements could mean that participants abandoned the course mid-way through the week. Lock downs, when all prisoners had to remain in their cells for security reasons, could mean that important days from the week-long course were lost.

Nevertheless, the project team were able to recruit 51 prisoners to the course, which was 85% of the original revised target of 60. 36 of these, or 71%, completed the course *successfully* (*see Figure 3 below*). As already noted (*see section 3.ii*), 36% of completers sought personal money advice within the prison.

Success in attaining 85% of the target recruitment figure was due to the relationships the team were able to build with the resettlement officers within the prison, who were able to facilitate and participate in the course referral process. Some links were built with educational staff insofar as information sessions about the course were given by project staff to prisoners within the education classes. However, more strategic relationships with the education team, as well as with Connexions, tended to be informal and were not established in any concrete and definite manner. Ensuring financial capability education became part of the wider agenda of prison agencies always remained problematic. Even though there was evident interest in the area of financial literacy, no coherent or recognisable strategy existed within the prison education system to integrate financial capability within the Skills for Life agenda.

The defining characteristic of recruitment to the course was that it was both voluntary and open to all (within the restraints of the prison system). This was highly valued by participants (*see Section vi below*). Indeed, the voluntary nature of participation was central to the educational approach taken by the team in which conversation and free dialogue enabled the reflection necessary to re-consider personal financial behaviour (*see Section v below*).

The course attracted a range of prisoners with varying experience and backgrounds. Even though most of the participants had basic skills needs and came from low income backgrounds, this was not true in all cases. As a tutor noted, *“people are in here (prison) for all sorts of reasons many of which have nothing to do with being poor”*. This resulted in courses sometimes running with mixed ability classes which did not reflect the prison population as a whole. *“Some courses”*, noted the tutor, *“even involved some prisoners with degrees, convictions for fraud and some high level financial skills”*. The reality of having participants with varying educational and experiential backgrounds was, of course, a contributory factor to developing a financial skills course which addressed numeracy and literacy issues only as the need arose.

From course take up, there was evidence that the course appealed to a range of different groups of prisoners – general prisoners, vulnerable prisoners and insiders. The motivating factors that led to participation varied from personal experiences of financial difficulties and debt to the course being seen as a good option within the prison system. For some, it was about gaining a learning certificate and ensuring an early release. For others, it was a real part of preparation for the outside world. In all cases, the general prisoners were destined for release within a relatively short space of time and the course did form part of their formal pre-release programme. For obvious reasons, a special course had to be organised for vulnerable prisoners, who are unable to mix with the general prison population, but these too were preparing for release. There were very different reasons for the appeal of the course to “insiders”.

“Insiders” are prisoners serving long-term, often life, sentences but who have earned the trust and the confidence of the prison authorities. They wear an identifiable uniform and offer other prisoners the kind of informal personal support that they could not, nor perhaps would not want to, receive from the prison officers and staff. In a certain sense, they act as intermediaries between the prison regime and the prisoners. As such, they have had a role in the prison CAB service for a number of years, supporting and enabling the service to engage with hard to reach prisoners. It was this role of support intermediary that was built upon and expanded in the project. For, even though the course attracted the prisoners it did, the project staff were well aware that there were many more who were unaware of what the course could offer them. Many of these were the most isolated and, in the outside world, would be the most financially excluded of all. In was in their role of intermediary, that eight “insiders” followed the course programme. Clearly, they were able to benefit from the experience personally but they also gained the kind of information that would enable them to reach out to others and act as a signpost to CAB services and other forms of support. Research has shown that people in low income communities gain information and knowledge about financial services and products primarily through social and community (Jones and Barnes 2005). By working through the social networks of the prison, the “insiders” could reach people that the CAB, and other services, could not. As part of the “insider” programme, the original project plan had been to offer “insiders” additional training so that they could gain accreditation in adult learner support. However, this has not yet been achieved on the project (see *Introduction above and reference to the Basic Skills Agency’s Link Up Scheme (Cutter 204) and the City and Guilds Certificate for Adult Learner Support*).

There was also a plan to develop a “lifer’s” course, for those prisoners serving longer sentences or life terms but who were not part of the “insider” scheme. However, this did not materialise. The issues involved in this proved particularly complex and it was agreed by the project team that more time was needed to consult with prisoners who have longer sentences before a course could be developed.

Fig 3 Course participants

Date - 2006	Participants	Prisoner status	completed course
March	5	General prisoners	3
July	8	Vulnerable prisoners	7
August	8	2 General – 3 insiders	5
September	6	All insiders	4
October	8	5 General – 1 Insider	6
November	8	All general	6
December	8	All general	5
Total	51		36

v. Course delivery

Even though some participants had above average numeracy, literacy and financial capability skills, it was still true that the majority of course participants had low levels of basic skills and financial literacy. However, project staff were careful not to assume that participants had no financial knowledge or skills whatsoever. Often prisoners were very streetwise and had a working knowledge of managing and handling money and their financial affairs. They had, what one tutor described as, “*financial nous*” (common sense). On the outside, they came often from families that struggled to make ends meet on a very low income and they were used to making rational financial choices and

decisions to survive. The problem was, that even though they had “*financial nous*”, they had large gaps in their financial knowledge and information and they often based financial judgements on misunderstandings, myths and misinformation (Jones and Barnes 2005). This led, more often than not, to financial disadvantage and continued exclusion.

The course endeavoured to recognise and acknowledge the prior financial knowledge and experience of participants and, through a process of information giving, reflection and discussion, it aimed to assist them to develop a new awareness of financial issues that would influence and change financial behaviour in the future. It was essential that the course would not be perceived by participants as patronising nor as undervaluing the reasons that lay behind their prior financial behaviour.

The approach taken to course delivery by the project team, therefore, was one based on the pedagogical principles of informal education through which prisoners were encouraged, through a series of discussions and interactive exercises, to reflect on their experience in order to develop their knowledge and understanding in a way that would promote behavioural change.

Education is often associated with the didactical, information giving approach of the traditional classroom, in which the teacher possesses the knowledge and information that is then imparted in a top-down manner to students. Informal education is more discursive and dialogical and based on a freer and more open relationship between teacher and students. In this approach, through discussion, each participant is encouraged to express themselves and thus clarify in their own minds what they really think. Dialogue, initiated through the interventions of the tutor, involves greater exploration and an invitation to think critically, to identify and challenge assumptions and to explore and imagine new ways of thinking and behaving in the future. In informal education, the role of the tutor is paramount. For not only has the tutor got to possess a repertoire of examples, images, understandings and actions to stimulate thought and discussion, that discussion can only take place if a certain level of trust and relationship is built with the course participants.

From feedback from participants, it was clear that the informal education approach was valued and appreciated by all (*see Section vi below*). “*It was not like school*”, was the common response of participants, most of whom had had poor experiences of schooling in the past. The fact that their opinions and views were listened to and valued clearly had a significant effect on the impact of the course on their consideration of future behavioural change.

The challenge of delivering a course based on the principles of informal education and, at the same time, ensuring that each lesson was mapped to both the Skills for Life and the Adult Financial Capability Frameworks was not easy. Not only did the mapping itself sometimes tend to feel somewhat mechanistic, following the map could result in tutors feeling that they were not fully valuing the experience of the individual who sat before them in the seminar room. Nevertheless, the project team were able to deliver, and adjust, the course to varying groups of participants whilst, at the same time, it retained its reference to the Basic Skills curriculum and the financial capability framework.

vi. The participant experience

In the research, the experience of participants of their involvement in the course was captured through a survey questionnaire, a group session conducted independently by the LJMU researcher and through the reports of staff members. In this section, the results of the group session and questionnaire are noted.

Group session - Six course participants took part in the group session. Their comments do not necessarily reflect those of all who took part but do give some indication of the kind of responses made by participants. These responses were those

that were generally agreed to by the entire group in an open session (variations may apply but are noted below)

1. Why did you take part in the course?
 - a. Because it was voluntary and could freely choose to take part – this was overwhelmingly the response of all participants.
 - b. Because of personal experiences of finance and debt
 - c. To gain a learning certificate and increase release opportunity
 - d. To learn about finance and self-employment
2. What were you hoping to gain?
 - a. Learn what to do about being in debt - 50% of participants
 - b. About finance, work and self employment - 50% of participants
3. What did you enjoy most about the course?
 - a. The group discussions and the ability to share opinions.
 - b. Learning about getting out of debt
 - c. Getting away from the maths and English class
 - d. The tutors
4. What did you enjoy the least?
 - a. Missing days off the course and not doing the whole programme (due to a lock down on one of the days)
 - b. The course was too short – 83% of participants stressed this point
 - c. *“The thing I liked least was the fact that we did not go over self employment in detail”* - 50% of participants
 - d. The course was too condensed, too much information in the period and it was difficult to absorb
5. What have you learnt from the course? What are your key learning points?
 - a. About how to deal with debt and creditors
 - b. About how to go bankrupt
 - c. About APR
 - d. About seeking advice, from the CAB
 - e. About how to be cautious about money
6. How will the course make a difference in managing your financial affairs?
 - a. Will talk to an advisor
 - b. Have greater financial awareness – more clued up
 - c. Will stay away from high cost lenders and alternative credit providers
 - d. Learnt not to trust banks
7. What suggestions do you have to improve the course in the future?
 - a. *“There is a need for it”* – 100% participants considered that the course should be repeated.
 - b. More time and detail in each subject

- c. Check out the group – assess the learning needs of the group prior to the course starting – some people have different interests and needs.
- d. Make sure each prisoner has time to complete the course and is not so close to release that misses half of the programme.
- e. More about self-employment and tax

The survey questionnaire – This was a simple feedback questionnaire that was given to participants at the end of the course. From this the following statistics emerged:-

- The two topics with the greatest interest for participants were:-
 - Welfare benefits and debt management – 100% of participants
- The two best sessions were
 - Welfare benefits and self-employment - 73% of participants
- The sessions that were the easiest to remember were
 - Choosing credit – 100% of participants
 - Welfare benefits, budgeting on a low income, self-employment and debt management – 73% of participants
- The sessions that most participants considered they would still be thinking about in three months time were:-
 - Debt management, welfare benefits - 73% of participants
 - Choosing credit - 55% of participants
- The most boring and frustrating sessions were:-
 - Budgeting on a low income - 36% of participants
 - Save, spend and borrow and opening a bank account – 27% of participants

4. Conclusion

The FST project at HMP Liverpool successfully achieved its objective to develop and deliver a financial capability training programme linked to the provision of the CAB money and debt advice service. It recruited 85% of its revised target participant number, ran 7 rather than 6 courses and produced the new Money Matters programme that clearly set financial skills training in the context of the Skills for Life curriculum and the Adult Financial Capability Framework.

However, it also raised some fundamental questions about the nature of financial capability education and its provision within the context of a prison. These questions relate to four key areas:-

- **Financial capability education and the Skills for Life Agenda.** The research illustrated the importance of not losing the specificity of financial capability education within the wider Skills for Life agenda. It was clear that financial capability education and basic skills training were two distinct, yet inter-related, disciplines for which prisoners had differing needs. It was for this reason the project developed a financial skills course which was open and relevant to all, irrespective of educational or financial background, but which offered basic skills educational assistance where required. However, on the other hand, it was clear

that a recognisable strategy needs to exist to integrate financial capability within the Skills for Life agenda.

- **Financial education and the impact on behaviour.** It became clear in the project that the relationship of financial capability education to the Adult Financial Capability Framework was complex and perhaps little understood. Even though the links and connections were appropriately made, project staff concluded that, if the project was to enable participants to make positive changes in their financial behaviour, rather than just improving their awareness and understanding of financial products, (cf. Dixon 2006), an interactive, dialogical approach was required. This was able to recognise, to build upon and to challenge participants' prior experience in a way that facilitated reflection on personal financial circumstances and led to commitments to act differently in the future.
- **Holistic financial education and its relation to debt and money advice.** Leaving prison is critical moment in someone's life and interventions to improve the financial stability and capability of prisoners must include, at least, the three connected elements of financial education, debt advice and money advice. The project revealed and confirmed the close interrelationship of financial education and debt and money advice, if a course is to succeed in assisting and supporting people to make changes to deal with their financial circumstances. The debt and money advice offered as part of the project tended to be specific advice related to debt and money problems faced by prisoners. The project did not always have the resources to offer longer-term generic financial or money advice which was clearly noted a need among participants (cf. South P.2006).
- **National Strategy for Financial Education.** In many ways, the development of the financial capability programme at HM Liverpool was initiated and developed by the CABx in isolation from other agencies and partners. It appeared that financial capability education was not a central priority of agencies such as Education and Connexions, with whom the project had failed to establish effective and productive relations. For the most part, financial capability education remained on the margins of the educational and preparation for release strategy within the prison. It was clear that a new policy approach is required, together with an increase in resources, if financial capability education is to become a central part of a holistic educational and referral strategy with the prison system.

Leaving prison is a key life stage for any prisoner and, as previous research has shown, it is at such stages in life that skills in financial capability are often required the most (Jones and Barnes 2005). The project demonstrated, not just the relevance, but the importance of financial capability training as central to pre-release programmes. Financial capability is an important part of prisoner rehabilitation as it equips them with life skills to manage their financial affairs on release. But developing a holistic and strategic approach to financial capability education does need the commitment of the prison regime and of all agencies involved in supporting prisoners towards release. This is a key resource and commitment issue on the part of the prison as a whole. Perhaps the final conclusion, and key policy recommendation of this report is that Government, the Home Office and all agencies working for the rehabilitation and care of offenders work to support financial capability education as a key rehabilitative measure within a prison environment.

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