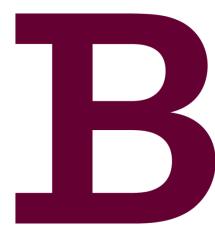
#### UNIVERSITY<sup>OF</sup> BIRMINGHAM



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
UNIVERSITY → CH

BIRMINGHAM