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CHASM

Centre on Household Assets and Savings Management

Annual Report 2015-16

Foreword



SIR BRIAN POMEROY, CHAIR OF CHASM ADVISORY BOARD

CHASM has had a very busy year again undertaking research, and providing policy relevant evidence, in key areas of interest related to personal financial capability, security and inclusion. While indications may exist that the economy is slowly coming out of the financial crisis, there remains much to be done to ensure all benefit from such developments. The work of CHASM to explore how this all impacts on the financial capability and security of ordinary people is as important now as when CHASM was created five years ago now.

As is detailed in this report, CHASM members and associates have contributed to the completion of two major research projects in the year - on intergenerational transfers of wealth and on ethics in the banking sector after the financial crisis. They have also delivered the latest of their annual Financial Inclusion Monitoring reports supported by Friends Provident, have been working with an All Party Parliamentary Group and Young Enterprise/Pfeg addressing financial education in schools, and developing projects in key areas of research need including savings policy for those on low incomes and for children. They also looked at finance issues for those who wish to start businesses in the most rapidly growing area of employment in the UK at present – the self-employed.

They continue to release interesting and informative Briefings through their monthly series – and have a very active Twitter account to provide short snippets of relevant and timely information and pointers to those interested in their work.

I am very pleased to be continuing my role as Chair of CHASM's Advisory Board in support of group that is undertaking so many worthwhile projects.



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Welcome from the Director Professor Andy Lymer



CHASM was launched in 2010 as the first university-based, interdisciplinary research centre to focus on: financial security, financial capability, financial inclusion and personal taxation. We aim to:

- Carry out cutting edge, rigorous, relevant, innovative and timely research projects and PhD research
- Engage stakeholders from different sectors
- Create an international research and policy network
- Contribute to teaching specialist courses.

During the year the founding Director of CHASM, Professor Karen Rowlingson, and I swapped roles – so Karen is now the Deputy Director, but still as much involved as ever, and I am the Director. I am pleased to bring you my first Annual Report in my new capacity.

This year has seen the completion and launching of the two large projects we have been working on for the last few years – one on responsible lending for the AHRC and one on lifetime gifts and inter-generational relationships for the Leverhulme Trust. Books and papers on both are now available and we provide more details on how we launched these exciting pieces of research in the reports contained in this document.

We have continued a number of other pieces of work and started several new projects. These include an exciting new project funded by the

Barrow Cadbury Trust developing a 'Saving Manifesto' for those on low incomes. This was kicked off with an event in Birmingham in May bringing together various thought leaders in the sector, those involved in product development for this group and those providing financial advice to those on low incomes. The Manifesto itself will be available in September. A fuller report on this project is provided below by Dr James Gregory, the researcher leading this project with Karen and I.

We have continued with our various education events during the year – something that forms an important core activity of the Centre. This work ranged from various presentations to young people in their Schools and Colleges, and on visits to the University of Birmingham, to supervising PhD students who we hope will become the next generation of research contributors to this field. We also continued to provide an undergraduate programme for our students and launched a further year of our internship scheme

Our work on financial education this year included a commission to provide advice and support to the All Party Parliamentary Group on Financial Education in Schools. This group undertook an Inquiry on the state of financial education in primary and secondary schools during the year and CHASM members, Professor Peter Davies, Dr Lee Gregory and I, supported Young Enterprise/pfeg who provided

the secretariat to this Group in undertaking this Inquiry. The final report of the APPG was released on May 23rd. Further details on this exciting, high profile, project can also be found below.

We are pleased to report we are just starting three new projects with various Housing Associations looking at the how being social tenants affects their life chances. Further details on these projects can be found on our website.

Do you Tweet? If so, please also subscribe to our Twitter feed @UoBCHASM if you'd like to receive regular updates on subjects we cover.

We also wish to thank two of our core members who have left Birmingham during the year – Drs Lindsey Appleyard and Ricky Joseph. They were both hugely important to the setting up and operation of CHASM for the last five years. We wish them both well for the next roles they undertake.

In conclusion, and particularly importantly, we would like to thank our various funders for their continued support during the year making possible the various projects we undertook, including Andrew Fisher, the AHRC, the Leverhulme Trust, Barrow Cadbury Trust, Young Enterprise/pfeg, and Friends Provident. We also acknowledge the support provided to the Centre in various ways as our hosts by the University of Birmingham.

Introducing the new CHASM Advisory Board members

We are pleased to welcome two new Members to our Advisory Board this year – brief details on the roles they each play in (at least part) of their day jobs are given below. Further details on our full Advisory Board can be found at the end of this report.



JOANNA ELSON, CEO - MONEY ADVICE TRUST

Joanna is Chief Executive of the Money Advice Trust, whose vision is to help people across the UK tackle their debts and manage their money more wisely. In 2010, Joanna was awarded an OBE for services to people in debt.

The Money Advice Trust helps over one million people a year manage their debts via National Debtline and Business Debtline, and via its training services branded Wiseradviser.

Previously, Joanna was Executive Director at the British Bankers' Association running their policy department for personal and small business customers. Before that she was a House of Commons researcher and prior to that a primary school teacher.

Joanna is a member of the advisory panel of the Commission for Financial Inclusion, the ABCUL/Lloyds Banking Group Grants Committee, H M Treasury's Home Finance Forum, Joanna is a member of the advisory panel of the Commission for Financial Inclusion, the ABCUL/Lloyds Banking Group Grants Committee, H M Treasury's Home Finance Forum, the British Bankers' Association's Consumer Panel, the Advisory Panel at Birmingham University's Centre on Household Assets and Savings Management and the chair of the BBA's Financial Services Vulnerability Taskforce. She is also a trustee and director of the Friends Provident Foundation and a school governor and a Chartered Director.



CHRIS CURRY, DIRECTOR - PENSIONS POLICY INSTITUTE

Chris Curry is the Director of the Pensions Policy Institute (PPI) with overall responsibility for leading and managing the PPI. Chris originally joined the PPI as Research Director in July 2002 and was responsible for the research programme for eleven years. At the PPI Chris has authored and presented a number of research reports analysing pensions (including state, private and public sector pensions), pension reforms and other provision for retirement income. Chris is experienced in presenting research findings to a wide range of audiences and to the media.

Chris started his career as an Economic Adviser at the Department of Social Security (now the Department for Work and Pensions). Work at the DSS included analytical support for the Pension Provision Group, and working on the subsequent Pensions Green Paper published in December 1998.

After working as part of the Poverty and Social Exclusion Team, Chris joined the ABI as Senior Economist in August 2000, where his pension background led to work on the analysis of stakeholder pensions, the Pension Credit and annuities.

Annual Conference 2015

CHASM's 2015 annual meeting was held at the University of Birmingham. After five years of CHASM there was much to celebrate, with two major research projects – FinCris and Mind the Gap – and a major, high impact Wealth Commission (<http://tinyurl.com/zxljehk>).

Alongside this CHASM members have all pursued diverse lines of research, all coming back to core concerns of CHASM: household finances and assets.

On the day, CHASM members presented some of the latest research we produced. Our new Director, Professor Andy Lymer, gave a fascinating presentation on public attitudes to taxation, based on joint research carried out with Professor Karen Rowlingson and CHASM Associate, Dr Rajiv Prabhakar of the Open University. This detailed a large survey of UK individuals we commissioned looking at their attitudes to various wealth tax changes being mooted in the press at the time including a mansion tax, reform of council tax, amendments to inheritance tax and changes to the rates and structure of capital gains tax. A briefing document on the results of this study can be found here <http://tinyurl.com/o2cgr5x> that illustrated how unpopular inheritance tax continues to be even relative to other wealth tax options, and mansion tax was the favoured route to extra tax revenue of the options provided. It also illustrated that providing people with information correcting misunderstandings they may have had of these taxes, and the specifics of the plans for their implementation, made little impact on their attitudes to them that had been formed in error. This emphasised the importance of properly informed information flows to enable a fair and open debate on tax reform.

We also heard the latest financial inclusion research findings from Karen Rowlingson and CHASM Associate Professor Stephen MacKay (University of Lincoln). The 2015 Financial Inclusion Monitor found that 1/5 of the bottom income decile (the poorest 10% by income) were able to save 'now and then'. But the report also

found that only 28 percent of the population would be able to raise £200 in an emergency 'without difficulty'. Now, more than ever, we need to think of new and innovative ways to renew the financial inclusion agenda, as we are seeking to do with our Barrow Cadbury Trust project on savings for low-income households (see below).

But on top of the great successes of the last five years, there was a strong feeling that we could not rest on our laurels, and that we must continually renew over the next five years. All present contributed to a discussion of how we can continue to move forward, continuing building on our track record, whilst also seeking new and innovative areas to research.



Give and Take in Families: Inter-generational financial transfers, inequalities and relationships - Leverhulme Trust



Professor Karen Rowlingson

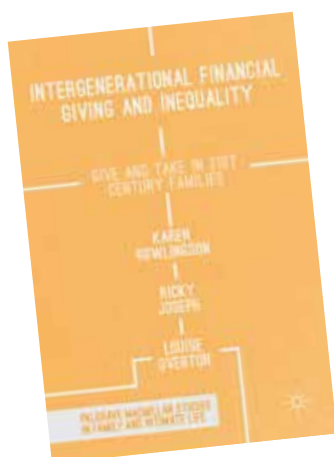
Large inter-generational financial gifts provided the focus for our major research project, funded by the Leverhulme Trust. We investigated these relationships both from a macro perspective (in society as a whole) and from a micro perspective (within particular families). This summary draws on the project's contribution to three major debates in this field.

The first of these three major debates concerns the potential for inter-generational conflict due to the relative wealth of the baby-boom generation compared with the economic difficulties facing younger generations. Here, our research shows that 'the baby-boom generation' is a diverse group, not least in terms of age and wealth. It therefore makes little sense to focus on this group as if it is a homogeneous cohort. Furthermore, while some age groups may benefit more in terms of policy focus and public expenditure than other groups, there is certainly little appetite for cuts to pensions and social care among people of all ages, not just those who currently benefit from those policies. In that sense, there is very little evidence of manifest tension or conflict between generations either at the macro (social) level or at the micro (within-family) level. If anything, families appear to be supporting each other more as state support for different groups is being cut back.

The second major debate we contributed to with our research is on the nature of 'family' in the 21st Century in terms of solidarity/conflict/ambivalence and altruism/self-interest/reciprocity. The nature of family constantly changes over time in terms of how 'nuclear' and 'extended' forms function, with many different dimensions to consider (from frequency of contact, emotional closeness, agreement on values etc). Our work focused on 'functional integration' (the exchange of support) in the form of financial exchange and our research found a considerable degree of inter-generational solidarity, though also ambivalence. For example, many people valued the idea of 'independence' but felt compelled, due to prevailing conditions (not least changes to higher education finance, difficulties with the labour and housing markets) to provide considerable support to younger generations. This support was therefore in conflict with the aspiration and expectation to be independent.

The third major debate is about the nature of family 'obligations' to support members. Here, we have considered the role of 'social norms' or moral judgements about how families should respond to their members in different circumstances. As already discussed, we found a considerable degree of support for helping family members financially in different circumstances and particular agreement about the kinds of factors to take into account when making decisions about this. These included the nature, level and reason for the need to be weighed up against the ability of another family member to provide help. People made judgements about how 'deserving' family members might be and also sometimes place conditions on the support provided. In many ways, judgements here echoed the ways in which the welfare state has evolved to provide for people's needs. Interestingly, when considering particular cases of potential need for family support, people did, quite spontaneously, discuss the role of collective solutions (e.g. better provision of social care for older people or more affordable housing and so on). Families were still clearly willing to support each other and, indeed, saw this as part of what 'doing family' or perhaps even just 'being family' was all about. But they also wanted family support to be just one element of the broader support available from a well-functioning welfare state.

Finally, there was one key theme which cuts across all these debates and this was economic inequality. There is growing inequality between families and our work has highlighted the degree to which inter-generational solidarity at the micro (within-family) level serves to entrench existing inequalities between families at the macro level (within society) as some families are far more able to provide considerable support compared with others.



¹Our research was part of wider project on housing wealth inequality, led by Beverley Searle, Dundee University. Later this year, our work will be published by Palgrave Macmillan as a book entitled: Inter-generational financial giving and inequality

Who bears the responsibility for the financial crisis? –the AHRC FinCris project



Professor Andrew Mullineux (top)
Professor Tom Sorrell (below)

Our major Arts and Humanities Research Project, FinCris (www.fincris.net), has now drawn to a close. The last dissemination event was held in Brussels on 3rd February, under the title of 'Financial Reform after the Crisis: Promoting stability, fair taxation, ethics and financial inclusion' (picture above right). Prior dissemination events were held at the Shard in London (17th June 2015) and New York (18th September 2015). Further details on the Shard event can be found at <http://tinyurl.com/jk2wn8l> including presentations from Martin Wolf (Associate Editor and Chief Economics Commentator, Financial Times) on Reform of the UK's Financial Sector: Promoting stability, ethics and financial inclusion and from Fergus Harradence (Deputy Director, Corporate Tax, Business and International Tax Group, HM Treasury) on the next steps for UK Financial services regulation – tax policy considerations



THE PROJECT

This project was led by Professor Tom Sorrell (University of Warwick, CHASM Associate) with core CHASM members, Professor Andy Mullineux and Professor Karen Rowlingson as Co-Investigators. Bringing together philosophy, economics and social policy, the FinCris project sought to understand in greater depth the financial crisis of 2007–09, looking at the ethical issues raised by the crisis, particularly the issue of who is to bear responsibility for the crisis. We looked at three core areas – ethical responsibilities; taxing banks fairly; and responsible lending and borrowing – and concluded with recommendations on how avoid a similar crisis in the future.

A full list of reports, books and papers that come from this project can be found on the project website at <http://www.fincris.net>. A briefing on the responsible lending and borrowing aspect of this study can be found on the CHASM website. <http://tinyurl.com/h52p369>



2016 Inquiry of the All Party Parliamentary Group on Financial Education in Schools



Members of the CHASM Core team (Professors Andy Lymer and Peter Davies and Dr Lee Gregory) were commissioned by Young Enterprise <http://www.young-enterprise.org.uk/> to provide independent expert advice in support of the 2016 Inquiry [<http://www.pfeg.org/policy-campaigning/pfeg-and-parliament/appg-financial-education-young-people>] for the All Party Parliamentary Group on Financial Education for Young People <http://www.pfeg.org/policy-campaigning/pfeg-and-parliament>. This inquiry reported in May of this year as the fourth in a series of related inquiries undertaken by this APPG (one of the largest group in the UK Parliament) seeking to propose policy recommendations to continue the advancement of personal financial education in UK Schools. Young Enterprise provides the secretariat to both the APPG and the Inquiry. CHASM's work included analysing the more than 40 written submissions made to the Inquiry and the further information provided in four oral hearings of the APPG held in February and March 2016.

The final report can be accessed at <http://tinyurl.com/hgwoqvq>



RECOMMENDATIONS

This report made a series of recommendations including:

1. Strengthening school provision:

recommending that the Government should outline its support for financial education as part of its upcoming Life Chances Strategy, highlighting the role it can play in transforming young people's lives and that Ofsted's Common Inspection Framework should more explicitly address the extent to which schools provide young people with financial knowledge and skills.

2. Improving teacher confidence and skillset

- The Department for Education should embed financial education within the new Initial Teacher Training framework, and schools should be encouraged to learn and share good practice through CPD initiatives focused on financial education

3. Improving coordination – HM Treasury should ensure that the proposed new money guidance body – to replace the Money Advice Service – has a remit to coordinate, signpost and identify best practice of financial education

and the new money guidance body should develop a portal of financial education products offered by external providers, so that teachers are clear which interventions are available to them in their area and understand their impact.

4. Strengthening evaluation of external provision:

A longitudinal study on the effectiveness of financial education interventions should be commissioned to better understand the impact on young people's financial capability. Providers of financial education should be encouraged to publish, in full, their evaluation data to help strengthen best practice and the Department for Education should agree for the UK to participate in the OECD's evaluation of financial literacy in 2018 to provide an international benchmark to improve upon.

Further information on this Inquiry, including its full report, can be found on the CHASM and the APPG websites.



A New Savings Agenda; the Barrow Cadbury Trust Savings Summit and Manifesto



Dr James Gregory

The Barrow Cadbury Trust has commissioned CHASM to produce a Savings Manifesto, aiming to kick-start a renewed national and local debate on the importance of a coherent savings framework designed to help lower-income households to build up a financial cushion and a greater level of financial resilience.

As we discovered in producing our latest Financial Inclusion Monitor report, one in five of all households in England would struggle to find £200 if it were needed for an emergency (<http://tinyurl.com/gql4c3h>). Now, more than ever, households need support to save.

During the 2000s we saw the introduction of the Child Trust Fund, which gave extra help to lower income families, and the two Savings Gateway Pilots, which offered a matched savings account for lower-income households, was due to be rolled out in 2010. But both schemes were amongst the very first casualties of the austerity measures introduced after the 2010 general election, and for the duration of the last government it seemed as if a savings policy for lower-income households was off the agenda.

This is apparently no longer the case. In the 2016 Budget the government introduced a new Help to Save scheme for lower-income households. In the days leading up to this, David Cameron set out the thinking behind this, saying 'I've made it the mission of this government to transform life chances across the country. That means giving hard-working people the extra support they need to fulfil their potential'. In practice. Help to Save will be a matched savings scheme available to all individuals claiming tax credits or universal credit, with the government topping up every pound saved (up to maximum of £50 a month over four years) by 50 pence.

This development is very welcome, but it should be the start and not the final result of a new savings agenda for low-income households. Whilst we may have looked to the state and the 'third sector' to drive forward savings solutions in the past, we need now to look at markets more closely too, particularly the innovations of FinTech. In the popular language of 'nudge', how can we encourage people to save a little every time they buy something - and how might private providers be much more nimble and flexible in meeting the needs of low-income households?

These are the kind of questions that were presented at discussed at the Savings Summit we held in Birmingham on May 24th. A day of workshops and discussions led to a number of fruitful ideas for a new savings strategy. We are currently developing some of these ideas and will conclude the Barrow Cadbury Trust project with the publication of a Savings Manifesto in September.



CHASM's Access to Finance for Ethnic Minority Enterprises, sponsored by the ESRC



Professor Andrew Mullineux

In February this year CHASM hosted a one day event, supported by the ESRC Seminar Programme on Access to Finance. The morning session involved a review of the state of play with Access to Finance for SMEs in the UK led by Shiona Davis (Director of BDRC Continental), who presented an excellent overview based on the latest, hot off the press, figures from the quarterly SME Finance Monitor. Prof Richard Roberts (CREME) and Dr. Steve Walker (ART Business Loans) then presented an assessment of the changing world of small business financing in the UK, making a strong case for an increase in the provision of loan guarantees in place of the post crisis SME funding initiatives, which are being wound down. Kevin Caley (Chairman of ThiCats.com) gave a lively presentation on risk and reward and the growing role of 'Peer to Peer' (P2P) debt financing over the internet. Prof. Robert Cressy then led off the academic presentations with a paper on credit scoring and SME finance.

After lunch four academic papers were presented: by Prof Ven Taurigana (Bournemouth University, BU) on determinants of access to finance for Ugandan SMEs co-authored with Andy Mullineux (Birmingham Business School, BBS) and Mary Nanyondo (Ph.D. student, BU); by Prof Kent Matthews (Cardiff University) with Dr Tianshu Zhao (BBS) on headquarter bias in SME lending; Dr Samir Alamad (Head of Product Development at Al Rayan Bank, Birmingham), who has recently completed his Ph.D. at Aston University supervised by Andy Mullineux, on Islamic approaches to SME financing; and Wei Wu (PhD student being supervised by Professor John Bryson, BBS) on the history evolution and innovation in P2P lending in China.



HOUWEL - Housing Markets and Welfare State Transformations



Professor Richard Ronald

One of the core ambitions of this cross-European study is to identify the diversity of household and family practices that frame, sustain or even undermine the use of housing equity as a means to support individual welfare needs.

Within our broader investigation, (Project Two: Meanings and Practices) we have now completed a series of five qualitative studies – in Birmingham, Amsterdam, Berlin, Milan and Bucharest – involving more than 40 in depth interviews in each context (thus more than 200 interviews in total), often with related sets of households involved in inter-family and intergenerational transfers of housing and housing wealth. We have also completed a parallel study in Tokyo with another 40 households. Our initial analysis has demonstrated universality in the orientation of households towards housing as a means to accumulate and store assets that are considered a basis to the security and welfare of the family at large, often extending beyond current generations to potential future inheritors, as well as key differences in family practices and expectations in each country.

While it is difficult to simply summarize differences between cases, our interviews provide some particular insights on developments in housing and home ownership practices. For example, our UK research illustrated how central housing is to pension strategies and, especially since the Global Financial Crisis, in re-familising economic security. While mortgage data has already illustrated a sharp increase in intergenerational gifts for first time buyers (increasing from around 25 to 75 percent of such purchases over the last decade or so, according to the Council of Mortgage Lenders), our qualitative study has demonstrated how critical transfers of housing wealth are to facilitating movement along a housing pathway for such households, and in particular for negotiating individual autonomy and economic independence from parents. Similarly, middle-class parents in the Netherlands play an important role in steering their children along a housing career towards increasing individual autonomy and eventual home purchase. This journey may, however,

include numerous moves and even a period of renting in the social sector, with parents providing more meaningful financial assistance as well as market knowledge at key stages. The Dutch housing system tends to support a more tenure diverse route, but also more hefty financial assistance across generations: large tax free allowances for those helping their offspring buy a home as well as a system of private (usually family based) mortgage lending, where the borrower can claim a large income tax deduction on mortgage interest, on a loan taken from a family member.

By contrast, our Italian research has suggested that assistance in acquiring a first (owner-occupied) home is often facilitated by the family, but comes conditionally, with a social contract between generations based on continued reciprocal exchanges of welfare care and material support. Many potential recipients of family assistance are, however, often resistant to help, aware of the potential of family gifts to undermine autonomy as well as freedom to move away. In Romania meanwhile, where there is very little opportunity to rent and price-to-income ratios are exceptionally high, adult children often see intergenerational assistance in buying a home as an entitlement and parents are often compelled to liquidate assets, or even move house, in order to help their offspring procure a home.

More on our fieldwork can be found on the project website along with links to Working Papers and published articles. Go to www.houwel.uva.nl



LEE GREGORY – A PROFILE OF A CHASM CORE MEMBER

Lee Gregory has been seconded to work with a London Council on their efforts to develop savings schemes for young people in the borough. He recently presented the draft report and is in the process of refining the report before presenting to relevant members of cabinet and the council Chief Executive. A version of the report will be available on the CHASM website in due course.

Lee is also continuing with his PFEG work on financial education for young people. This work is framed by two types of challenges or goals. Some of the challenges we face are technical; curriculum materials and savings clubs are the primary ones but these are attached to a wider range which go down to the very practical level of monitoring savings by children. But other challenges are more political, and encompass wider attitudes to saving.

An early lesson is the value of strong, local institutions, embedded in the community. This has two benefits: First, the ability to carefully negotiate tensions and differences in aims and activities of the various organisations involved through open dialogue; and second clear ownership which not only provides a sense of direction but offers two clear additional factors: an authoritative voice to make any final decisions, but also a clear agency or actor identified as having overall responsibility. This provides accountability for activities to put the scheme into place but also motivation to ensure the successful development and implementation of technical goals. Without this initiatives are likely to flounder and fail.

This is part of Lee's ongoing research and we will report further on this in the next newsletter.



Doctoral Researchers - CHASM members support a variety of PhD students. Three students are directly linked to the centre:



SAM HART: 'TAXATION AND CITIZENSHIP' SUPERVISED BY ANDY LYMER AND KAREN ROWLINGSON

Sam is now in the final year of her PhD, supervised by Professors Andy Lymer and Karen Rowlingson, and has been busy talking to some of the wealthiest people in the UK about their views on taxation and citizenship, as well as running a number of focus groups with middle-aged people in and around the Birmingham area.

In addition to getting to grips with what constitutes 'acceptable' tax avoidance, Sam's analysis is looking at how paying tax fits with the perception of what constitutes a 'good citizen', and explores issues such as whether citizens accept a social obligation to pay tax, as understood through the concepts of the rights and responsibilities of citizens. Some of the questions posed include asking whether citizens accept a social obligation to pay tax 'for the greater good' with no

anticipation of personal benefit, or whether this is dependent on the rates and levels of taxation, and/or whether they are perceived to be punitive rather than merely contributory?

Sam's research also explores whether the payment of tax, specifically income taxes, is considered necessary to satisfy the contributory obligations of citizenship or whether those who do not pay income taxes are considered lesser or as different citizens from those who do pay?

This year, Sam is due to present her work at the BSA Citizenship Study Group and the European Consortium for Political Research (ECPR) Standing Group on Citizenship event: Political Citizenship and Social Movements, hosted by the University of Portsmouth on 27-28 June 2016, as well as presenting as part of the PhD colloquium at the 25th annual conference of the Tax Research Network, due to be held at the University of Roehampton in London in the autumn.



FATIMA SYED: 'PERSONAL FINANCE EDUCATION: WHAT IS IT FOR? AND HOW BEST TO DELIVER IT?', SUPERVISED BY KAREN ROWLINGSON AND LINDSEY APPELYARD

This study focuses on the introduction of personal finance education as a compulsory part of the National Curriculum in England and Wales from September 2014. The research will explore how schools change their practice as a result of this reform.



IRNI RAHMAYANI JOHAN: 'FINANCIAL CAPABILITY AMONG UNIVERSITY STUDENTS IN INDONESIA', SUPERVISED BY KAREN ROWLINGSON AND LINDSEY APPELYARD

Using a mixed methods research, the aim of this study is to analyse the level of financial capability among university students in Indonesia by investigating their knowledge, skills, and attitudes. Then, based on the findings and by exploring the specific topics that should be delivered to the students, this study will help inform policy by recommending an effective model of financial education in higher institutions in Indonesia.

CHASM Briefing Papers and Publications

In the year since our last annual report CHASM have released eight Briefing Papers:

'Beyond the binary of financial in/exclusion: Towards a spectrum of unsecured credit use'

LINDSEY APPELYARD, KAREN ROWLINGSON AND JODI GARDNER

There has been a resurgence of interest in financial inclusion over the last year or two, not least with the work of the Financial Inclusion Commission. However, there is still insufficient discussion of the complex nature of financial inclusion. In this briefing paper, we seek to go beyond a simple binary of in/exclusion in relation to unsecured credit use. We suggest that credit use is better understood in terms of a spectrum of in/exclusion.
<http://tinyurl.com/zyx36of>

'Great Expectations: how realistic are political hopes for charity in a time of austerity?'

DR BETH BREEZE AND PROFESSOR JOHN MOHAN

Charity is dismissed by some as anachronistic, and only relevant for countries lacking a sufficiently robust welfare state. Yet charitable activity is alive and well in contemporary UK society. Despite a common perception that all public services are organised and paid for by tax-funded arms of the state, they are in fact delivered by organisations that rely to some extent on charitable donations. But despite the vitality and ongoing contribution of voluntary action, these are tough times for the UK charity sector, with important questions being raised about the role, purpose and expectations of charitable activity in modern society.
<http://tinyurl.com/jh7e8yy>

'It's just not simple. Why is tax so complicated?'

CHRIS EVANS

'In the United Kingdom the size of the tax legislation has increased 12 fold since 1960, and there are an estimated 13,000 pages of tax law...'. Chris Evans points to similar complexity in Australia and United States, and makes the case for greater simplicity – but not at the cost of fairness.
<http://tinyurl.com/jc8uzpt>

'Benefit delivery and underpayment'

JODI GARDNER AND KAREN ROWLINGSON

Despite recent increases in employment and reductions in inflation, millions of people in Britain are still struggling to make ends meet due to reductions in levels of benefits and tax credits – with more cuts to come. But the low level of benefits and tax credits is only part of the story; another problem people face is the 'delivery of accurate and timely benefits', i.e. actually getting paid the small amount of money to which they are entitled. Even if people agree that the level of benefits is appropriate, it is difficult to see any argument for delaying the payment of benefits and tax credits. This briefing reviews the number of people who receive benefits and tax credits and then considers the evidence on benefit/tax credit delays and its impact. <http://tinyurl.com/ja9yq84>



'Becoming independent: the importance of housing for young people'

LEE GREGORY

There is a claim that a housing crisis in the UK is adversely affecting young people. The claim of 'generation rent' is one that has been used across a range of policy actors. Yet this gives a particular perspective of the crisis, one based around a series of ideas and understandings of housing policy in the UK: namely the prominence, and desirability of owner occupation. The language of 'generation rent' is one laden with negativity whilst the proposed solutions, supporting young people to move towards home ownership, runs parallel with debates about building starter homes and affordable housing. <http://tinyurl.com/j7kc4cp>

'The revival of private landlordism in the UK and the mobilisation of housing wealth'

RICHARD RONALD

In recent years various claims have been made concerning the emergence of 'generation rent', with research focusing on intergenerational divides in housing market access and the diminishing movement of younger people along standard housing career trajectories. A clear indicator of this phenomenon has been the remarkable revival of the private rental sector, expanding from

'Is UK Banking Better?'

ANDY MULLINEUX

Rathbone Greenbank partnered with the Ecumenical Committee on Corporate responsibility (ECCR) to meet with leading UK banks to assess how well they were performing with respect to: culture change, responsible taxation, social and environmental risks in lending activities, banking for local economies, and access to finance. A distinction was drawn between public trust and confidence. At the start of the financial crisis in August 2007, banks lost confidence in each other. Subsequently, public trust in banks had been further undermined as evidence emerged of misbehaviour; ranging from miss-selling scandals to market price rigging. The banks expressed a genuine awareness of the need to embed better values and improve compliance. Despite these small steps in the right direction, it was clear that the banking industry had some way to go before it regains public trust. <http://tinyurl.com/jqlclv>

approximately 10% of UK households on 2002, to 18% by 2014. While research has focused, from a demand perspective, on the market conditions of younger renters, little attention has been paid to the significant restructuring of the supply side. This briefing paper considers the rise of 'generation rent' in terms of 'generation landlord', focusing on the transformations in housing wealth, policy and market conditions that helped facilitate it. <http://tinyurl.com/h83gjd>

'Credit Unions in the UK: Balancing social benefit with economic viability'

ZHULIETA DOBICHEVA

An expanded credit union sector in the UK has been viewed by policy makers as a viable alternative to the high cost credit market, and as such an instrument in combating financial exclusion. Accordingly, in July 2012, the Coalition Government announced new funding of £38 million that credit unions could benefit from, if willing to embrace the growth and modernisation agenda. It has been argued that this particular policy is inherently contradictory, considering that targeting the lowest income population might hinder the achievement of CU sustainability. This briefing paper will firstly present a short overview of credit unions across Britain, providing the latest scale and growth figures and trends. The second section outlines the objectives and recent implications of the Credit Union Expansion Project (CUEP). <http://tinyurl.com/j3jyk5w>



CHASM Teaching and Interns

CHASM is primarily a research centre but core members and associates also regularly provide lectures on our research and our areas of expertise to a wide variety of audiences (public, school aged children and academic). We also teach at undergraduate and postgraduate level on courses related to social policy and tax.

This year CHASM has hosted a cohort of student interns, funded by Andrew Fisher, undertaking a variety of joint research projects with core members, as follows:



MAGDALENA NOWAKOWSKA – WORKING WITH DR JAMES GREGORY

'I am a third year Social Policy student interested in pursuing a career in social research. I am particularly passionate about risk management which is why I applied for the internship offered by CHASM. It is an amazing opportunity to work on research that aims to make a difference in the way people manage their finance and insure against unexpected events. I am interested in savings patterns and schemes as it reflects the way people understand and insure against financial risks. I would like to explore this area further which is why I decided to continue my education in social research methods and a career in social research.

I believe that this internship will bring me closer to this goal as it not only allows me to develop my skills and knowledge but also gain an insight into a leading research centre and the processes involved in developing such a big project. I look forward to working with CHASM and I am excited to learn from this experience'.



EDWARD GOODSON – WORKING WITH DR LEE GREGORY

'As a Masters student in Social Policy I am interested in public-private partnerships in the delivery of economic regeneration. Currently I am undertaking a dissertation focusing on the Work Programme and in particular whether this addresses the complicated barriers to employment for young people. Analysing the evidence basis of the Work Programme, and the role of ideology in informing the choice of private training organisations as the solution. This involves undertaking research within the field of youth transition studies, addressing how individuals' lifecycles are changing in a globalised and post-Fordist market.

CHASM was an opportunity to explore these themes within the area of financial education. Analysing the role early financial education has in effecting later life decision making. In doing so I have begun to chart the growth of financial education organisations within the UK and the specific methods that are employed. Under the guidance of Lee Gregory, this will eventually entail an analysis of the ideology that informs the teaching methods'.



SOFIA SORRENTINO – WORKING WITH DR AMALIA DI GIROLAMO

'I am a first year Economics student interested in theoretical economics tools and how these can be applied on real word issues such as income inequalities and the effects that pension reforms have on low-skilled workers and low-income families.

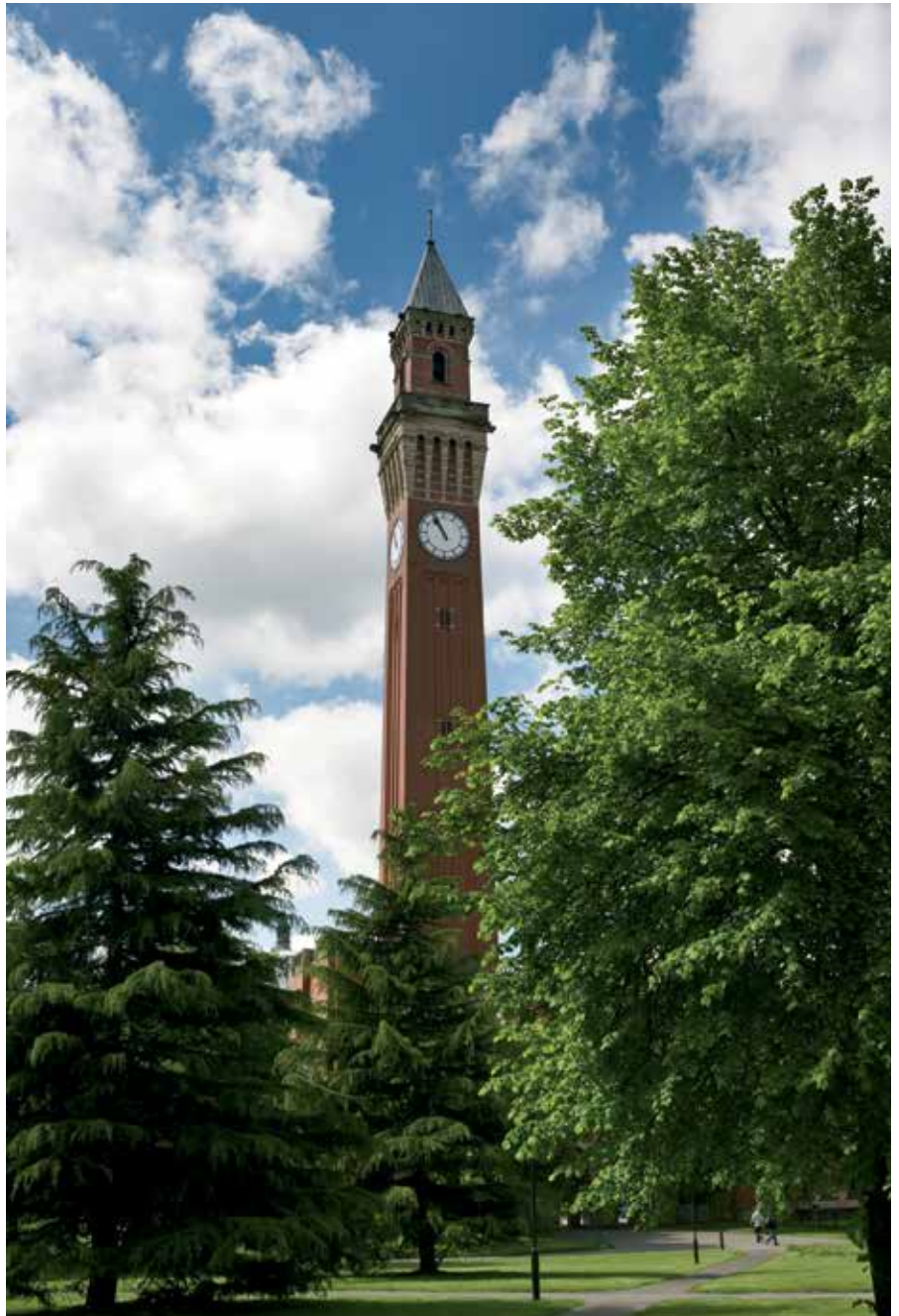
I applied to the CHASM internship because it is a research based project in which I will explore the way scarce resources are redistributed within the population, in a time where most of the developed countries are experiencing an increasing Gini coefficient. I would like to make a positive contribution to this project in order to learn more about the way people can actually manage their finances and the effects of inequalities in society. I would like to explore in depth some economic arguments while enhancing my knowledge and my skills. I am looking forward to start working for CHASM to learn what a researcher does while growing as a person and economist'.



KERRIE WALSH – WORKING WITH PROFESSOR ANDY LYMER

I am an Economics student currently in my second year, carrying out research into student attitudes towards taxation as part of the CHASM internship. The internship initially appealed to me due to its strong links to my course; I felt it would be the ideal opportunity to take what I have learnt in my past two years here in Birmingham and apply it to a current economic scenario. Looking to the future, I am also hoping to follow a career in Economic research and policy analysis and I felt the CHASM internship would give me an ideal insight into what this could entail.

At present I am designing a questionnaire to learn more about student's attitudes towards taxation and hope to grasp a greater insight into their true understanding of the UK tax system. The next step will be to launch the questionnaire on a range of social media platforms in order to capture the widest student audience and gather results ready to compile into a report. I am looking forward to analysing the results of this study and working on a piece which will hopefully be useful for future, wider research carried out by CHASM.



CHASM Seminars



5 MAY, 2016 – IS THE DEFENCE OF ASSET-BASED WELFARE A DEFENCE OF HOUSE PRICES?

Dr Rajiv Prabhakar, CHASM Associate and the Open University – <http://tinyurl.com/znlgf5b>

Asset-based welfare (ABW) was one of the most innovative social policy agendas of the last Labour government. This agenda tried to spread individual ownership of assets such as the Child Trust Fund. There is growing commentary that suggests that ABW is dominated by housing wealth. This is important because it is claimed that ABW is little more than a defence of house prices.

It is alleged that ABW prompted a house price bubble in the UK and this was a trigger for the financial crisis. This paper rejects these criticisms of ABW. It claims that Labour's ABW was not defined by housing wealth and focused more narrowly on modest amounts of financial wealth. The paper continues that it is possible to untangle ABW from housing and there is an alternative basic capital agenda that pushes ABW in other directions. That could combine the greater taxation of housing wealth with the provision of a basic capital. This alternative agenda is important for tackling wealth inequality today.

23 FEBRUARY, 2016 – IMPROVING STUDENTS' CONCEPTIONS OF DEBT: VARIATION AND LEARNER AGENCY

Professor Peter Davies, CHASM Core member and School of Education, University of Birmingham – <http://tinyurl.com/hwer7x2>

This seminar described an approach to improving secondary school students' conceptions of debt. The nature of 'an improvement' is defined with reference to previous research on students' conceptions of debt and the approach to improving conceptions is based on a combination of 'Variation Theory' and 'Self-regulation'. Both of these approaches to the design of teaching and learning are supported by robust evidence but they have not previously been combined. The paper therefore represents an exploration in how these two approaches may be combined as well as illustrating how schools may design teaching for financial literacy. The strategy described in the paper was developed through an iterative process of designing, teaching and evaluating the lesson in a 'Design Cycle'.

9 DECEMBER, 2015 – REPLACING PUBLIC WELFARE? UK DIVISIONS OF WELFARE IN THE 21ST CENTURY

December 2015 saw the 60th anniversary of Richard Titmuss' Eleanor Rathbone Memorial Lecture on 'The Social Division of Welfare: Some Reflections on the Search for Equity' delivered at the University of Birmingham. To mark the occasion the University's School of Social Policy and the Social Policy Association held a conference to consider recent changes in UK welfare arrangements in the light of Titmuss' taxonomy (extended to include voluntary and informal welfare). Full details available here: <http://tinyurl.com/zugcdse>

2 DECEMBER, 2015 – HOW DOES THE HMRC AFFECT THE FINANCIAL HARDSHIP OF CLAIMANTS?

Sara Closs-Davies, University of Bangor –
<http://tinyurl.com/hxx55v9>

The UK tax credit system was designed to stimulate low-income workers and families with children to work and alleviate their financial hardship. However, in practice, its governance technologies seem to be ill-equipped to engage with the 'lived reality' of its target public and drastically redefine the lives of claimants. This paper conducts a critical discourse analysis of the tax credit system by combining several theoretical and methodological approaches.

21 OCTOBER, 2015 – NARRATIVES OF DUTY AND DESERT IN ASSET-BASED WELFARE

Dr James Gregory, CHASM Research Fellow, University of Birmingham –
<http://tinyurl.com/huqoptc>

This seminar explored competing narratives of citizenship in the asset-based welfare debate. On the one hand there is a 'social policy' debate that has been strongly associated with progressive accounts of social and financial inclusion, and supportive of a strong welfare system. On the other hand there is a more conservative and 'small state' narrative of asset-based welfare, in which the greater distribution of wealth and property is intended to supplant rather than supplement the traditional welfare state. Asset-based welfare in this small state narrative is more traditionally associated with 'property-owning democracy', and a view of the 'virtuous' citizen, wholly independent of the welfare state. Yet there are some important and perhaps surprising affinities shared by the two.



CORE CHASM STAFF

- Professor Andy Lymer, Director of CHASM, Professor of Accounting & Taxation, Birmingham Business School
- Professor Karen Rowlingson, Deputy Director of CHASM, Professor of Social Policy
- Dr Paul Cox, Senior Lecturer of Finance, Birmingham Business School
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- Dr Amalia Di Girolamo, Lecturer in Experimental Economics, Economics
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