

Financial inclusion in the UK

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Supported by Friends Provident Foundation

18 July 2014

Financial Inclusion Taskforce And After

- Ending of Financial Inclusion Taskforce (March 2011).
- PFRC, Bristol: *Developing a vision for financial inclusion* (Kempson and Collard 2012)
- FPF supporting project to monitor financial inclusion over 5 years (annual reports from CHASM, University of Birmingham).

Report out today ...

Financial Inclusion Annual Monitoring Report 2014

Karen Rowlingson and Stephen McKay



Great recession reducing output, but employment strong (?)

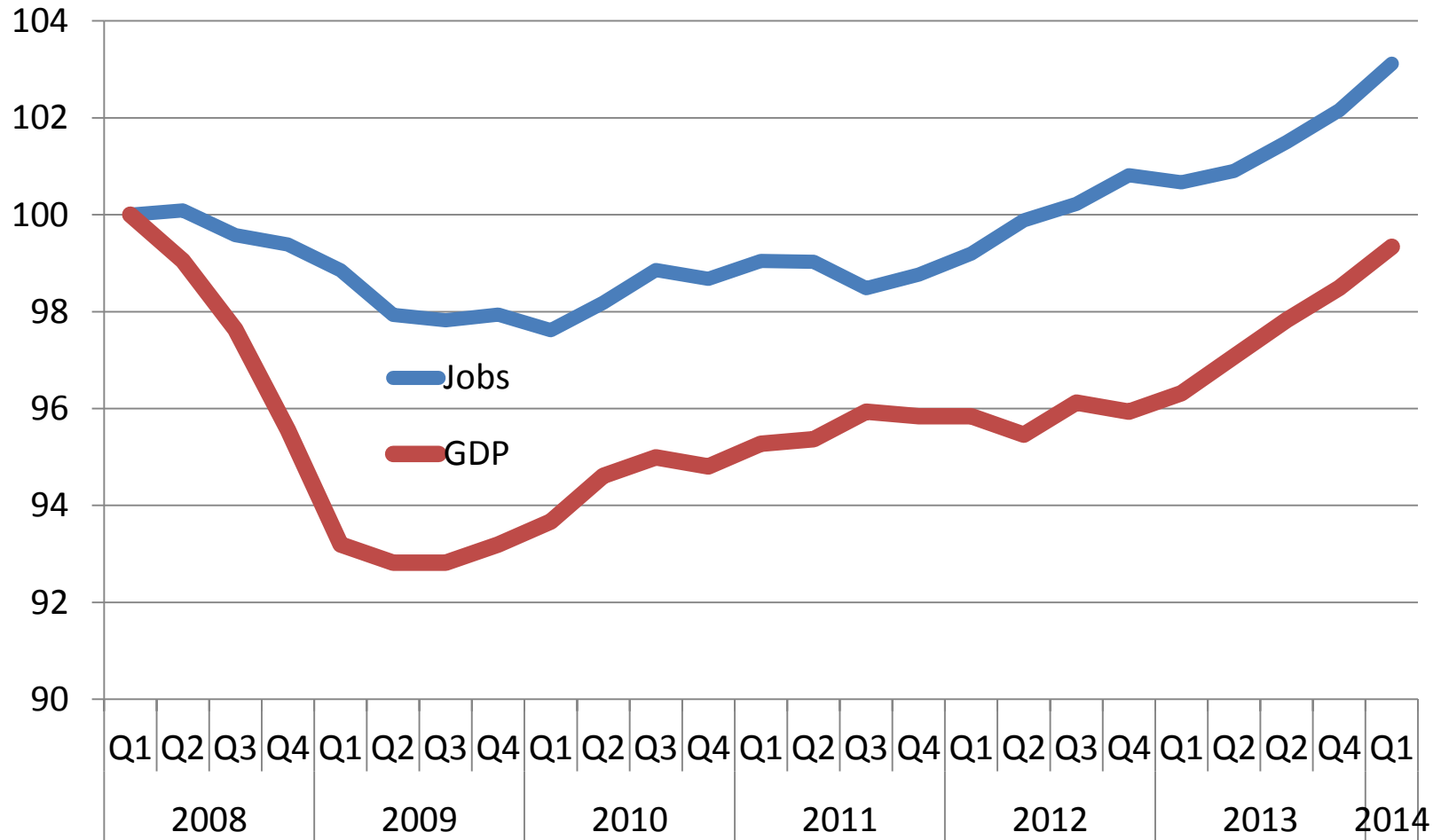
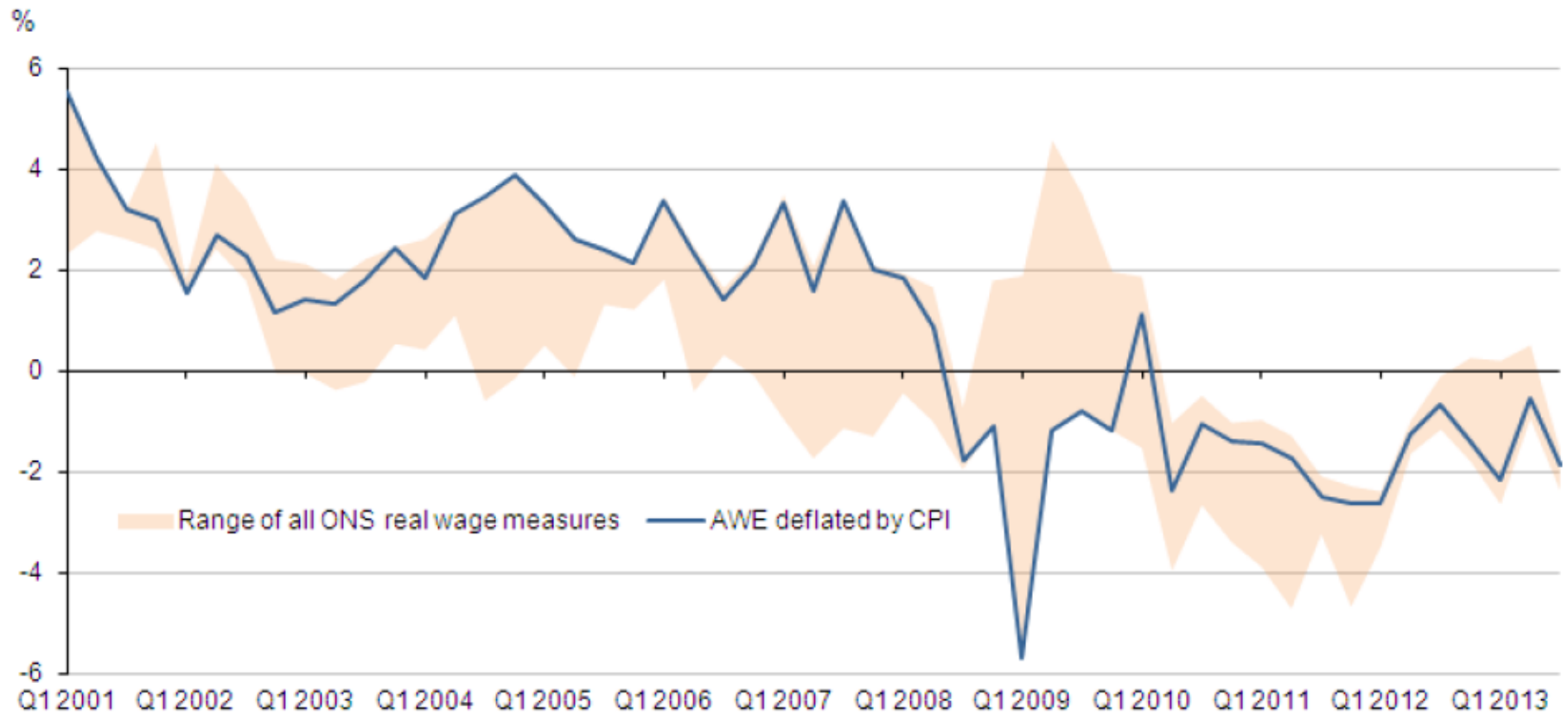
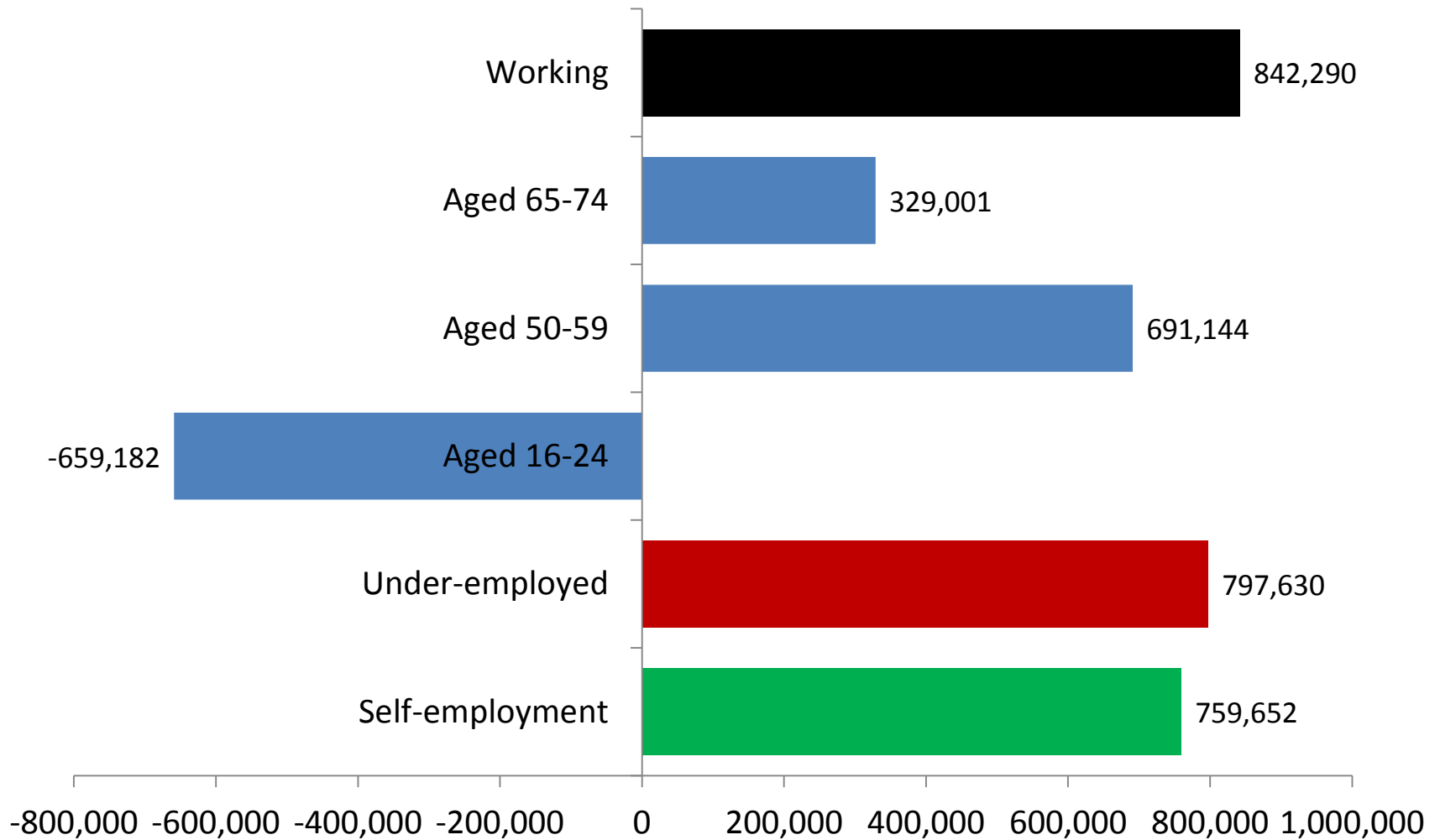


Figure 3: AWE real wage growth and the range of real wage growth estimates using other ONS wages and price series⁶, Q1 2001 to Q3 2013, per cent change on the same quarter a year ago.



Changes in work: 2008-q3 to 2014-q1 (previous peak employment -> latest)



Continuing the monitoring – those unbanked

| Year | Adults without individual access to transactional account (including not stated) | Adults living in households without access to transactional account (definitively no) |
|---------|---|---|
| 2011-12 | 1.87m | 0.70m |
| 2010-11 | 1.97m | 0.77m |
| 2009-10 | 2.36m | 0.87m |
| 2008-09 | 2.54m | 0.87m |
| 2007-08 | 2.71m | 0.89m |
| 2006-07 | 3.00m | 1.01m |
| 2005-06 | 2.85m | 1.00m |
| ***** | | |
| 2002-03 | 4.38m | 2.02m |

Source: Various years of the Family Resources Survey.

Subjective financial well-being

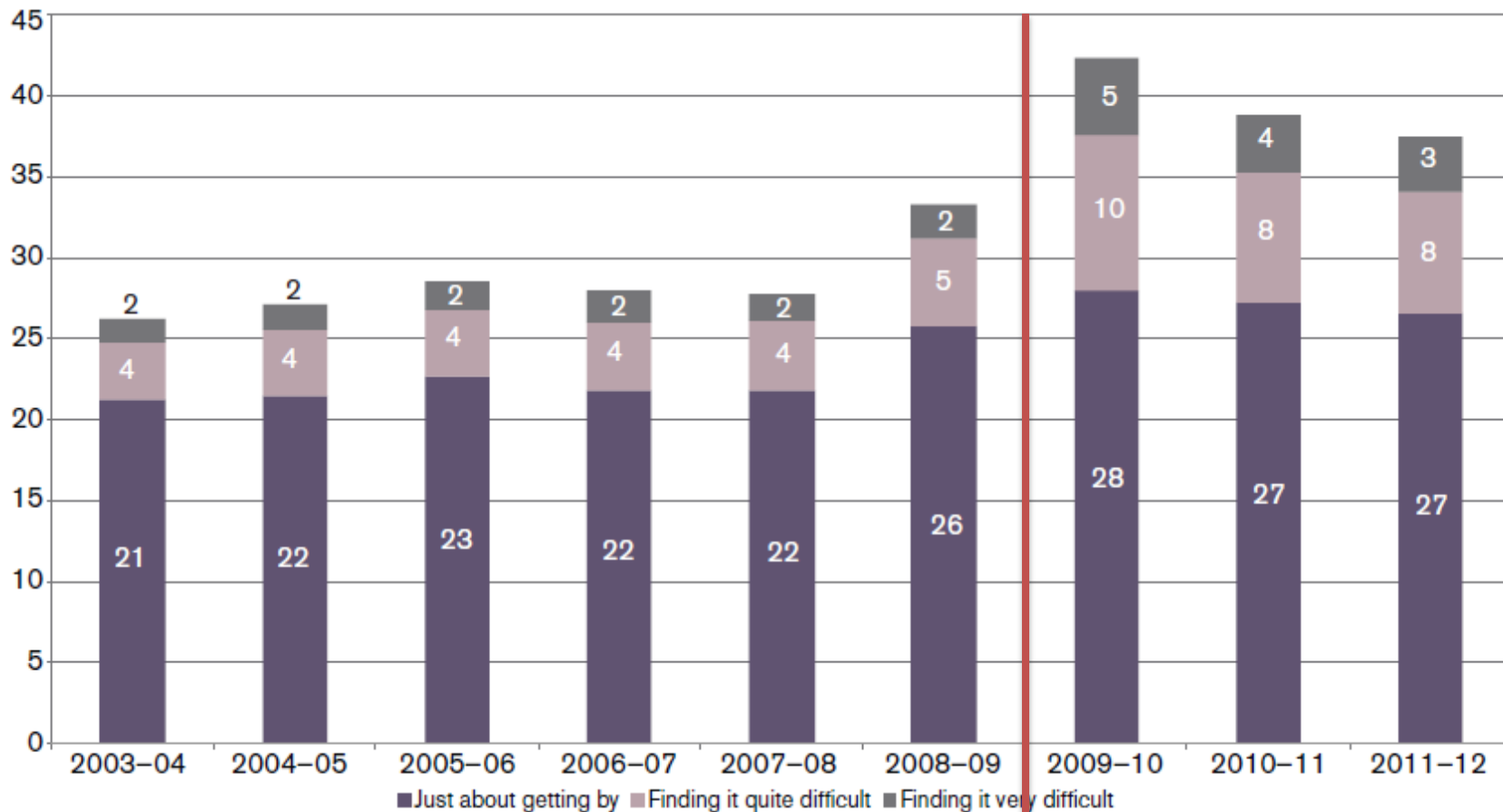
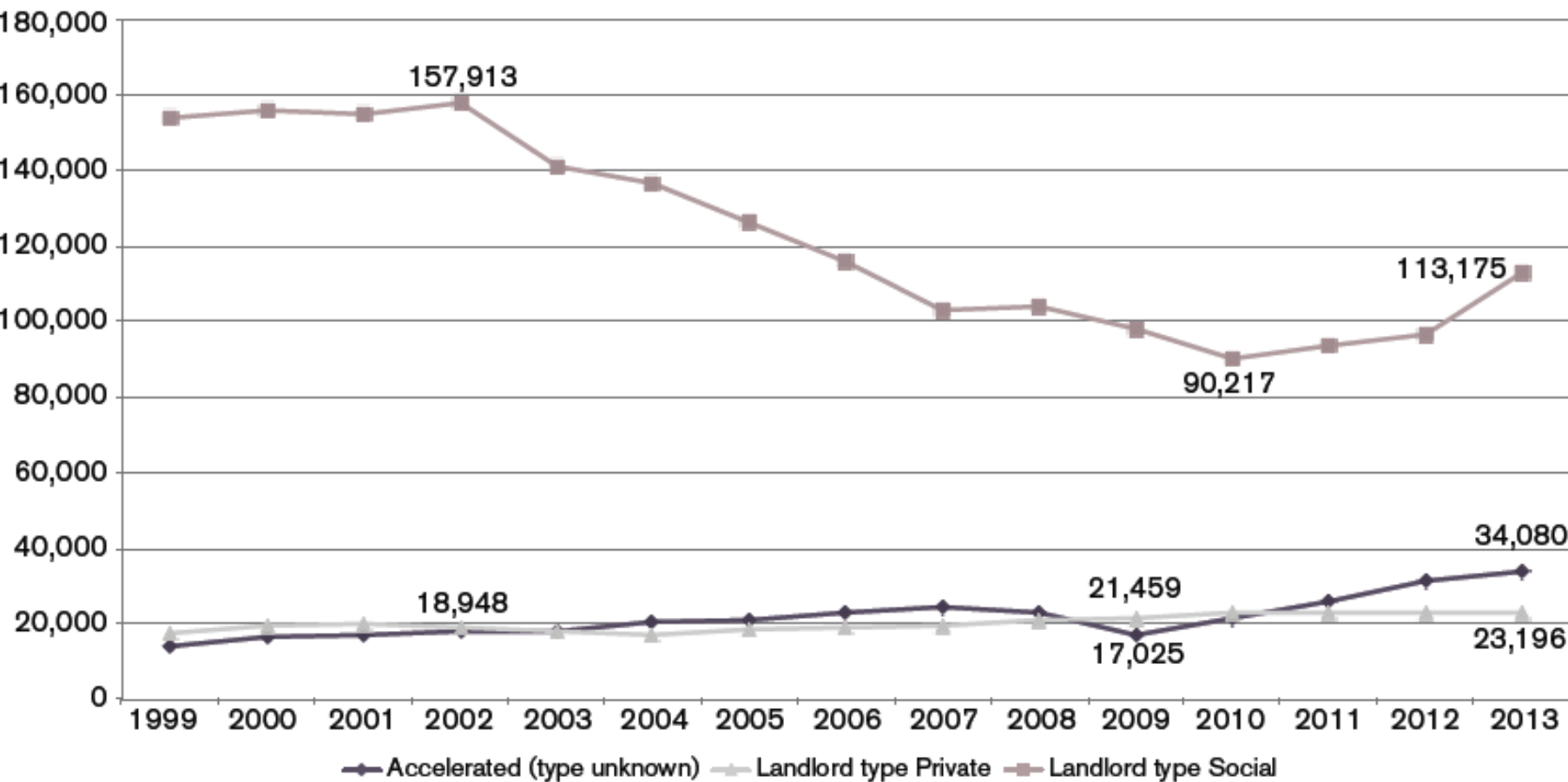


Figure 23: Amount borrowed from different unsecured sources in 2012 and 2013, NMG data for Bank of England, online survey of 6,000 households in 2013, 4,003 in 2012



Figure 28: Landlord possession claims in the county courts of England and Wales by type of procedure and landlord, 1999–2013⁸¹



Changes in last year

| Positives | Falling unemployment Fewer people are finding it quite or very difficult to manage Fewer people are without a bank account Amounts being saved may be rising slightly |
|-----------|--|
| Negatives | More people cutting back on spending Increased 'underemployment' increased use of food banks increase in number of claims landlords evicting tenants |
| | Amounts people are borrowing has increased |

Concluding thoughts

- The top doing better, middle facing a mixed picture, bottom facing at least as much financial pressure
- Areas to watch: repossession by social landlords ('bedroom tax'); indebtedness; those continuing to cut back; labour market insecurity; rises in interest rates; cap on payday loans.