Director’s Introduction

I am very pleased to share with you some very exciting news for CHASM’s future as a Research Centre. Andrew Fisher, a donor to CHASM now for almost its entire period of operation over the last 6 years, has agreed to provide the Centre with a further £625,000 of funding over the next 5 years (after tax rebate). This will provide for two part-time research fellows, a ‘Fisher’ PhD scholarship, admin and director time, continued funding for our innovative internship programme, continued support for our Annual Conference and to support our Advisory Board interactions and significant financial support for various new projects we aim to deliver over the next five years. This is truly transformational for the Centre and we wish to publically express our gratitude to Andrew for his continued support of our work.

The e-bulletin below updates you on various ongoing and new projects we have been engaged with since our last e-bulletin in the summer. We detail the release of the fourth of the annual series of financial inclusion reports that Karen Rowlingson and Steve McKay have produced, funded by Friends Provident. Launched in September this is the latest report in a series that has become a core source of data and analysis in this space – widely quoted from. Selected details from their findings
are listed in our note on this report below that explores several positive as well as less positive developments over the last twelve months.

We also include an update on the Barrow Cadbury Trust work Karen, James Gregory and I have been undertaking in pursuit of a more inclusive savings policy for the UK. We aim to be releasing the report from this work in December.

Karen’s leadership in the national financial inclusion space has also be recognised in her appointment since the last e-bulletin to the House of Lord’s Select Committee on Financial Exclusion Inquiry – as its specialist adviser. More details on this appointment and on the Committee’s reporting schedule are given below.

Details of projects progressing and completed by other members of CHASM are listed in the e-bulletin below – including work by Lee assessing the development and implementation of a junior’s savers scheme with local credit unions in London and his work on evaluating the Lifesavers pilots.

We have also been working on our image – and you will notice the new CHASM logo on the masthead of this e-bulletin – we very much hope you like it.

Andy Lymer - Director of CHASM

**CHASM Activities Update:**

**Monitoring financial inclusion**

CHASM recently produced the 4th annual monitoring report on financial inclusion, funded by the Friends Provident Foundation and co-authored by Karen Rowlingson and Stephen McKay. Compared to last year there are some positive signs. For example, unemployment has fallen, employment has increased, wage levels are rising slowly and inflation is low. Some groups in the population have increased their savings and have more of a financial cushion to draw on in times of need. The number of people saving in an occupational pension has increased dramatically in the last year. Fewer people are in debt and insolvencies have fallen, as have mortgage possessions. This all suggests that financial inclusion has increased for some groups as they are now better able to: meet expenses (both predictable and unpredictable expenses); manage a loss of earned income and; avoid or reduce problem debt.
Other signs are less positive, however. More people appear to be ‘unbanked’ this year than last year which suggests that the ability to manage day-to-day financial transactions will be reduced. And some people are struggling more, not less, to meet their expenses and avoid or reduce problem debt. Basic benefits have been cut even further for those of working age. Incomes in 2013/14 were 8 per cent lower than they had been in 2009/10 (in real terms). And ten million people were living in poverty in 2013/14, with 1.2 million destitute (including 312,000 children). For those who borrow money, the amount is increasing and it is difficult to afford even the basics. More than half of those in the bottom decile (10 per cent) of the income distribution were finding things difficult or just about getting by. Council tax arrears are also increasing considerably, with ‘aggressive action’ against those who have fallen behind. Landlord repossessions have increased for those in rented accommodation.

It therefore looks as though some (particularly those at the top of the income distribution and perhaps some towards the middle) have been able over the last couple of years to benefit from economic growth and become more financially included while many others in the middle and at the bottom are struggling ever more and being financially excluded. This report therefore echoes the calls made by the authors of a recent Financial Conduct Authority report for government to take a stronger lead in pursuing a more holistic and joined-up approach to financial inclusion. The full report can be accessed here: http://tinyurl.com/hpb3neu

Savings for All: A Manifesto for an Inclusive Savings Agenda

We have now moved into the final phases of our project for the Barrow Cadbury Trust. As we have reported in earlier e-bulletins, the aim of this project was to look at innovative ways of supporting lower income households in building up their savings. We used desk research, interviews and a one-day Savings Summit with local and national practitioners and experts, to work through a series of suggested policy proposals (see Summit Briefing, http://tinyurl.com/hnd4aph).

Later this month we will be publishing the results to date of our research and discussions with stakeholders in the savings sector. We have sought to engage widely with policy makers, local government, third sector organisations and commercial providers. The Manifesto will offer 10 policy proposals and routes to action, which we will be working to explore implementation of as the next phase of this work.

The House of Lords Select Committee on Financial Exclusion

Karen Rowlingson has been appointed the specialist advisor to The House of Lords Select Committee on Financial Exclusion. The committee’s role is to consider financial exclusion and access to mainstream services and it is currently taking oral evidence from witnesses. The committee has a reporting deadline of 31 March 2017. The committee’s website (http://tinyurl.com/hgt4lkj) contains: Links to recordings of its sessions; transcripts of oral evidence written evidence; responses to Reports; correspondence; and other material related to the work of the Committee.
Credit unions and junior savers

Funded by the ESRC Impact Acceleration fund, Dr Lee Gregory has now concluded a secondment to a local authority in London where he examined the development and implementation of a junior’s savers scheme with local credit unions. The intention of the programme was to provide a deposit to pupils within the authority to open a credit union account. This was a three-year pilot which has now come to an end and is currently being reviewed.

Lee’s report draws attention to six recommendations which included: a need for a clear account of the aim of the ABP in relation to the four core intentions behind such initiatives; linking these goals to appropriate design features; and finding ways to incentivise young people to engage in the scheme either financially or through a clearer educational curriculum. The final report is now with the Council whilst they review the future of the programme.

Investigating the LifeSavers initiative

Dr Lee Gregory has been working with Young Enterprise (previously pfeg – now part of the same organisation) and the Church of England to explore the development and implementation of their Lifesavers scheme. The partner organisations have now reviewed the final report and drawn on the lesson learning as part of their national roll out.

Identified strengths of the scheme included clear goals and ownership of the programme providing a sense of direction and ambition; adopting an action learning approach whereby new practices could be tried and tested before the national rollout, whilst also highlighting some potential challenges such as how to engage the wider community (an ambition of the scheme) and the challenge of maintain the efforts of LifeSavers at primary school level into secondary schooling.

The final report investigating the LifeSavers initiative is now available on the CHASM website here.
Forthcoming research:

Housing and life-chances

We are pleased to announce the launch of two new projects, led Andy Lymer, James Gregory and Louise Overton. These two projects will both be looking at the relationship between life-chances, well-being and housing tenure. Both projects will be ‘mixed methods’, using both existing data sets and bespoke survey data followed up by more qualitative work. The projects are looking to understand what it is about different forms of housing provision that affect not only people’s opportunities, but also their view of the world and their attitudes to people with different housing experiences.

We are pleased to work in partnership with East Devon District Council and DCH (Devon and Cornwall homes) on the first project, ‘The Tenant’s Journey: social housing and life-chances’. We are working with Sentinel Housing Association on the second project, ‘Wellbeing and Tenure: does homeownership really add up for social tenants?’ Both partners are actively helping us to sample their population of social tenants and shared-owners, and we are excited to be working with such enthusiastic partners.

CHASM events and visits

In September CHASM Director, Andy Lymer, participated in the launch of a new savers analysis by the Money Advice Service. This work provided further analysis of MAS’s financial capability survey data (2015) in creating a classification for savers to help address how the savings market can be segmented – and further highlighting the financial risk faced by many in the UK with low savings. Further details on this research can be found here - http://tinyurl.com/pzyoe36

Louise Overton was invited by Donal McKillop, Professor of Personal Finance, to give a seminar at Queen’s Business School, Belfast. The seminar took place on Wednesday 22nd November where Louise presented some of the findings from her latest equity release research, focusing in particular on the emotional dimension of financial decision-making and trading on the home in later life.

In November Andy Lymer presented a ‘Masterclass’ lecture to around 100 sixth form students entitled – ‘Taxing our wealth – have we got it right?’ The lecture explored levels of wealth inequality in the UK and particularly how wealth tax may or may not be able to assist with reducing growing levels of wealth inequality. The students attending were asked to explore a number of possible scenarios and think through the challenges of getting tax policy developed and enacted in the UK that might address those challenges.

Forthcoming events

On December the 6th CHASM will be hosting a round table event in London, bringing together key experts and stakeholders from commercial, policy and third sector backgrounds to discuss CHASM’s soon to be released report, ‘Savings for All: A Manifesto for an Inclusive Savings Agenda’. The aim of the event is to work through the key policy proposals of the Manifesto and explore what would be needed to take forward these recommendations into policy developments.
On the 7th December at the next in our CHASM Research Seminar series, core member, Dr Paul Cox, will be presenting some of his work on the developments in the UK pension sector. Paul is academic advisor to NEST and will provide some insights into how auto-enrolment is being rolled out in the UK. Further details on this seminal are now available on the CHASM website:  
http://tinyurl.com/zjkjko3

On February 2nd 2017 we will be welcoming Professor Panu Kalmi, CHASM Associate and Professor of Economics at the University of Vaasa in Finland, to the University of Birmingham as a keynote speaker at a one-day conference on ‘Financial education and young people – what works?’ He will join other confirmed speakers including academics working in this field (including CHASM members) and those delivering front line financial education including Young Enterprise and the Money Charity to explore evaluation of financial education and the near future development plans in this field. Watch out for details (to be confirmed) on CHASM’s events page: http://tinyurl.com/zjkjko3

On 1st March, CHASM External Associates Edward Brunsdon and Margaret May will present their recent research on saving in the workplace, looking at employer based savings schemes. You can read about some of their research findings below, in the Briefings section of this e-bulletin.

CHASM PhD student news

We are delighted welcome a new PhD candidate to CHASM. Amer Azlan Abdul Jamal, from Malaysia, has just commenced a PhD thesis under the title of ‘Pathways to Financial Wellness: Determinants of Saving Behaviour and Financial Wellbeing of Young Working Adults in Malaysia’. It will be jointly supervised by CHASM core members, Karen Rowlingson and Lee Gregory.

Amer’s research aims to increase the understanding on factors that influence savings behaviour and financial wellbeing of young working adults in Malaysia. It will involve an investigation on demographic characteristics, income, financial literacy and several behavioural aspects that might influence their savings decision. Analysis on socio-demographic and cultural differences will also be carried out given that Malaysia is a multi-racial country with a multicultural society. The research is expected to contribute to the body of knowledge within the personal financial planning context, better hindsight on the role of financial literacy and behavioural interventions in household financial planning decision, and assist on designing more reliable financial planning programs that could benefit the Malaysians, in particular, the young adults.

Amer joins two other PhD students exploring other aspects of financial education in the UK and overseas.

We also wish the best to Sam Hart, one of CHASM’s other PhD students, who is awaiting her viva for her PhD on Tax and Citizenship.
New External Associates

CHASM is pleased to welcome four new external associates: Dr Abdulkadir Mohamed of the Cranfield School of Management joins with a strong interest in financial inclusion and literacy, Professors Arif Khurshed and Susanne Espenlaub, both of the Alliance Manchester Business School (at the University of Manchester) who also come to CHASM with an interest in financial literacy. We also welcome Dr Neil McHugh of the Yunus Centre for Social Business and Health, Glasgow Caledonian University. Neil brings to CHASM his expertise in enterprise and microcredit.

CHASM actively seeks to develop relationships with those with research interests in common areas or those working in these fields. If you would like to know more about linking with CHASM as an external associate please contact CHASM Director, Andy Lymer at a.lymer@bham.ac.uk.

New Advisory Board Member

We are also very pleased to announce an addition to the CHASM Advisory Board. Dr Tania Burchardt is the Director of the Centre for the Analysis of Social Exclusion at the London School of Economics, one the leading research centres on social policy issues in the UK. We are very much looking forward to working with Tania. Further details on Tania’s impressive publications and wider profile can be found at http://sticerd.lse.ac.uk/case/_new/staff/person.asp?id=802

CHASM - teaching and learning activities

CHASM Member Lee Gregory has developed and delivered a new module in the second year of the University of Birmingham’s Social Policy degree - Poverty, Wealth and Inequality. The module is designed to introduce students to a number of key debates around the measurement of poverty, the nature of wealth and the problem of riches and attitudes towards poverty and wealth before starting to explore policy solutions and the impact of poverty on people’s lives.

This extends the education focus of CHASM where we look to take our interests and research into the classroom at all levels of study.

The module also provides a link to the third year module delivered by Prof Karen Rowlingson, Your Money and Your Life that CHASM has been delivering now for a number of years. These lectures frequently include external presenters. On the 25th November this included a large number of regional leaders of different aspects of financial inclusion for a discussion of the interaction of civil and commercial services in the region to address this area. Attendees included: Karen Markall, lead for Birmingham Financial Inclusion partnership; Vicky Hines, Shelter Hub manager; Sophie Hall, Project lead Housing Birmingham on behalf of Birmingham Social Housing Partnership; Steve Whitehorn, Partnership Relations Manager, DWP and others.
Internships

Internships feature as a part of the annual activities CHASM undertakes, funded by Andrew Fisher. In 2016/17 we have three interns now completing their period of work with various CHASM members:

Working with Lee Gregory, Edward Goodson has concluded his investigation into the provision of Financial Education in the UK. Building on the work for the All Party Parliamentary Group conducted by Dr Gregory and Profs Andrew Lymer and Peter Davies, Ed’s research examined the content of selected financial education materials. Its main findings, soon to be published in a CHASM briefing, indicate a number of limitations in the design and delivery of financial education – particularly around the excess focus on basic skills and a potential decontextualizing of financial education.

Magda Nowakowska has also successfully completed her internship with James Gregory and is now studying for a Master’s degree in social policy at the University of Manchester. Magda’s research during her internship looked at the language behind different savings products for low and lower-income savers, finding a notable contrast between the more positive and aspirational language of savings providers in the USA compared to often the more technical and less accessible language to be found in the UK. This work builds upon CHASM work on the Saving Manifesto we have developed for the Barrow Cadbury Trust and will be presented in a CHASM Briefing early next year.

Working with Andy Lymer, Kerrie Walsh is completing her work on the knowledge University students have of the UK tax system. She has undertaken primary research using an online survey tool called Qualtrics to collect data from over 100 participants on the level of tax knowledge of students studying at several UK Universities. She also addresses the changes they think could usefully be made to develop the system further. Her work will be presented as a CHASM briefing in the new year.
CHASM Briefings

Since our last e-bulletin, CHASM members and associates have been drafting a number of new CHASM Briefing Papers, with a number due to be published in the coming months. Briefing Papers can be downloaded here: [http://tinyurl.com/zf8aozm](http://tinyurl.com/zf8aozm)

‘W(h)ither salary sacrifice’, written by CHASM Honorary Research Fellows Edward Brunsdon and Margaret May, explores the recent rise of salary sacrifice schemes (which allow the employee to set aside money in a tax efficient way) and explore the nuances of some of the more critical perspectives on the apparent merits of salary sacrifice. Some of these perspectives suggest that salary sacrifice schemes are costly, complex and inequitable. But scrapping them would not be a simple process, and the debate needs to focus on not just why reform or abolition is necessary but how it could best be achieved.

Dr Rajiv Prabhakar’s Briefing Paper asks, ‘Is the Defence of Asset-Based Welfare a Defence of House Prices?’ Rajiv argues that although housing is a very important asset, to think that homeownership is the primary objective of asset-based welfare is to misunderstand the intentions behind this agenda. Under New Labour asset-based welfare was conceived as a way of helping households to build up relatively small amounts of wealth, and that a post-crisis asset-based welfare agenda needs to recapture this objective.

In his Briefing Paper – ‘Starting young: the importance of encouraging a savings habit among young people’ – Steve Stillwell argues that: “If we are to enable future generations of young people to manage their finances well, those under 16 years must be given high quality financial education in school so they can make informed choices and take responsibility for their own actions. Prevention is better than cure, being cheaper, effective and potentially less damaging”. Steve offers a thorough analysis of the challenges of making this happen and goes on to suggest a series of changes that need to be made in the area of financial education for young people.

Feedback

If you would like to find out more information on CHASM please visit our [website](http://www.birmingham.ac.uk/chasm)

Keep up to date with the latest news, research and events happening at CHASM by joining our mailing list by contacting [chasm@contacts.bham.ac.uk](mailto:chasm@contacts.bham.ac.uk)

Should you wish to unsubscribe please send an e-mail with ‘unsubscribe’ in the title to [chasm@contacts.bham.ac.uk](mailto:chasm@contacts.bham.ac.uk)

Best wishes

The CHASM Team

[www.birmingham.ac.uk/chasm](http://www.birmingham.ac.uk/chasm)

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