Director’s Editorial

CHASM has had a particularly busy few months since our last e-bulletin in the Spring. This e-bulletin summarises some of this activity and provides pointers into the material now hosted on our website providing lasting records of these various publications and events.

In particular, do please take a chance to view some of the video and audio content we are now seeking to provide more routinely for many of our events (including live streaming of several of our key events for those who can’t attend in person, as well as capturing highlights these events to be viewed after the live event itself). We would be pleased to hear your feedback on how useful this material is to you so we can look to grow this non-written form of presenting work we are involved with in the most useful ways.

More generally, we always like to hear how our work influences the activity you are engaged with. If you have a story about how something we were involved in producing, be they our reports or briefs, or our various events or any other interaction with us, we would love to hear your story. This is critical for our ability to continue to operate that we can demonstrate the ‘impact’ of our activities so we would be most grateful to hear any of this information.

In particular, in this period since our last e-bulletin we have hosted 8 events, including our Annual Conference in London – each of which we summarise below and provide links to further details should you wish to follow up on any of these events.

An important annual event for us is the launch of our annual Financial Inclusion Monitor, funded by Friends Provident and authored by Professors Karen Rowlingson and Steve McKay. This year marked the 5th anniversary of these Monitors and so we took opportunity to organise an event around this launch in September. Read further details below on what was a great event.

As an academic research centre we take seriously our responsibility for supporting the development new research colleagues to engage with areas we work in and so we are very pleased to report the second of our PhD. students to have successfully completed their studies this year. Many congratulations to Dr Fatima Syed who is completing the final stages of her work on financial education in secondary schools in the UK that in particular, explored three case studies in detail. Further details on this work will be provided in our next e-bulletin (but if you cannot wait, do check out the presentation Fatima did for our 2nd Annual Financial Education event in February).
We are also pleased to be further extending our formal links beyond the UK. In particular to report on in this e-bulletin is our responsible lending project work with two key Australian experts in their respective fields who we were able to invite to present to two meetings in May this year as part of our work on the development of responsible lending practices in the UK. Further details of these events can be found below. We are also in early stages of developing a partnership with colleagues at the University of South Africa – more details on this in our next e-bulletin on a visit I undertook on behalf of CHASM in November.

I am also pleased to report further developments in our work in financial education with young people – I am very honoured to have been invited to join the Money Advice Service’s Financial Capability Strategy Steering Group for Children and Young People. This is a key group in assisting MAS develop its approaches to supporting this key area of financial education for the UK.

Lastly, thank you for your continued interest in CHASM and if there are ways we can assist you further do please feel free to get in touch with any of the team here.

Andy Lymer
Director of CHASM

CHASM Research Activities Update

1. **Wellbeing and Tenure: does homeownership really add up for social tenants?**

We have recently completed the data collection for our research for VIVID, looking at the relationship between wellbeing and different types of housing tenure. Our online survey has collected well over 2000 full responses, with a good sample size of home-owners as well as social renters. We have now completed a first-stage descriptive/cross sectional and multi-variate analysis, which has yielded a number of insights – most notably showing statistically that social housing does not have a negative impact on some measures of wellbeing which popular discourse often applies to imply it does – which we will pursue in follow-up interviews over the coming weeks. Colleagues at the University of Manchester (CHASM associates Susanne Espenlaub, Abdul Mohammed and Arif Kurshed) are also working with us on the detailed data analysis. Preliminary results of this work were presented on 30th November at a VIVID event in Southampton exploring housing tenure and wellbeing and can be accessed here, including a summary video of the research’s highlights - [https://www.vividhomes.co.uk/corporate/media-centre/news/homesandwellbeing](https://www.vividhomes.co.uk/corporate/media-centre/news/homesandwellbeing)

2. **The Tenant’s Journey: social housing and life-chances**

In partnership with East Devon District Council and DCH (Devon and Cornwall Homes), this three year project continues looks to develop further many of the research themes of our ‘Wellbeing and Tenure’ project (above), looking more closely at the changes in the relationship between tenure and
life-chances over a longer period of time. The survey stage of this project will be run every year, but we will also select an interview panel in year one, who we will follow over the three years. The data collection stage of this project is due to start before Christmas.

3. Savings, debt and financial inclusion

CHASM continues to build on the work of our Savings Manifesto (https://tinyurl.com/k2efb7q) funded by the Barrow Cadbury Trust. We held a workshop, in Birmingham, in partnership with the Financial Health Exchange (Toynbee Hall) on November 15th. The workshop brought together over 50 experts and practitioners to exchange experiences on the practical and policy issues of how to create a balance between debt advice and saving, with an emphasis on the difference between ‘good’ and ‘bad’ debt, the impact of fintech in this area, as well as ways of improving access to financial services and, when needed, good financial advice. See more details on the event at https://www.birmingham.ac.uk/schools/social-policy/events/2017/09/financial-health-exchange-2017-savings-and-debt-summit.aspx. This will shortly include videos of the various speakers at the event and a summary report on the roundtable discussions.

CHASM is also continuing to develop our local connections in Birmingham and the Black Country. We are working closely with Birmingham City Council’s Financial Inclusion Partnership (https://tinyurl.com/y8gmpg26) to develop a possible research and action agenda in the region. Issues we are exploring include: problem gambling, debt and saving, automatic savings enrolment for employees, student financial education and advice, and problematic gambling behaviour.

4. Workplace benefits and financial wellbeing – workplace pensions

Dr Margaret May, Honorary Research Fellow in the School of Social Policy and an Associate member of CHASM chaired the Workplace Pensions stream at the Employee Benefits Live Conference on October 10th 2017.

With contributions from Helen Farr - Partner, Fox Williams, David Pugh - Managing Partner, Lemonade Reward, Gregg McClymont - Retirement Savings Head, Aberdeen Asset Management, Heike Avramovic - Head of Reward and Policy Pension Trustee, Simens, and Ian Baines - Head of Pensions, Nationwide, the sessions focused on the issues raised by auto-re-enrolment and strategies to boost employee engagement and improve retirement outcomes.

She was also a panellist in the Financial Wellbeing Stream held on October 18th, participating in a session on the challenges ahead for long-term savings led by Graeme Wyllie, Senior Pensions Manager, Policy and Proposition, HR, Royal Bank of Scotland.

5. Responsible lending in the UK

Since January, CHASM has been working on responsible lending, funded by the Arts and Humanities Research Council, and in partnership with Coventry University (Dr Lindsey Appleyard) and the University of Warwick (Professor Tom Sorell). The aim is to build on our FinCris research on consumer credit for low-to-moderate income individuals (http://tinyurl.com/km3o3da), and to have an impact on policy and practice, encouraging more responsible lending in the UK.

We have been working with UK credit unions and trade associations including ABCUL (Association of British Credit Unions Limited), ACE (ACE Credit Union Services) and Citysave, we have helped to develop innovative and effective strategies for implementing responsible lending practices and products. A key part of this process has been the co-production of a good practice guide to train staff and board members. The guide is based on our research findings and the discussions with key stakeholders and will be available shortly.
As part of this project we also hosted two Australian experts – Gerard Brody of the Consumer Action Law Centre in Melbourne, and Adam Mooney of Good Shepard Microfinance - on responsible lending. Below we report on two knowledge exchange events during the visit.

6. Why Tax Matters

In collaboration with colleagues from different parts of the world, Prof. Andy Lymer has just published a new book entitled, *Comparative Taxation: Why Tax Systems Differ*. [https://tinyurl.com/y8s6pll2](https://tinyurl.com/y8s6pll2)

The book explores a number of critical issues related to tax systems around the world – an area which raises important distributional questions and which is of increasing importance in CHASM research. Drawing upon a wealth of literature, it compares and contrasts modern tax systems in developed and developing countries, identifying factors that suggest they are converging and others that continue to distinguish them. It addresses the taxation of incomes (personal and corporate), wealth and consumption at the local, national, supranational and international levels; considers the use of environmental taxes; provides an analysis of modern trends in tax administration including issues of tax complexity and of tax compliance; and addresses the process and outcomes of tax reform.

In the context of the recent IMF call for greater use of wealth taxation to improve levels of inequality worldwide, this book articulates the practical difficulties of developing such policies in practice.

**CHASM Events Update**

**CHASM Conference 2017 – Financial decision-making in later life: Risks, challenges and opportunities**

On Wednesday 21st June, CHASM held its annual conference on the theme of *Financial decision-making in later life: Risks, challenges and opportunities*. The event brought together an audience of over fifty representatives from the academic community, the financial services industry and financial services regulator, ageing charities and consumer groups, with presentations from Chris Curry, Director of the Pensions Policy Institute; Louise Overton, CHASM member and Lecturer in Social Policy; Ben Franklin, Head of Economics of Ageing at ILC UK; Sue Lewis, Chair of the Financial Services Consumer Panel, and a keynote address from Jane Vass, Director of Policy and Research at Age UK.

The speakers prompted a lively and stimulating discussion on the issues and challenges facing older people in an increasingly complex retirement landscape, with recurring comment and questions on the subjects of paying for care, financial capability, and risk and responsibility.

Chris Curry drew attention to the future security of defined benefit pensions, outlining the decline in the number of these schemes, and raising important questions about what this means for employers and individual savers, as well as a trend towards a preference for flexibility over security of retirement income.

Louise Overton examined the changes taking place in the UK equity release market, including the recent growth in lifetime mortgage sales and new product developments and flexibilities. Drawing on her latest qualitative research, she considered the opportunities, and risks, these changes bring
for the financial well-being of older owners, as well as the challenges that remain in creating better outcomes for equity release consumers.

Saving and consumption in retirement was the focus of Ben Franklin’s presentation, which pointed to little evidence of spending following a U-shaped pattern. Ben questioned the extent to which the new pension freedoms are likely to lead to improved well-being, given evidence of retirement savings being stored in low interest-bearing current accounts. Questions were raised about what these findings mean for improving financial capability among older people.

Sue Lewis’ presentation - Advice and guidance for pension decisions: is it enough? – suggested that consumers are keen to do the ‘sensible’ thing when it comes to making pensions decisions, but few are confident in their ability to navigate the options available. People are fearful of the consequences of a wrong decision leading to ‘analysis paralysis’. There is limited uptake of pensions guidance suggesting decision-making support needs to reach older people more effectively.

Finally, Jane Vass emphasised the need to consider financial decisions in the context of people’s lives as a whole, providing a broader perspective on some of the issues facing older people, both now and in the future. She called for a more joined-up approach to improving later life well-being, arguing that financial decision-making is ‘never just about the money’.

You can access a video of the conference, or watch separate conference presentations from each speaker here: http://www.birmingham.ac.uk/schools/social-policy/events/2017/06/21-06-17-chasm-annual-conference.aspx

CHASM Seminars and Workshops


At the end of November, Prof. Andy Lymer and Dr. James Gregory presented initial findings from wellbeing and tenure research for an event in Southampton organised by our funders - VIVID. This included interview as well as survey results, conclusions and policy recommendations, and reflections on future research directions. More details to follow but see the initial report, and a video of the results, here - https://www.vividhomes.co.uk/corporate/media-centre/news/homesandwellbeing
2. **CHASM/Financial Health Exchange 2017 Savings and Debt Summit - Savings and Debt Challenges and Opportunities: drawing on the lived experience of low income savers**

On 15th November 2017, CHASM hosted a Savings and Debt Summit at the University of Birmingham. This event was jointly arranged with the Financial Health Exchange (Toynbee Hall). This Summit, following on from our successful Savings Summit in May 2016, looked at developing further the themes explored there, including:

- failures of the market to recognise and support existing savings behaviour;
- the challenges of developing savings when on lower income;
- how a user-led approach might influence savings product design to maximise the benefit of every £1 saved;
- considering the suitability and usefulness of creative solutions to support savings offered in the market at present (including innovations in FinTech and savings apps).

This event however, also looked to bring into the discussion the important issue of debt management in the context of financial resilience, exploring issues including:

- what are current best practices in debt management; and
- developing financial capability when in debt (in the context of the Standard Financial Statement)

A key aim of the event was to bring together both sides of the financial well-being equation which for those on lower incomes can prove a difficult balance to strike in practice.

The event also addressed:

- working age savings – the need versus the reality
- savings and external encouragement: good versus bad ‘nudge’
- savings visible and invisible (the role of informal savings)

The event included contextualising input from a number of speakers (including Sonia Fernandes of MAS and Benedetta Arese Lucini of Oval Money, in addition to CHASM and Financial Health Exchange presentations), but significant time was provided to exploring issues together.

Details of the event can be found at [https://www.birmingham.ac.uk/schools/social-policy/events/2017/09/financial-health-exchange-2017-savings-and-debt-summit.aspx](https://www.birmingham.ac.uk/schools/social-policy/events/2017/09/financial-health-exchange-2017-savings-and-debt-summit.aspx) and this will be added to with videos of the speakers and a summary report shortly.

3. **Financial Inclusion in the UK, 21st September 2017**

Following the publication of a major report from the House of Lords Select Committee on Financial Exclusion in March this year [https://publications.parliament.uk/pa/ld201617/ldselect/ldfinexcl/132/13202.htm](https://publications.parliament.uk/pa/ld201617/ldselect/ldfinexcl/132/13202.htm), and the appointment in June of a new Minister, Mr Guy Opperman, as parliamentary under-secretary for pensions and financial inclusion at the Department for Work and Pensions, CHASM hosted a major policy symposium to reflect on the recommendations of the report alongside the latest evidence on the scale and nature of financial inclusion in Britain.

The event included presentations from:

- Baroness Claire Tyler, Chair of the House of Lords Select Committee on Financial Exclusion, who talked about the work of the Committee, including the recommendations from its report
Sir Brian Pomeroy, Former Chair of the Financial Inclusion Taskforce and current President of the Financial Inclusion Commission, reflected on both the House of Lords’ report and the new research evidence to set out his view of the priorities for financial inclusion policy going forward.

We gratefully acknowledge the funding for this event (and for the production of the Financial Inclusion Monitor 2017 released at this event) by the Friends Provident Foundation.

4. **Financial Literacy amongst young people – what does the latest data tell us and what more do we need to know? 6th July 2017**

We are excited to have marked a new departure with this event, which was live-streamed, a first for CHASM events. We, and online viewers, were lucky enough to have two leading experts on financial literacy and education present to us; Adele Atkinson, Senior Policy Analyst in the Financial Education and Financial Consumer Protection unit of the OECD; and Ann Griffiths, Policy Manager, Children and Young People at the Money Advice Service.

The presentations can be viewed at [https://www.birmingham.ac.uk/schools/social-policy/events/2017/07/financial-literacy-amongst-young-people.aspx](https://www.birmingham.ac.uk/schools/social-policy/events/2017/07/financial-literacy-amongst-young-people.aspx)

Adele Atkinson discussed evidence from the latest OECD Programme for International Student Assessment (PISA) test of financial literacy, fielded in 2015 and newly released in May 2017. This is the second time that financial literacy has been offered as an option to countries participating in the main PISA study; a previous assessment took place in 2012, and plans for the next one, in 2018, are already underway. Some 48,000 15-year-olds took part in the test (although the UK did not participate). The assessment looked at the knowledge and skills of teenagers regarding money matters and personal finance, covering issues such as dealing with bank accounts and debit cards, or understanding interest rates on a loan or mobile payment plan.

Ann Griffiths responded to Adele’s presentation focusing on the UK picture of young people’s financial capability that relates to that presented from the PISA analysis. This included recently published CYP financial capability survey results detailing MAS’s assessment of the state of young people’s financial capability in the UK at present. She also discussed initial findings from analysis of the BCS70 specifically addressing links between childhood skills and long term financial outcomes, and will detail emerging work MAS are undertaking on what makes some young people particularly vulnerable in this area. Her talk also provided updates on evaluation support and where evaluation of financial interventions for young people is heading in the UK.
5. **Inheritance tax: what lessons can we learn from the Irish CAT system for our most disliked of taxes? 4th July 2017**

This seminar was based upon the developing research of CHASM Associate, Sally Antrobus of the University of Plymouth. Sally presented her work exploring development possibilities for the UK’s Inheritance tax system. The discussion ranged from the philosophical and normative arguments for and against inheritance tax, to the lessons that could be drawn from other systems; in particular, the potential to improve the re-distributional role of inheritance tax using alternative threshold systems as found in Ireland (and elsewhere in Europe).

6. **A family affair: The transfer of wealth across generations, 30th May 2017**

At the end of May, Prof. Karen Rowlingson launched her new book in London, at an event hosted by the Resolution Foundation and a discussion chaired by David Willets, Executive Chair of the Resolution Foundation. The panel was joined by Guardian Columnist Polly Toynbee and by Warwick Lightfoot, Director of Research at Policy Exchange.

Key issues discussed included the growing use of the Bank of Mum & Dad to allow younger people to get on the property ladder, potentially entrenching inequalities between those who do and those who don’t have access to this kind of help, as well as the longstanding and controversial subject of inheritance tax. Further details of Karen’s book can be found here - *Inter-generational Financial Giving and Inequality: Give and Take in 21st Century Families*.


In May CHASM hosted two events led by our guests from Australia as part of CHASM’s AHRC Responsible Lending project: Gerard Brody, Chief Executive Officer of the Consumer Action Law Centre based in Melbourne; and Adam Mooney, Chief Executive Officer of Good Shepherd Microfinance, a world leader in innovative financial inclusion products, services and advice.

In these two events Gerard Brody examined the development and impact of the Australian national regulatory framework for consumer credit that commenced in 2010. The framework includes licensing for credit providers and brokers, responsible lending obligations, and mandatory membership of external dispute resolution. The presentation also examined efforts since then to enhance the laws as they apply to payday loans and consumer leasing products, including a proposal to further regulate these products in 2017. You can read an account of his work here - https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/CHASM/briefing-papers/2017/CHASM-Briefing-Paper-BP5-2017.pdf
Adam Mooney then talked about the innovative work of Good Shepherd Microfinance, in particular an affordable loans program for people on low incomes in Australia. In evaluations of their No Interest Loan Scheme – run in partnership with the National Australia Bank and federal and state governments - four out of five clients experience economic mobility and four out of five people stop using payday loans. Adam also spoke about Australia’s Financial Inclusion Action Plan program, run by Good Shepherd Microfinance on behalf of the Australian Government to develop. The program so far includes 30 organisations including banks, insurers, pension funds, energy companies, universities, state governments, and arose out of the 2014 G20 Summit hosted by Australia.

8. The distributional balance sheets of South African households, 20th April 2017

In April we were visited by Professor Bernadene de Clercq of the University of South Africa (UNISA). Bernadene discussed a number of recent projects undertaken by her Research Group, based in College of Accounting Sciences and the Bureau of Market Research. CHASM members were presented with interim results from a project, undertaken in conjunction with the World Bank, aiming at getting an understanding of the distributional household balance sheet dynamics of South Africa and the linkages between such balance sheet outcomes and human capabilities.

The discussion became wide ranging and highly informative, with a rich exchange of knowledge and ideas about policy issues and potential research in South Africa and the UK. We are now hoping to collaborate on future research with UNISA and Prof. Andy Lymer is visiting Prof De Clercq at the end of November to develop this relationship further – more in our next e-bulletin.

Forthcoming events

19th January 2018 – 12.00-1.30pm
Toxic Inequality in the United States: Economics Equality and Racial Injustice Driving Ugly Politics
Speaker: Thomas Shapiro, Pokross Professor of Law and Social Policy, Heller School, Brandeis University, Massachusetts, USA

24th January 2018 – 12.30-1.30pm
CHASM Seminar – Lorenza Antonucci, CHASM Associate and Birmingham Fellow – title to be confirmed

21st March 2018 – 12.30-1.30pm
CHASM Seminar – Emily Heavey, SPRU, University of York – Independent Financial Advice about Funding Social Care in Later Life

2nd May 2018 – 12.30-1.30pm
CHASM Seminar - Kayleigh Garthwaite – CHASM Associate and Birmingham Fellow – title to be confirmed
New CHASM Briefings

Various CHASM Briefs have been created since our last e-bulletin (all accessible from tinyurl.com/zf8aozm)

1. **The future role of housing equity as retirement finance**  
   Louise Overton, CHASM, University of Birmingham

   The UK equity release market reached a milestone in 2016, with sales surpassing £2bn for the first time and the largest number of new plans agreed (27,500) since 2008. Relative to the mainstream mortgage market, these figures remain small, but new product developments and flexibilities, as well as changes in the wider retirement landscape, suggest the possibility for wider uptake of equity release among an increasingly diverse consumer population. This briefing paper examines these changes, and considers where the market has made progress in meeting consumer needs and preferences, as well as exploring remaining challenges.

2. **Responsible lending: lessons from Australia**  
   Gerard Brody, Chief Executive Officer, Consumer Action Law Centre, Australia

   The Australian fringe finance sector has grown significantly in the last 15 years. There has been significant growth in the number of households using high-cost, short term loans, with the number of these ‘pay-day loans’ growing by almost 50 percent between 2005 and 2015. Appliance and other rental arrangements, known in Australia as consumer leases, have grown similarly.

   During this time, the regulatory framework has been reformed substantially. In July 2010, a single national consumer credit regulatory regime came into effect. This law required lenders, brokers and other intermediaries to be licensed and abide by a range of obligations, including the obligation to lend responsibly. In March 2013, a second wave of consumer credit reforms came into effect, regulating payday and other small amount loans. Yet there is growing evidence that lending in this sector is not contributing to financial inclusion of vulnerable and disadvantaged people.

   This Briefing therefore explores the nature and impact of the 2010 and 2013 reforms, as well as further reforms being proposed following the 2015 review. The Briefing will also provide comment about the likely eventuation and effectiveness of those proposed reforms.

3. **What makes people save? A comparison of the UK’s Housing ISA and Oregon’s IDA**  
   Magdalena Nowakowska and James Gregory, CHASM, University of Birmingham

   This Briefing looks at this under-explored aspect of this kind of nudge: the language that is used to promote or market savings products. Of particular concern is the language framing saving choices for lower-income individuals and households, and the impact that this may have on their attitudes to
saving. The Briefing starts with a brief review of some recent ‘nudges’ in savings policy before contrasting the language in which two savings schemes are framed. The comparison focusses on two types of saving scheme: Individual Development Accounts (IDAs) in the US and the new Help to Buy ISA (in part modelled on Individual Savings Accounts) in the UK.

4. **Towards a Financially Inclusive Society in the UK: What Needs to be Done?**
   Professor Karen Rowlingson, Professor of Social Policy and Deputy Director of CHASM at the University of Birmingham

This Briefing provides summary notes from the Financial Inclusion Monitor 2017 launch event (21st September 2017) detailing the key points addressed by each of the four speakers and the debate that followed.

5. **Delay and Pray? Data deficits, policy implementation disorder, the downplaying of non-mortgage debt, and the prolongation of the Irish household debt crisis**
   Dr Stuart Stamp, Independent Social Researcher & Research Associate, Department of Applied Social Studies, Maynooth University, Ireland (and CHASM Associate) and Paul Joyce BCL, BL, Senior Policy Analyst, Free Legal Advice Centres, Dublin, Ireland

This Brief explores lessons not yet learned following the financial crisis of 2008, in particular focusing on this in the context of the Irish financial system. It concludes, although it is unreasonable to expect policymaking to always produce the right answers, it should at least involve asking the right questions; this may be a good place in which to start, as we approach the tenth year of the Irish household debt crisis – however, it is not clear that that is happening.

The Briefings can be found here: tinyurl.com/zf8aozm

**Feedback**

If you would like to find out more information on CHASM, please visit our website – www.chasm.bham.ac.uk

Keep up-to-date with the latest news, research and events happening at CHASM by joining our mailing list – please contact chasm@contacts.bham.ac.uk

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**Best wishes for 2018**

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