The integration of asset-building objectives and financial education in young people
Overview

- “Asset-building objectives” and “Financial inclusion objectives”
- Overview of two research projects
- Reflections on design
“Asset-building objectives”

- right of citizenship (having a stake in society)
- developing the savings habit (taking greater responsibility for one’s future)
- wealth redistribution (tackling inequalities)
- wealth creation (asset-building which may improve the lot of those with zero assets but not fully address wider inequalities)
Financial Education goal???

- how to manage money
- becoming a critical consumer
- managing risks and emotions associated with money
- understanding the important role money plays in our lives.
Aligned Objectives?

- Divergent objectives?

- Complementary objectives?

- Seeking different outcomes?
A tale of two projects

Pictures removed
“Asset-building objectives”

- Tackling payday lender use in the future
- Helping young people learn about financial services/savings
- Encouraging parents to engage with the credit union
- Support the development of the credit union
- Local election campaign commitment
- Tackling inequality – 2009 identified as one of the most unequal areas – and this may help contribute to redressing this situation
“Asset-building objectives”

- to increase the number of children that save regularly and that have a good age-appropriate understanding of money;
- to support the inclusion of financial education within the school curriculum ... 
- to encourage parents to get involved in their child's financial education and create opportunities for parents to enhance their own financial capability;
- to raise awareness and increase active membership of credit unions among children, school staff, parents, and the wider community in an efficient and sustainable way;
- to create and strengthen links between churches, schools and credit unions.
Policy Designs

- LifeSavers
  - Curriculum
  - Savings Club
  - Credit union, School and Church partnership
  - Pfeg/YE development workers

- Council scheme
  - Credit union links
  - CU development worker
  - “Deposit” to be claimed
  - Integration into schools system – barriers
  - Secondary and Primary
  - No curriculum
Reflections on design

- Type of account
  - Universal – lump sum
  - Voluntary – parental power
  - Hybrid – mixing the two
- Incentives and matching?
- Phaseouts?
  - Targeting
  - Assumed willingness
- Contribution limits
Reflections on design

- Administration costs
- Transition costs
- Eligible contributors
- Use
- Preservation
Comparison

- LifeSavers
  - Voluntary
  - No matching
  - Curriculum
  - What happens after primary school?

- Council Scheme
  - Voluntary
  - No matching but initial deposit
  - No curriculum
  - What happens after primary school?
Conclusion

- Integration of asset-building and financial education goals – possible but potentially asking “a lot” from one initiative

- LifeSavers – savings habit compatible with Fin Ed aims (potentially)

- Council Scheme – poor design with unclear outcomes