Director’s Editorial

CHASM has again had a busy quarter as our newsletter shows. A mixture of events, report releases and publications has meant we have been particularly output focused as well as launching new projects and finalising old ones – all detailed below.

In particular to highlight is the publication in January of the Barrow Cadbury Trust funded work we undertook on inclusive savings policy development for the UK. See details of this report, and our ongoing work to build on this, below.

We are pleased to have commenced work on two new projects with Housing Associations in the South East and South West, This work is looking at the links between housing tenure and well-being. Initial results of this work will be available in September.

Following the extension of core funding for the Centre, as announced in our last newsletter, two members of the CHASM core team have had their research contracts extended. Drs James Gregory and Louise Overton will each be working part-time for CHASM for the next five years. We are very pleased they are both able to continue the very high quality work they have been doing with us in various guises for the last few years. We also congratulate Louise on her securing of a Lectureship at the University of Birmingham.

Full details will be provided in our Annual Report (due out for our Annual Conference – 21st June) but we are very pleased to announce the addition of a further member to our Advisory Board. Jane Vass – Policy Director at Age UK - has kindly consented to join our Board. We are most grateful to have her involved in particular as we look to further develop an aspect of our work on financial capability and planning in later life (led by Dr Louise Overton). This will also be the theme of our annual
conference this year (21st June, Friends’ Meeting House, Euston Road, London, 1- 4.30pm – further details below).

Thank you for your continued support of CHASM. I hope to see you at one of our future events – perhaps at our annual conference if not before?

Regards

Professor Andy Lymer
Director – CHASM

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CHASM Research Activities Update

Completion of a Savings Manifesto for the Barrow Cadbury Trust

In January we formally launched our latest report - Savings for All: A Manifesto for an Inclusive Savings Agenda. The report is supported by the Barrow Cadbury Trust as part of their Economic Justice Programme. The full report can be downloaded here and has been covered by both BBC Business (http://www.bbc.com/news/business-38594062) and by London Loves Business (http://tinyurl.com/j36lhsp) amongst others.

The 2016 version of the annual CHASM financial inclusion monitoring report shows that roughly 16 million people in the UK have less than £100 in savings. And one fifth of all households would struggle to find £200 in an emergency, even if they resorted to informal borrowing.

So we are starting from a low base. Yet we also know that there is considerable appetite for saving amongst lower-income households. A fifth of Britain’s poorest households (those in the bottom income decile) are able to save ‘now and then’, and a recent survey found that half of those surveyed said they’d like to save if they could, even if it was as little as £10 a month.

Based on two practitioner workshops we set out to develop some key themes and priority areas for future policy development. There were three themes that really stood out. Firstly we need to work to build trust in financial institutions, from the large high-street bank to the small Credit Union. Too often lower-income savers feel that are not treated fairly and are not given the right information in an accessible way. Secondly, incentives to save need to be flexible and build on positive aspirations as well as ‘rainy day’ prudence. Flexibility must mean that schemes such as Help to Save give greater freedom to access funds in an emergency without financial penalty; a more positive approach means highlighting goal-orientated savings products. Thirdly, a new savings agenda needs to cross the traditional boundaries of state, market and civil society, bringing together different institutions and
actors at both the national and the regional level. Within these themes we propose ten key recommendations:

- A new government spending formula should be developed, linking the amount of support for lower income savers to the level of help given to ISA savers more generally.
- Policy makers and commercial providers should build on the principles of Help to Save and develop more flexible savings mechanisms and products that coincide with the needs of lower income savers. Matched savings schemes need to be lower, and more realistic targets for savers to reach before rewards from the ‘matched’ saving can be realised.
- Savings products need to be designed with realistic and positive savings goals as their focus.
- More needs to be done to meet the appetite for trusted ‘brands.’ Civil society has an important role in creating and sustaining locally branded, trusted savings institutions through effective sign-posting.
- Central and local government should support the creation of a number of national brand leaders in the Credit Union sector, working with civil society to encourage people to save and to build trust with Credit Unions.
- The rules governing information routinely provided to savers should include the obligation to inform them of alternative products or more recent offers. Higher standards of service will include this level of transparency, as well as helping lower-income savers navigate the process of switching/ opening an account.
- Commercial providers should be prevented from defaulting savers onto the lowest interest rate. Instead, lenders should default to a capped percentage of the account opening Offer rate.
- A Savings Commissioner should be established along the lines of the Children’s Commissioner, with responsibility to protect and promote the interests of savers, particularly those on lower incomes. The Commissioner should also have statutory powers to ensure acceptable standards of transparency in the savings market and to encourage a higher standard of service.
- Employers should be encouraged by government to provide savings services to their employees. The success of national pension auto-enrolment should be emulated for shorter-term savings, with employers automatically deducting a small proportion of a monthly income, unless employees choose to opt out.
- Local Authorities should be enabled to take the lead in bringing state, community and commercial providers together to deliver a savings strategy.

In December an initial feedback event exploring the results of this work was organised with various representatives of the largest banks and building societies, think tanks and UK Government in London. Those present debated the merits of each recommendation proposed in the final report and reviewed both the potential impact of such an action being put into place and its implementation likelihood.

The event was kindly hosted by Squirrel (http://www.squirrel.me) to whom we express our thanks.
Andy Lymer discussed this work and explored next steps with participants at a Stepchange ‘Lunch and learn’ session on March 22nd. Delegates at this event also reviewed the various policy recommendations and discussed their possible impact and implementation likelihood.

Details of the feedback provided across both of these events will be provided in a forthcoming CHASM Brief.

**New Research on housing and life-chances**

We are pleased to have started work on two new related projects. *Home ownership, tenancy and financial wellbeing* is a 9 month project for Sentinel/Vivid Housing Association and will be completed this September. This project seeks to compare the reality of the lived experienced and ‘life-chances’ of social tenants and owner-occupiers, based on a mixed methods study of social tenants and shared-owners in Vivid’s area of operation (primarily Basingstoke, Portsmouth and environs).

We have also started work on a 3 year project for East Devon District Council and DCH Housing Association. *The Tenant’s Journey* employs similar mixed methods and offers an exciting opportunity to track a panel of households over time, whilst also exploring the impact that different types of neighbourhood have on experiences of, and to attitudes towards, different types of housing tenure.

Both projects are seeking to develop ways of exploring the wellbeing of households and individuals, and we are currently working on new approaches to conceptualising and measuring wellbeing, looking particularly at financial wellbeing but also at a broader view of life-satisfaction or fulfilment, and the impact that tenure may have on existing approaches to life-chances.

With colleagues at the Alliance Manchester Business School we are also looking at possible new uses of existing secondary data, both a means of refining our own survey design and as part of an attempt to tease out under-explored relations between housing and wellbeing in these data.
CHASM Events Update

CHASM 2\textsuperscript{nd} Financial Education Workshop

On 2\textsuperscript{nd} February CHASM hosted almost 50 people at its 2\textsuperscript{nd} Financial Education workshop. This event was focused at ‘what works’ in delivering financial education of young people.

The full day workshop consisted of six ‘practitioner’ presentations in the morning sessions followed by four academic presentations in the afternoon. Both sessions were characterised by lots of interaction with the audience who also were able to bring to the discussion a wide range of experiences and perspectives.

The morning session was kicked off with a contextualising presentation from Ann Griffiths (Policy Manager: Children and Young People at the Money Advice Service). Ann described the co-ordinating role of MAS in all aspects of financial education in England and highlighted their work in creating a ‘What works?’ fund, providing details of the initial awards made under this initiative aiming to build a repository of evaluations of financial education.

Russell Winnard (Head of Educator Facing Programmes and Services at Young Enterprise) then spoke about the way his organisation approached financial education of young people in supporting School based delivery. He also provided details of the outcomes to date of the 2016 Inquiry of the All Party Parliamentary Group on Financial Education in Schools (that CHASM assisted with).

Russell was followed by Alison Pask (Managing Director, Financial Capability and Community Outreach at the London Institute of Banking and Finance). Alison discussed the programmes operated by LIBF providing qualifications for both young people and those who seek to be expert teachers of young people in all aspects of financial education, contrasting this approach to the effects of more commonly used shorter-term interventions.

A further three presentations were provided from those at the leading edge of provision of financial education with young people detailing their experiences of what is working at present in this area, the challenges faced in designing and delivering effective interventions, and how they assess and continually improve the effectiveness of their programmes. The presenters included Stephanie Hayter (Young People Programme Manager at the Money Charity), Fiona McTeigue (Retail Manager
the West Brom Building Society) and Gemma Closs-Davies (Project Co-ordinator – Going it Alone Project, North Wales). In the latter case, Gemma provided a detailed and compelling story of the challenges of undertaking financial capability development in vulnerable young adults and the particular problems her’s and similar projects face in providing impact evaluations on their interventions that are so key to the provision of their ongoing funding.

In the afternoon four presentations were given by academics. Firstly, Professor Panu Kalmi (University of Vassa, Finland) detailed work he had undertaken on assessing the effect of the use of a particular, ‘peer designed’, approach to financial education in secondary school aged pupils. This was followed by a presentation from Dr Caroline Marchant and Professor Tina Harrison (University of Edinburgh) detailing work they had undertaken in financial socialisation in newly independent young adults.

The final two presentations were made by Dr Lee Gregory (Core CHASM Member) and Fatima Syed (CHASM PhD Student). Lee detailed the outcomes of an evaluation he had undertaken on the pilot of the LifeSavers project, introducing Credit Union savings products into primary schools in the UK. Fatima described the results of her PhD doing an in-depth analysis of financial education teaching in three UK schools.

Copies of all of the presentations from the event, and a 3 minute video highlight summary can be found on the CHASM website here – http://www.birmingham.ac.uk/schools/social-policy/events/2017/02/chasm-workshop.aspx

See Joe Surtees’ (Senior Public Policy Advocate at Stepchange Debt Charity) take on the event in his Blog on the event here - https://medium.com/@StepChange/financial-education-in-schools-isnt-working-yet-7d2952a2db41#.3p2b9s784

Family Housing Wealth, Welfare and Intergenerational Equity

Late last year we were glad to host an event led by CHASM Core member, Professor Richard Ronald, and his team of researchers from the University of Amsterdam’ European Research Council funded research programme, Housing markets and welfare state transformations: How family housing property is reshaping welfare regimes (HOUWEL). http://houwel.uva.nl/

Here Richard Ronald writes about the HOUWEL project:

For the last five years the HOUWEL team at the University of Amsterdam have been investigating the role of family housing property wealth in the shaping and reshaping of welfare regimes. This is a cross national study that has combined quantitative and qualitative analyses of changing housing, household and welfare regime conditions across Europe (and Japan). The study has specifically focused on the changing aspects of housing wealth in relation to welfare state and pension restructuring as well as shifting orientations in and toward housing property as a means to enhance economic and welfare security within families.

Housing has largely been either misrepresented or misunderstood as an element of welfare and source of family well-being. Historically, social scientists have focused on social rental housing within public policy frameworks rather than looking at how housing conditions can enhance the effectiveness of the family as a welfare provider as well as an effective clearing house of care, exchange and support. In recent decades however, researchers in various parts of the world, not least at CHASM, have managed to more effectively clarify the role of housing as a welfare pillar
outside the formal welfare state. Specifically, the importance of home ownership and the accumulation of housing assets across a broad spectrum of the population has transformed the welfare landscape with owner-occupation and the effects of house price increases increasingly recognized as developments that enhance the welfare capacity of households to look after themselves.

The influence and distribution of housing wealth is however quite diverse across national contexts. In some countries, patterns of ‘asset-based welfare’ have been identified that illustrate the coordinated efforts on the part of policy makers to enhance the welfare effects of family based property ownership in context of a diminishing welfare state. The UK has been at the heart of such analyses. In others, like Sweden and the Netherlands, where social rental housing has dominated the urban economy, consideration of housing wealth as an element of the social welfare system has been subdued, although this has begun to change in the last two decades as owner-occupation has spread and house price inflation taken hold. By contrast, in contexts with less developed welfare systems, the family continues to be a central pillar of individual welfare and it is in these societies that we have seen most dependence on family based home ownership as a source of economic and welfare security. While Italy often provides a classic example of such societies, post-socialist transition countries like Romania share similar traits.

On top of cross national statistical comparisons, the HOUWEL research has involved interviews with more than 300 people across six cities (Amsterdam, Berlin, Birmingham, Bucharest, Milan and Tokyo). Together these data paint a picture of deepening family solidarity based around intergenerational transfers of housing property and wealth as well as interpersonal assistance. While practices vary and intensity is differentiated, it appears that home ownership is continuing to play a role far beyond housing and shelter. The findings of this study illustrate an ongoing orientation towards housing assets as a store of wealth that is compensating, in the post Global Financial Crisis milieu, for increasingly insecure employment conditions, volatile financial markets and diminishing public provision. It also demonstrates growing inequalities in the use of and access to housing and property wealth that is reshaping both intergenerational relations and the political economy of housing and welfare.

**Research seminar on Social Investment in Pensions**

On Tuesday 10 January 2017 CHASM held a research seminar in London on social investment within defined contribution pensions, supported by the Law Commission and hosted by CHASM Core member, Dr Paul Cox.

In 2016, the Cabinet Office’s ‘Inclusive Economy Unit’ requested that the Law Commission consult publicly on the topic of investment by defined contribution (DC) pension plans in social investment enterprises and programmes. Currently, some DC pension plans offer ethical fund options that an individual member can invest in, but none invest in, or offer, social investment on behalf of members.

The predominant investment industry view is a long list of potential problems and barriers to social investment. With the aim of providing a balance of views, the Law Commission asked CHASM if we’d be interested in organising a seminar that gathered a group of informed people who could provide a variety of other perspectives on the issue.
The seminar was held at the National Employment Savings Trust (NEST), the UK Government established DC pension fund to meet workplace pensions’ auto-enrolment. The Cabinet Office and Law Commission attended, and the Law Commission also presented. The seminar was attended by investors, think tanks, academics, trade bodies, and research organisations. Twenty-two seminar participants attended in total.

Social investment enterprises and programmes aim to provide investors with a return on capital for investments that have positive welfare and societal outcomes, such as social housing, re-employment enterprises, education, re-development and socially useful infrastructure.

The primary focus of the seminar was the financial investment side of such programmes rather than their delivery. The financing would be achieved by a small part of workers’ and employers’ contributions into workplace DC pension funds seeking an appropriate mix of risk and return through investing in social investment enterprises and programmes.

The seminar comprised a total of eight presentations, followed by a long discussion and debate. The Law Commission will publish its findings from the consultation in Spring 2017 and the Cabinet Office will take forward accordingly.

Topics at the seminar addressed:

- Barriers to pension funds undertaking social investment
- Barriers relating to issues of law and regulation.
- Is the size of funds a major issue to undertaking social investment?
- The proportion of people taking-up ethical DC pension funds, and the sort of returns they provide.
- How far current DC investment options meet the needs of savers.
- Whether a greater range of options encourage greater engagement with pension saving.
- Whether options seeking social impact as well as financial returns encourage engagement by members of DC pension plans.
- Demand for social investment across age groups, including Millennial’s.
- Supply of social investment opportunities for DC pension plans.
- Whether there are sufficient investment opportunities to provide both social impact and market returns.
- Whether social investment may partly address concerns about people not saving enough through their pension.
- How financial advisers can best explore their clients’ social motivations, and present social investment options in a way that is clear, fair and not misleading.
- Whether social investment options should be labelled or described in a standardised way.
- Whether standardised labels would be possible given the range of funds which might be regarded by different groups, or in different contexts, as social investment.

More details can be found at the Law Commission Website
http://www.lawcom.gov.uk/project/pension-funds-and-social-investment/

Further details, including all the presentations from this event, can be found on the CHASM website at http://www.birmingham.ac.uk/schools/social-policy/events/2017/01/chasm-seminar-social-investment.aspx
Making Work Pay: The Role of Workplace Financial Wellbeing Services in the UK

Continuing the theme of financial inclusion we held a Research Seminar on Making Work Pay: The Role of Workplace Financial Wellbeing Services in the UK, on 8th March 2017. The seminar presented the ongoing work of CHASM Associates, Drs Margaret May and Edward Brunsdon. The central themes of the seminar are described below.

“Among the many proposals being advocated for tackling the problems of household indebtedness, low savings and financial exclusion in the UK are calls for an expansion of employer provision of what, following American practice, are being branded as ‘Financial Wellbeing Services’. Ranging from debt counselling and credit facilities to non-pension savings, income protection and educational schemes, these are being promoted as inclusive ways of sustaining financial resilience across the workforce in the face of economic uncertainty and welfare state retrenchment. With their focus on money management rather than pay they are also being upheld as addressing an array of human resource management concerns. This seminar aims to open up debate on this development, recent government responses and their social policy implications”.

A briefing on this work will be published on the CHASM website shortly.

CHASM Briefings

We have released three new CHASM Briefings since our last e-bulletin. CHASM External Associate Dr Lindsey Appleyard looks at payday loans and credit unions, in ‘An alternative to payday: Are credit unions the answer?’ The Briefing recognises the reasons that some people turn to payday loans, and does not claim that Credit Unions are a simple or appropriate solution for everyone in all circumstances, but increasing awareness of Credit Unions is.

Professor Karen Rowlingson writes about the very recently released work of the House of Lords Select Committee on Financial Exclusion (on which she served as Special Adviser). This Briefing summarises the headlines of the report that provides a very comprehensive and thoroughly
evidenced summary of the state of financial exclusion in the UK at present. It makes a series of recommendations, particularly for joined up leadership in reducing the levels and impact of this critically important current challenge.

Dr James Gregory and Professors Andy Lymer and Karen Rowlingson, have also written a Briefing, complementing the Barrow Cadbury Trust supported Savings Manifesto released in January and highlighting the ongoing need for a coherent savings strategy for lower-income families. The Briefing takes forward the main themes of the Manifesto – in particular the need for a flexible savings regime that is responsive to everyday needs and challenges of lower-income households.

**Upcoming CHASM Events**

**CHASM Annual Conference – 21st June, 1 – 4.30pm - Friends’ Meeting House, Euston Road, London**

We are pleased to provide preliminary details of the next CHASM Annual Conference – to be held on 21st June 1- 4.30pm again at the Friends’ Meeting House, Euston Road, London – please book the date to join us!

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<th>Conference title - Financial decision-making in later life: Risks, challenges and opportunities</th>
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<td>As state responsibility for financial security declines, there is increasing onus on older people to engage with the financial services sector, and actively manage their retirement income and assets. Changing government policies in pensions and long term care funding have increased complexity and risk in this process, but also opened up potential for greater choice and flexibility in financing later life.</td>
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<td>While the current and future impact of this changing retirement landscape is not yet fully understood, evidence suggests that these risks, challenges and opportunities are not evenly distributed, and that current financial services policy and practice (including the regulatory environment) does not adequately meet the needs of an increasingly diverse older consumer population.</td>
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<td>This conference will bring together academics/researchers and representatives from the financial services industry, ageing charities, and consumer groups, to discuss how we can create better outcomes for older consumers of financial services, and support people to meet their retirement needs more effectively.</td>
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<td>The event will include a keynote address from Jane Vass, (Policy Director, Age UK and CHASM Advisory Board Member). Also due to speak are Sue Lewis (Chair – Financial Services Consumer Panel), Ben Franklin (Head of Economics of Aging, International Longevity Centre - ILC UK), Chris Curry (Director of the Pension Policy Institute – PPI). Dr Louise Overton will also present recent CHASM work on financial capability and planning in later life.</td>
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<td>Further details are available at <a href="http://www.birmingham.ac.uk/schools/social-policy/events/2017/06/21-06-17-chasm-annual-conference.aspx">http://www.birmingham.ac.uk/schools/social-policy/events/2017/06/21-06-17-chasm-annual-conference.aspx</a></td>
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<td>Please get in touch with Helen Harris – <a href="mailto:h.m.a.harris@bham.ac.uk">h.m.a.harris@bham.ac.uk</a> – if you would like to attend this FREE event.</td>
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We are pleased to be able to welcome Professor Bernadene De Clercq (University of South Africa, Pretoria) on April 20th to talk to us about the work of the group she leads in South Africa - including work on two current projects, Consumer Financial Vulnerability Index and Momentum/Unisa Household Financial Wellness.

UNISA regularly undertakes work examining all aspects of personal finance in South Africa in the College of Accounting Sciences and the Bureau of Market Research. Professor de Clercq completed her doctoral studies in the field of consumer financial vulnerability and has been actively involved research regarding financial wellness as well as financial literacy. Since May 2015 she is also a member of the OECD/INFE Research Committee, a group of researchers across the world focusing on financial education.

This seminar will provide details of a number of recent projects undertaken by the Research Group. In particular, it will include interim results of 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 focus of the research is on the extent of wealth inequalities in South Africa and the level to which household capabilities and other variables in the capabilities-to-wealth cascade path affect household wealth levels and household wealth distribution (including wealth inequalities in South Africa).

Also covered will be an overview of other recent projects undertaken by the Research Group such as the Financial Wellness Study that they are developing in conjunction with Momentum in South Africa and the UK and with the University of Bristol.

For further details see [http://www.birmingham.ac.uk/schools/social-policy/events/2017/04/20-04-17-unisa-personal-finance.aspx](http://www.birmingham.ac.uk/schools/social-policy/events/2017/04/20-04-17-unisa-personal-finance.aspx)

Sally Antrobus – UK inheritance tax – what lessons can we learn from the Irish CAT system for our most disliked of taxes? CHASM Associate Sally Antrobus (University of Plymouth) will speak to us about her current work exploring development possibilities for the UK’s Inheritance tax system. She will explore philosophical arguments for its continued existence and also present preliminary findings from her work looking at the potential to improve the redistributational role of this tax using alternative threshold systems as found in Ireland (and elsewhere in Europe). Date to be confirmed but please let Helen Harris know if you’d like to attend this session (h.m.a.harris@bham.ac.uk).
Feedback

If you would like to find out more information on CHASM, please visit our website

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

Should you wish to unsubscribe, please send an email with ‘unsubscribe’ in the title to chasm@contacts.bham.ac.uk

Best wishes

The CHASM Team

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